ABU DHABI COMMERCIAL BANK PJSC
2025 ANNUAL REPORT

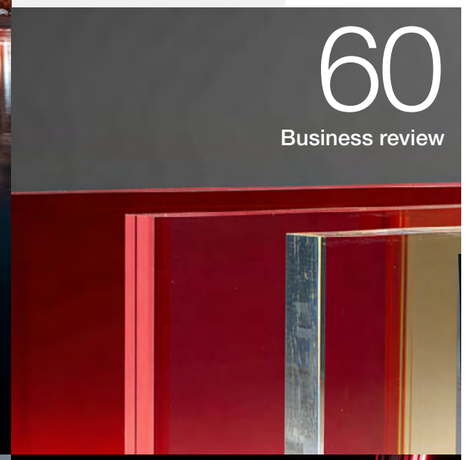
Our five-year strategy carries a bold promise: to double net profit and unlock the transformative power of AI. But more than a target, it is a declaration of **clarity,** intent and a commitment to creating value.

بنك أبوظبي التجاري
ADCB

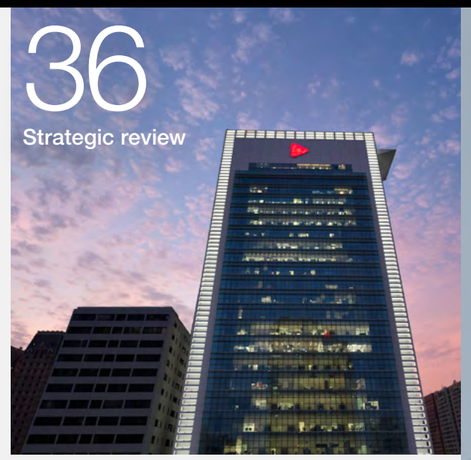
# Table of contents



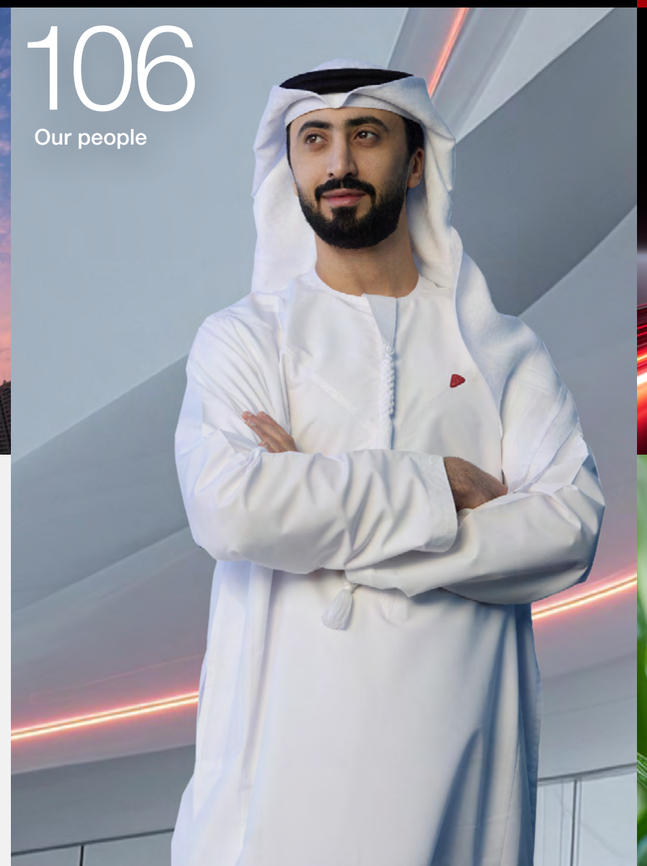
20
ADCB overview



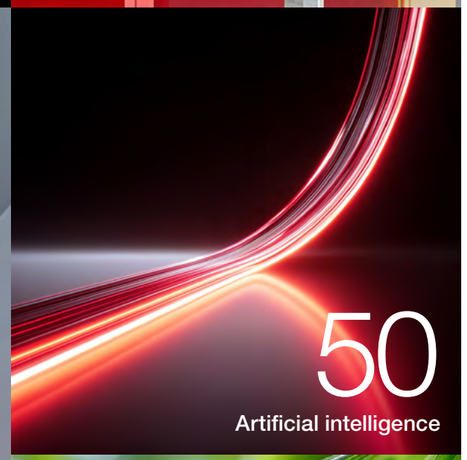
60
Business review



36
Strategic review



106
Our people



50
Artificial intelligence



134
Sustainability

## ADCB overview


**22** Key 2025 highlights

**24** ADCB at a glance

**26** ADCB as an investment

**28** ADCB: 5-year journey

**30** Foundations for long-term value creation

**32** Stakeholder engagement

**34** Awards and recognition


## Strategic review


**38** Chairman's message

**40** Economic overview

**44** Group CEO's message

**46** Group strategy

**50** Artificial intelligence

**54** Group CFO's message

**56** Financial review


## Business review


**62** Retail Banking Group

**68** Corporate & Investment Banking Group

**76** Championing small businesses

**78** Private Banking & Wealth Management Group

**84** Treasury & Investments Group

**88** Islamic Banking

**92** Al Hilal Bank

**96** ADCB Egypt

**100** Meedaf

**103** Other subsidiaries


## Strategic priorities


**106** Our people

**112** Emiratisation

**122** Digital transformation

**128** Delivering service excellence


## Sustainability


**136** The UAE's year of progress

**140** ADCB's integrated approach to sustainability

**142** ADCB's sustainability strategy

**144** Sustainability governance framework

**148** Climate risk governance

**153** Stakeholder engagement

**154** Materiality assessment

**158** Key highlights of our performance on the double material topics in 2025


## Risk management


**162** Risk review


## Compliance


**182** Compliance


## Governance


**188** Governance


## Financials


**296** Financial statements



**HIS HIGHNESS SHEIKH MOHAMED BIN ZAYED AL NAHYAN**

PRESIDENT OF THE UNITED ARAB EMIRATES AND RULER OF ABU DHABI
SUPREME COMMANDER OF THE UAE ARMED FORCES



HIS HIGHNESS SHEIKH MANSOUR BIN ZAYED AL NAHYAN

UAE VICE PRESIDENT
DEPUTY PRIME MINISTER AND CHAIRMAN OF THE PRESIDENTIAL COURT



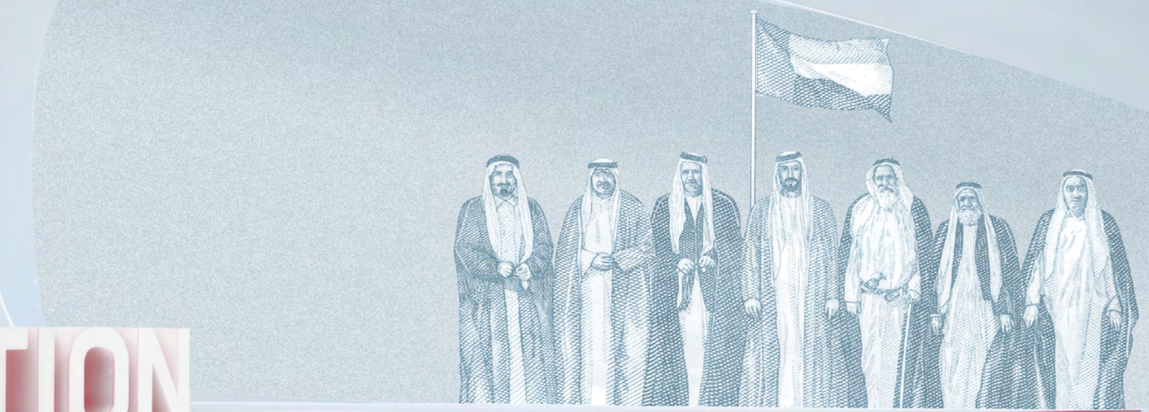


HIS HIGHNESS SHEIKH KHALED BIN MOHAMED BIN ZAYED AL NAHYAN

CROWN PRINCE OF ABU DHABI
CHAIRMAN OF THE ABU DHABI EXECUTIVE COUNCIL

# THE AMBITION TO LEAD, BUILD AND IMAGINE

The UAE’s growth story is defined by ambition, opportunity and resilience. Driven by a vision that creates new possibilities, ADCB plays an active role in this journey, supporting individuals and businesses, financing growth, and contributing to the nation’s sustainable economic progress.

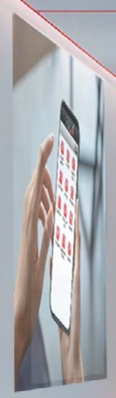


AMBITION

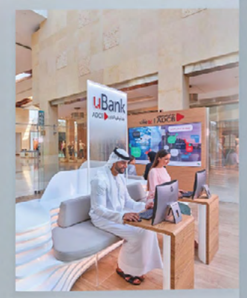
# Empowering today, inspiring tomorrow

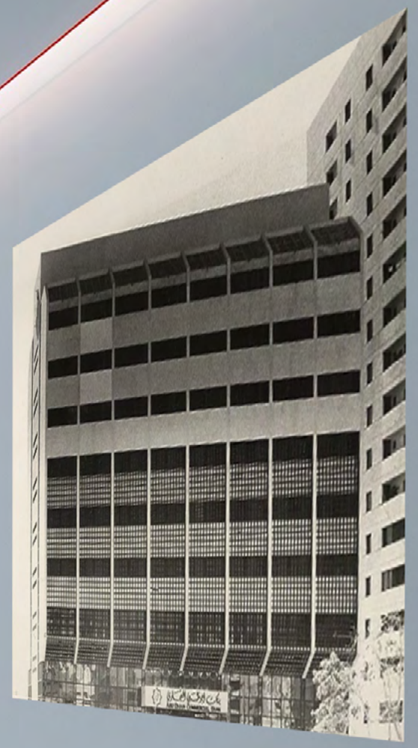
Over 40 years, ADCB has evolved into one of the UAE's leading banks, shaped by discipline, innovation and an unwavering commitment to progress. As we celebrate this milestone, the Bank continues to grow in scale, strengthen its capabilities and consistently deliver for our customers, shareholders and communities.









CELEBRATING

40 YEARS

# LEADING WITH CLARITY

Our five-year strategy sets a clear path to double net profit to AED 20 billion. Grounded in clarity and purpose, our direction is well-defined, executing with precision, embracing technology to translate strategy into action.

5-year strategy to double net profit (AED)

**20 billion**

# ENVISIONING THE FUTURE

We stand at the threshold of a new era defined by hyper-transformation and bold ambition. At ADCB, AI will empower 100% of our processes, accelerating decisions, strengthening risk management and customer experience. We are driven by the UAE's pace of progress and the future it is shaping.

AI use cases being activated over the coming years

**150+**

Targeted financial value to be unlocked over the next few years (AED)

**4 billion**

# REIMAGINING EXPERIENCES

As customer expectations evolve, so does our commitment to serve. We elevate every interaction, delivering seamless, personalised experiences that set high standards for the industry. By anticipating needs, and acting with agility and intent, we create meaningful engagement and build greater trust with our customers.

# CREATING NEW VALUE

Discipline defines how we operate and how we grow. It shapes our culture, strengthens governance and guides every decision we make. Through consistent execution, we drive performance and create lasting value for our shareholders.

1-Year Total Shareholder Return (TSR)

46%

# ADCB OVERVIEW


22 Key 2025 highlights
24 ADCB at a glance
26 ADCB as an investment
28 ADCB: 5-year journey
30 Foundations for long-term value creation
32 Stakeholder engagement
34 Awards and recognition

# Key 2025 highlights

## January

- Launched a new five-year strategy aligned with the UAE's long-term economic ambitions, targeting a doubling of net profit
- Included in the FTSE4Good Index for strong ESG performance
- Achieved 100% Emiratisation across all banking roles in Al Ain

## March

- Upgraded by S&P Global to A+ for ADCB's long-term credit rating, reflecting strong financial fundamentals and asset quality

## April

- Recognised as the UAE's strongest banking brand for the second consecutive year by Brand Finance, with brand value increasing 17% YoY to AED 12.3 bn

## June

- Meedaf and Brink's formed a strategic alliance to revolutionise cash and ATM operations in the UAE

## July

- ADCB marked its 40th anniversary through a series of initiatives celebrating four decades of progress and impact

## August

- Certified by the UAE Central Bank to participate in Al Tareq and completed the Bank's first live open finance transaction

## September

- Meedaf and InDebted formed a strategic partnership to transform debt resolution in the UAE

## October

- Launched an enterprise-wide AI-led transformation to embed artificial intelligence at the core of the Bank's operating model and strategy
- Received the Nafis Diamond Award for exceptional achievements in Emiratisation

## November

- Achieved a Guinness World Record for creating the largest biodegradable material mosaic flag
- Published climate targets for the power and oil and gas sectors

## December

- Successfully completed AED 6.1 bn rights issue, attracting strong investor demand and representing the largest transaction by a company with a primary listing on ADX
- Secured leading ESG ratings from major global sustainability rating agencies
- Zayed International Airport introduced TouchPoints as its exclusive loyalty programme

# ADCB at a glance

Profit before tax

**Đ12.843 bn**

+21% YoY

Nationalities represented within the bank

**80+**

Customers registered on digital platforms[1]

**93%**

Third-largest bank by total assets in the UAE

**Đ774 bn** +19% YoY

Emirati employee base

**c.40%**

RoAE (post-tax)

**15.3%**

+180 bps YoY

CET1 ratio

**13.79%**

+123 bps YoY

Total number of retail customers[1]

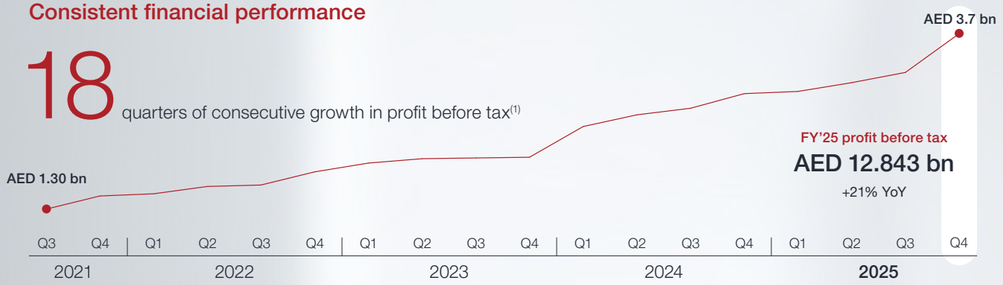
**2.2 mn+**

(1) ADCB UAE only, excluding Al Hilal Bank

# ADCB as an investment

## Consistent financial performance

**18** quarters of consecutive growth in profit before tax[1]



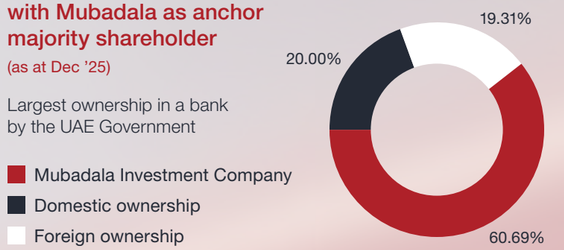

## Experienced management team supported by a strong Board

— Stable management team with a proven track record of delivery, experienced professionals serving on the Board, including from leading Abu Dhabi sovereign wealth funds

## Diversified investor base with Mubadala as anchor majority shareholder

(as at Dec '25)

Largest ownership in a bank by the UAE Government




## Five-year growth strategy launched in January 2025,

aligned with the UAE growth story, with a clear ambition to double net profit to AED 20 billion

**A new AI-led transformation programme** serves as a key catalyst in delivering the Bank's medium-term strategy, embedding AI at the core of ADCB's business model

## Leading market share driven by strong brand value and customer service excellence

**Market share in net loans**
16.2% Dec'25

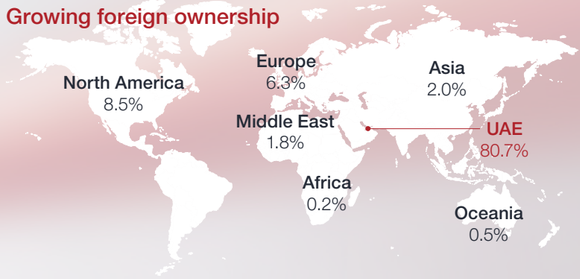
**Market share in deposits**
14.7% Dec'25

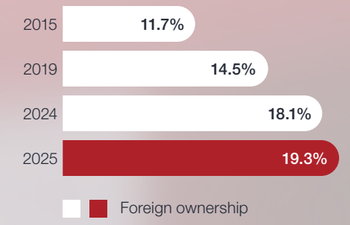
**Strongest banking brand in UAE** for the 2nd consecutive year[2]
**Brand Value: AED 12.3 bn** +17% YoY

**Sustained improvement in net promoter score (NPS)[3]**
Top tier of customer advocacy globally



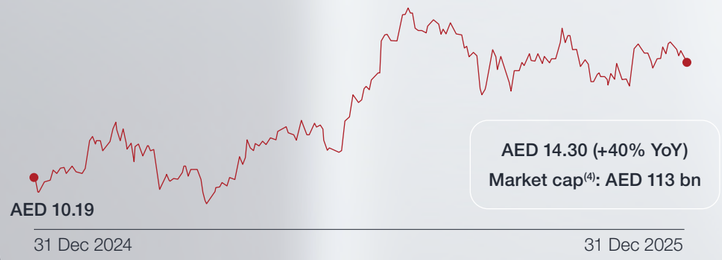

## Growing foreign ownership




Continued focus on retail shareholders, delivering 32% YoY growth in ownership in 2025

## Significant shareholder value creation




AED 14.30 (+40% YoY)
Market cap[4]: AED 113 bn

1-Year TSR
46%

**Most covered UAE banking stock** with a strong 'BUY' recommendation

## High investment-grade credit ratings

S&P upgrade in March'25 to 'A+' from 'A'

| | | |
|---|---|---|
| S&P | A/Positive ⟶ A+/Stable | A-1 |
| Fitch | A+/Stable | F1 |
| | Long term/Outlook | Short term |

## Industry leading ESG ratings[5]

| | |
|---|---|
| S&P Global | Dec 2025 59 |
| SUSTAINALYTICS | Sept 2025 14.6 Low Risk |
| Bloomberg | Nov 2025 6.7 |
| MSCI | Oct 2025 AA |

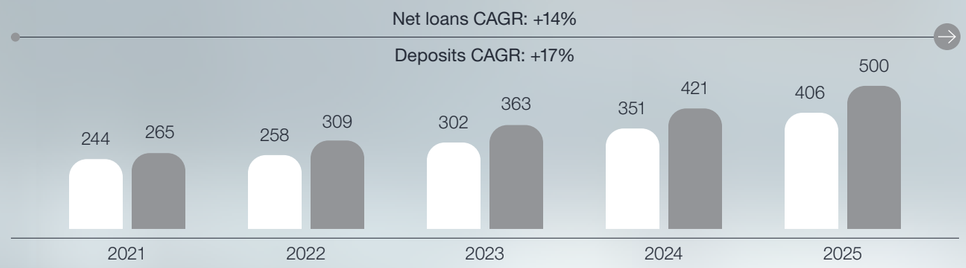
(1) Excluding net loss on discontinued operations (as applicable) and one-off gain recorded from the divestment of an 80% stake in Abu Dhabi Commercial Properties (ADCP) in Q4'23
(2) By Brand Finance
(3) ADCB UAE only. Net promoter score (NPS) is based on the likelihood that customers will recommend ADCB to family or friends. NPS is calculated as the percentage of customers who are promoters, rating ADCB a 9 or a 10 on a 0 to 10 point scale, minus the percentage who are detractors, rating it a 6 or lower
(4) As of 31 December 2025
(5) For further details on ESG ratings, please refer to page 141

# ADCB 5-year journey: key financial metrics

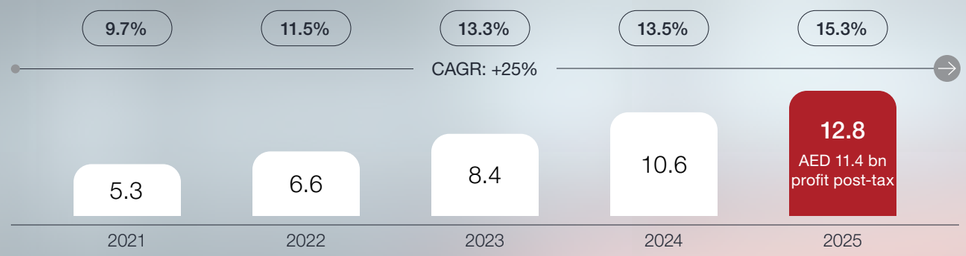
## Disciplined balance sheet expansion, with total assets +19% YoY



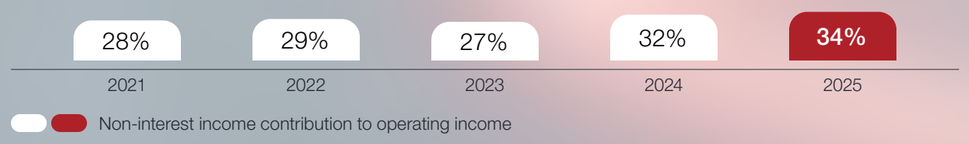

## Significant growth in net loans and deposits (AED bn)



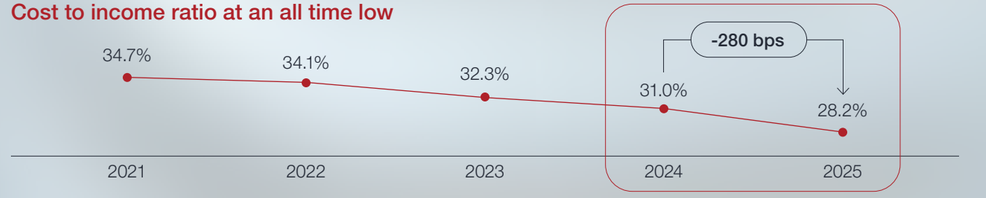

## Strong start to five-year strategy delivering higher returns



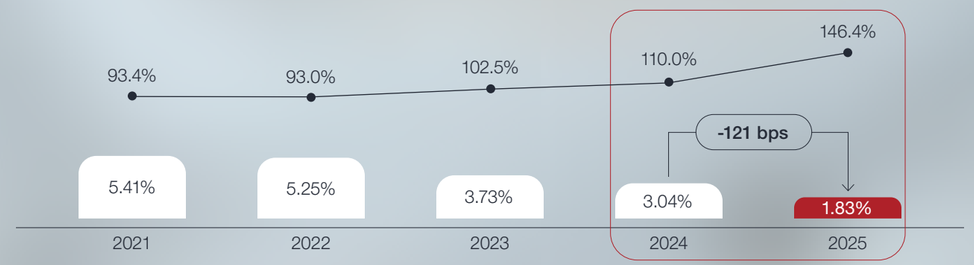

## Increased non-interest income, enabling effective capital deployment



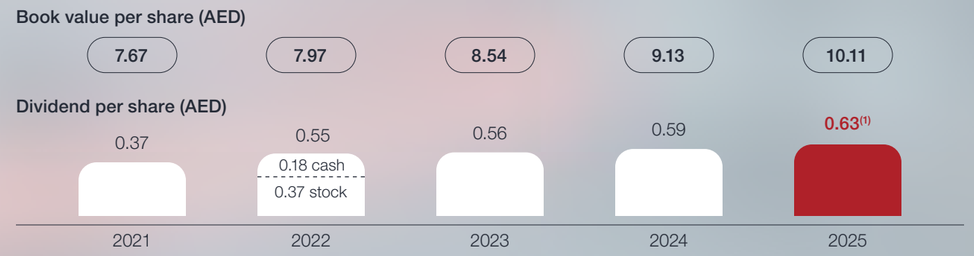

## Cost to income ratio at an all time low



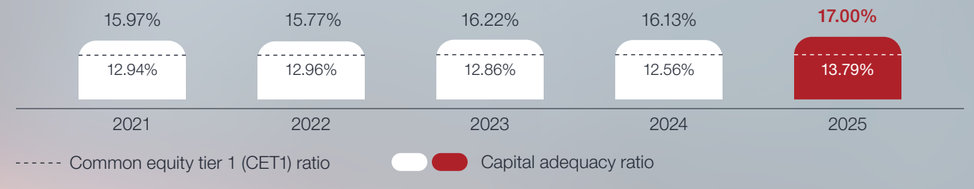

## NPL ratio at a record low of 1.83% reflecting continued improvement in asset quality




## Delivering sustainable and attractive returns to shareholders




## Strengthened capital position to support future growth




Note: CAGR calculations are from 2021 to 2025
(1) Proposed dividend subject to approval by regulators and shareholders at the Annual General Meeting

# Foundations for long-term value creation

## Disciplined governance & risk culture

- Board-approved risk appetite statement defining risk tolerance and guiding governance, strategy and disciplined decision-making
- ‘Three lines of defence’ framework with clear ownership, effective challenge and independent assurance
- Evolving risk governance for a digital era, embedding AI governance and model risk controls into the enterprise framework

## Balance sheet strength

- Domestic Systemically Important Bank (D-SIB) with scale that supports resilience
- Diversified funding base across deposits and capital market instruments, supported by active balance-sheet management
- Prudent liquidity and portfolio governance, strengthened by enhanced analytics and scenario-based oversight

## Scalable, diversified franchise

- Diversified customer base spanning individuals, SMEs, corporates and government entities
- Balanced business model across Retail, Corporate & Investment Banking, Wealth and Treasury platforms
- Subsidiaries extending reach, supported by Al Hilal Bank, ADCB Egypt and Meedaf strengthening the Group’s presence through diversified propositions

## Technology & AI-led operating model

- AI is being embedded at the core of the business model, with dedicated leadership and an at scale transformation roadmap
- Strategic partnerships accelerating delivery, including collaboration with Microsoft and G42, alongside the rollout of AI tools supporting governance, credit and compliance
- Digital-first execution, supported by a cloud-based platform and increasing self-service and automation

## Talent & culture

- High-performance culture anchored in ADCB values: integrity, respect, care, discipline and ambition, underpinned by strong leadership capability and execution discipline
- Emiratisation as a strategic priority, embedded across the Group’s talent strategy and supported by structured development pathways
- Developing future-ready skills across the workforce, including learning initiatives to strengthen AI and digital fluency

## Integrated sustainability approach

- Sustainability incorporated into strategy with senior accountability and Board-level oversight
- Responsible lending and Environmental & Social Risk Management (ESRM) embedded into decision-making and risk frameworks
- Sustainable finance capability and transparent disclosures, aligned with global standards and evolving regulatory expectations



# About ADCB

## Our business segments

- Retail Banking Group
- Corporate & Investment Banking Group
- Private Banking & Wealth Management Group
- Treasury & Investments Group

## UAE-centric focus with selective international presence

| 40 | 50 | 3 | 2 |
|---|---|---|---|
| ADCB UAE branches | ADCB Egypt branches | Al Hilal Bank UAE branches | ADCB Kazakhstan branches |

## Our key subsidiaries

Al Hilal Bank
ADCB Egypt
Meedaf
ADCB Securities
Itmam Services Company

## Our vision

To be the number one bank of choice in the UAE.

## Our mission

To build partnerships with customers that last a lifetime by acknowledging every customer as an individual, offering innovative products and unparalleled service.

## Our strategic goal

To deliver sustained, profitable growth to create long-term benefits to stakeholders.

## Our values

- Integrity
- Respect
- Care
- Discipline
- Ambition

# Stakeholder engagement

| Stakeholder Group | Key topics of engagement | How we engage | Outcome and impact |
|---|---|---|---|
| **Customers** | — Service quality and customer experience<br>— Product design<br>— Digital access and ease of use<br>— Data privacy and information security<br>— Fraud awareness<br>— Early risk and reputation management<br>— Customer trust and transparency<br>— Service recovery and customer advocacy | — Net promoter score (NPS), fast-feedback surveys, 'Voice of Customer' sessions and focus groups<br>— Complaint analysis and service quality reviews<br>— Digital and branch interaction insights<br>— Customer Experience Committee and Service Quality Forum<br>— Mystery shopping and customer majlis<br>— Real-time sentiment monitoring and emerging themes<br>— Active public-platform engagement with prompt social media responses | — Net Promoter Score (NPS) of 80, reflecting sustained improvement in customer satisfaction<br>— ADCB recognised as the strongest banking brand in the UAE for the second consecutive year by Brand Finance<br>— 95+ customer journeys enhanced, reducing effort and improving consistency<br>— 15 new digital services launched, improving accessibility and convenience<br>— Service excellence embedded through strong governance and performance accountability<br>— Improved customer trust and transparency<br>— Stronger advocacy through positive service experiences |
| **Colleagues** | — High performance culture and capability building<br>— Emiratisation as a strategic priority<br>— Diversity initiatives<br>— Leadership development & succession planning<br>— Digital and AI fluency for future readiness<br>— Employee wellbeing | — Structured learning via AI Academy, Leadership Academy, and Ambition University<br>— Two-way feedback through Organisational Health Index (OHI), Line Manager Index, and Partnership Index surveys<br>— Digital HR platforms enabling seamless career management<br>— Clear recognition and career progression pathways<br>— Structured succession planning for critical roles<br>— Targeted development programmes for Emiratis<br>— Comprehensive medical and mental-health coverage | — Top quartile global ranking in OHI<br>— c.40% UAE national representation with 41% of Emirati employees in critical roles<br>— 100% Emiratisation of banking roles in Al Ain<br>— Over 140,000 learning hours completed by UAE nationals<br>— Recognition through Nafis Diamond Award for Emiratisation leadership<br>— Enhanced employee wellbeing, resilience and engagement |
| **Investors** | — Long-term strategy execution and guidance<br>— Capital management (including rights issue) and funding strategy<br>— Financial performance and outlook<br>— Dividend policy and capital allocation<br>— Corporate governance, risk and compliance<br>— ESG performance and sustainability reporting<br>— Credit ratings, liquidity and funding mix<br>— Digital transformation and AI adoption | — Quarterly earnings disclosures and investor calls<br>— Annual General Assembly (AGA)<br>— General Assembly Meeting (GAM)<br>— Regular investor/analyst meetings, conferences and roadshows<br>— Annual Report, Integrated Report and ESG Report<br>— Dedicated IR website, presentations and regulatory announcements<br>— Structured feedback loops | — Landmark rights issue: largest-ever by a company with a primary listing on ADX with 3x oversubscription<br>— Share price up 40% in 2025, outperforming peers and global indices<br>— Most covered UAE banking stock with 19 analysts; strong 'BUY' recommendations<br>— 635 investor engagements in 2025, 3x EMEA average, driving market leadership<br>— Foreign ownership rose to 19.31%; Investor Relations ranked top 3 in emerging EMEA |

| Stakeholder Group | Key topics of engagement | How we engage | Outcome and impact |
|---|---|---|---|
| **Government and regulators** | — Regulatory compliance and supervision<br>— Anti-money laundering (AML)/combatting the financing of terrorism (CFT), sanctions and financial crime prevention; proliferation financing<br>— Conduct risk and consumer protection<br>— Regulatory change and supervisory expectations<br>— Virtual asset readiness<br>— Licensing & product approvals<br>— Financial Action Task Force (FATF) preparedness<br>— Disclosures | — Ongoing engagement with CBUAE, CMA, ADGM and ADX through supervisory interactions[1]<br>— Regulatory coordination to secure timely approvals for products, technology, expansion, and licences<br>— Active participation in regulatory exams, thematic reviews, and deep dives<br>— Monthly CBUAE meetings, supported by ad hoc discussions on priority topics<br>— Active involvement in industry consultations and regulatory working groups<br>— Governance oversight via the Management Compliance Committee and Board reporting | — Stronger regulatory posture aligned with supervisory expectations<br>— Completed enterprise-wide AML/CFT, sanctions, and proliferation financing risk assessments<br>— Advanced transaction monitoring, including blockchain analytics for Virtual-Asset Service Providers (VASP) activity<br>— Successful approval of new and amended products supporting growth<br>— Improved overall regulatory readiness post UAE removal from the FATF grey list<br>— Faster customer onboarding and disbursement while maintaining strong controls |
| **Suppliers** | — Responsible and ethical procurement<br>— Local UAE supplier sourcing<br>— Supplier risk and operational resilience<br>— Cost efficiency and value for money<br>— Information security and data privacy<br>— Sustainability standards and compliance | — Supplier registration and due diligence<br>— Vendor code of conduct and contractual standards<br>— Engagement with strategic and UAE-based suppliers | — Strengthened vendor performance and delivery through structured oversight and engagement<br>— Improved vendor responsiveness, service quality and alignment with ADCB standards<br>— +6% YoY increase in spend with local suppliers<br>— 91% of suppliers are UAE-registered |
| **Communities** | — Community health & wellbeing<br>— National identity and cultural engagement<br>— Sustainability and ESG leadership<br>— Strategic social impact partnerships<br>— Employee engagement and volunteering | — Participation in Pink Run and national health awareness platforms<br>— Strategic presence at Sheikh Zayed Festival<br>— Active participation in Abu Dhabi Sustainability Week<br>— Institutional collaboration with Authority of Social Contribution, Ma'an, including structured volunteering and financial contributions to initiatives such as Athar+<br>— Formalised employee volunteering programmes (Ma'an & Red Crescent) in collaboration with community partners | — Leadership in community wellbeing initiatives<br>— Elevated national brand equity and deepened stakeholder engagement<br>— Strong sustainability positioning and reinforced commitment to the UAE's long-term environmental and ESG agenda<br>— Social impact initiatives contributing to sustainable community development<br>— Embedding culture of shared responsibility while enhancing employee engagement |

(1) CBUAE: Central Bank of UAE
CMA: Capital Market Authority (Effective 1 January 2026, the Securities and Commodities Authority was renamed as the Capital Market Authority)
ADGM: Abu Dhabi Global Market
ADX: Abu Dhabi Securities Exchange

# Awards and recognition

## ADCB

### Nafis Award

- Entities Category – Exceptional Efforts in Emiratisation – Diamond Category
- The Emirati Talent Competitiveness Council (ETCC)

### Euromoney Awards for Excellence 2025

- Best Investment Bank for Debt Capital Markets – UAE and Middle East
- Number 1 Trade Finance Provider in the UAE
- Best Private Bank – UAE and Middle East
- Best for High-Net-Worth Clients – UAE and Middle East
- Best for Investment Research – UAE and Middle East

### Global Banking & Markets Middle East 2025

- Rising Star Bond House of the Year
- Loan House of the Year

### The Asset Benchmark Research

- Top Investment House in the Middle East – G3 Bonds Category

### Middle East Economic Digest (MEED)

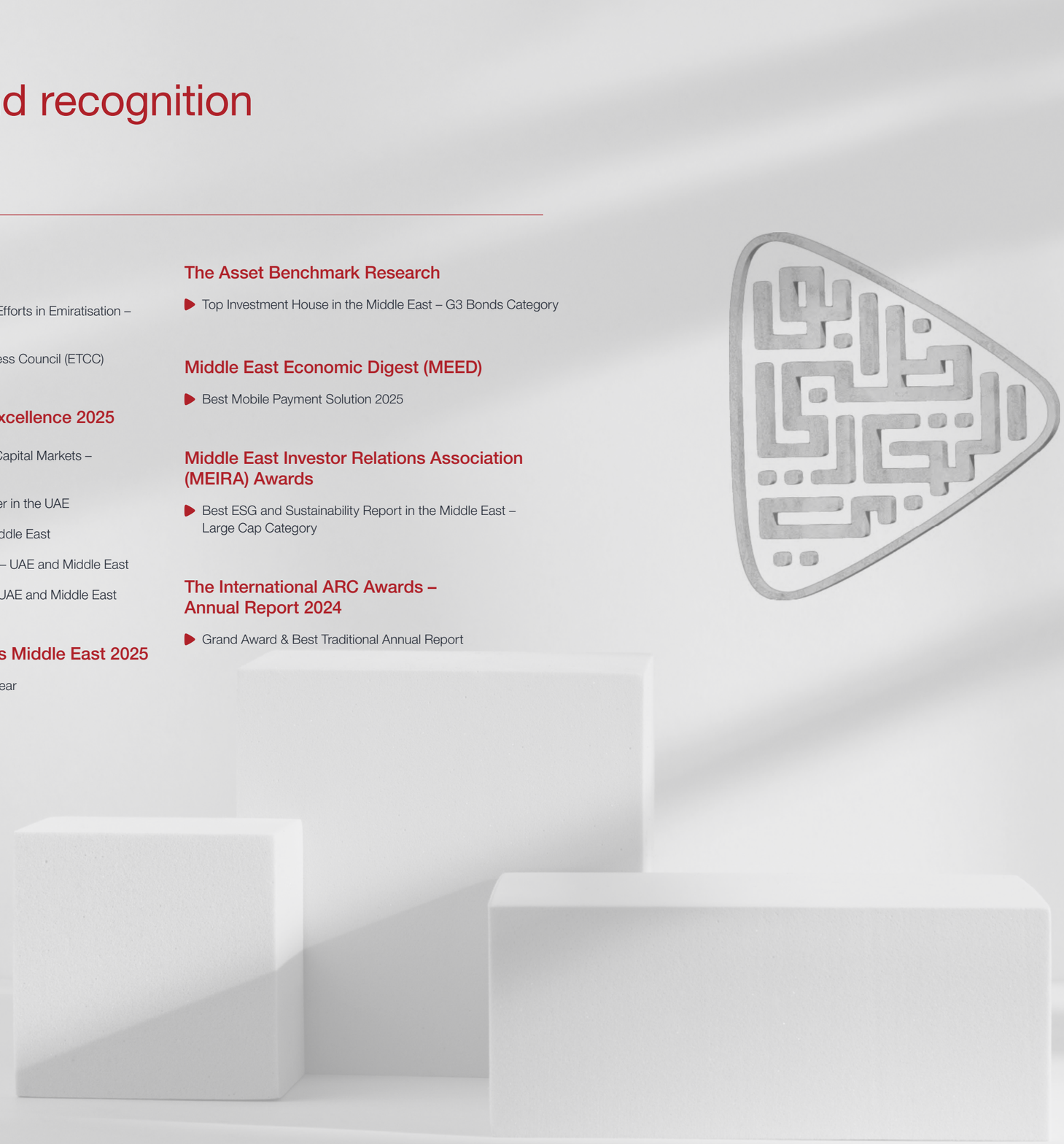
- Best Mobile Payment Solution 2025

### Middle East Investor Relations Association (MEIRA) Awards

- Best ESG and Sustainability Report in the Middle East – Large Cap Category

### The International ARC Awards – Annual Report 2024

- Grand Award & Best Traditional Annual Report



## ADCB Egypt

### Euromoney Awards for Excellence 2025

- Best Bank for ESG – Egypt

### Global Finance

- Best Consumer Digital Bank
- Best Online Product Offering
- Best User Experience Design
- Best Mobile Banking App
- Best in Transformation

### The Digital Banker

- Best Digital Transformation Programme
- Best Contact Centre Initiative
- Best ATM Innovation
- Best Mobile Banking Initiative

### MENA Banking Excellence Awards – Middle East Economic Digest 2025 (MEED)

- Best Risk Management Strategy
- Best for Diversity & Inclusion

02

# STRATEGIC REVIEW


38 Chairman’s message
40 Economic overview
44 Group CEO’s message
46 Group strategy
50 Artificial intelligence
54 Group CFO’s message
56 Financial review



CHAIRMAN'S MESSAGE

## In 2025, ADCB delivered a strong financial performance, reflecting disciplined execution of its strategy and a sustained focus on long-term value creation.

**Khaldoon Khalifa Al Mubarak**
Chairman

The Bank reported a net profit of AED 11.445 billion for the year, supported by continued momentum across its core businesses and prudent investment in technology to enhance efficiency and uphold service excellence. In light of this performance, the Board of Directors has proposed a dividend of AED 0.63 per share, subject to approval at the Annual General Assembly.

2025 marked the 40th anniversary of ADCB's establishment, a milestone that reflects the Bank's enduring leadership role within the UAE's financial system. With solid foundations in place, ADCB is well positioned to support the UAE's economic transformation and capture opportunities arising from continued investment, innovation and the growth of high-potential sectors. Building on this foundation, the Board endorsed a new five-year strategy that sets a clear direction for the next phase of growth, with the objective to scale core businesses and double net profit to AED 20 billion. Central to this strategy is a comprehensive artificial intelligence transformation programme, focused on the responsible application of technology to reshape how the Bank operates, competes and serves its customers.

To support its objective of accelerated organic growth, the Bank successfully completed a AED 6.1 billion rights issue, further strengthening its capital base in line with its growing stature as a Domestic Systemically Important Bank (D-SIB).

As the Bank expands its market share, service excellence continues to serve as a key differentiator. Investment in digital capabilities, automation and data-driven processes is improving the customer experience and supporting productivity across the organisation. This focus on service is grounded in high standards of governance, integrity and responsibility. In 2025, these attributes were reflected in ADCB's position as one of the highest-rated banks in the region across internationally recognised ESG benchmarks, with high performance in areas such as data privacy and security, business ethics, sustainable finance and tax transparency.

The progress achieved during the year has been made possible by the strength of our people, partnerships and stakeholder relationships. I would like to extend my appreciation to my colleagues on the Board of Directors, ADCB's Executive Management and all employees for their dedication, and to our shareholders and customers for their continued confidence in the Bank.

On behalf of the Board, I would like to express our sincere appreciation and gratitude to His Highness Sheikh Mohamed Bin Zayed Al Nahyan, the UAE President and Ruler of Abu Dhabi; His Highness Sheikh Mansour Bin Zayed Al Nahyan, UAE Vice President, Deputy Prime Minister and Chairman of the Presidential Court, and Chairman of the UAE Central Bank; and His Highness Sheikh Khaled Bin Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council, for their continued guidance and support.

"2025 marked the 40th anniversary of ADCB's establishment, a milestone that reflects the Bank's enduring leadership role within the UAE's financial system."

# Economic overview

The UAE economy continued to display strong momentum in 2025 despite a challenging global environment characterised by ongoing geopolitical and trade tensions. Economic growth was supported by solid domestic demand, rising public and private investment, and higher hydrocarbon production, with ADCB estimating that real GDP increased to 5.4% during the year, accelerating from 4.0% in 2024.

A key characteristic of the UAE's economic performance remains the sustained expansion of non-oil activity, which is now approaching 80% of GDP in real terms, reflecting the continued traction of the UAE's long-term diversification strategy. Manufacturing, finance, construction and real estate were among the principal contributors to non-oil growth in 2025, driven by population growth, favourable labour market conditions and resilient household consumption. Demand for consumer credit remained solid, while headline consumer price inflation stayed contained, as lower fuel prices offset upward pressure from housing and selected services.

Externally oriented service sectors also recorded continued strength during the year. Passenger volumes through Dubai and Abu Dhabi international airports reached new highs, supported by network expansion, increased capacity and resilient household spending in key source markets. Higher visitor numbers underpinned strong retail activity and elevated occupancy levels in the hospitality sector.

Transport and logistics activity moderated from the unusually high growth rates observed earlier in the economic cycle. Underlying sector performance remained positive, although uncertainty surrounding global trade policies weighed on sentiment, and the impact of a higher US tariff regime may become more evident over the period ahead.

The strength of domestic activity was reflected in continued balance sheet expansion across the UAE banking system. Gross loans increased by c.18% in 2025, driven primarily by lending to the private sector, which expanded 11% during the period, while retail loans increased by 16%. Funding conditions remained favourable, with system-wide deposits rising by 16% in 2025. Liquidity remained ample, with the loan-to-deposit ratio remaining low and ending the year at 78%.

Foreign direct investment remained strong, with the UAE continuing to attract substantial inflows into greenfield and high-value-added sectors, supported by the country's open economic model, competitive operating environment, access to labour markets and world-class infrastructure and connectivity.

The oil and gas sector continued to support the UAE's fiscal and external positions. Higher production in 2025, driven by the unwinding of earlier OPEC+ related cuts and an increase in the UAE's baseline target since April, contributed to headline growth. Hydrocarbon revenues, together with disciplined fiscal management, sustained fiscal and current account surpluses despite a softer oil price environment.

In this context, fiscal policy remained expansionary in 2025, with public sector expenditure continuing to underpin economic activity. Government and private sector project awards exceeded completions during the year, with a large and diversified pipeline of projects across energy, utilities, infrastructure, transport and real estate generating a substantial multiplier effect across the economy. This momentum is expected to continue as the public sector and government related enterprises pursue national priorities, including further infrastructure development and the growth of technology and AI-enabled industries.

The UAE's relatively low budget breakeven oil price of approximately USD 58 per barrel in 2025, remains an important source of resilience, while a strong government balance sheet, low public debt and substantial foreign currency reserves position the UAE well to absorb external shocks and maintain policy flexibility.

## Looking ahead

The UAE's economic outlook remains favourable in 2026. ADCB forecasts real GDP growth of approximately 5.1%, with non-oil growth of 4.8%. The outlook is underpinned by strong fundamentals, continued reform momentum and a substantial investment pipeline.

Non-oil activity is expected to maintain momentum, supported by progress on major infrastructure and energy projects and the UAE's expanding role as a global hub for trade, finance and investment. Comprehensive Economic Partnership Agreements (CEPAs) and related initiatives continue to reinforce competitiveness and access to new markets. Investment in manufacturing, logistics, technology and other high value-added industries is expected to support longer-term growth potential.

Monetary policy is expected to become more supportive in 2026, with the Central Bank of the UAE moving in line with the US Federal Reserve as it enters a rate-cutting cycle. Lower interest rates should support household consumption and private sector investment. While external risks persist, including potential increases in trade protectionism and oil price volatility, the UAE's strong fundamentals, proactive policy framework and fiscal buffers underpin a constructive outlook.



SPOTLIGHT

## Abu Dhabi's financial centre driving economic growth and diversification

Abu Dhabi's evolution into a major financial centre is becoming a powerful driver of economic growth, diversification and international connectivity. Through Abu Dhabi Global Market (ADGM), the emirate continues to attract capital, businesses, entrepreneurs and highly skilled professionals, deepening its integration with global financial markets.

By the end of the third quarter of 2025[1], active licences had reached 11,920, with 2,801 licences issued during the first nine months of the year. Financial services firms sit at the core of this ecosystem, supported by a rapidly expanding network of professional, legal, technology and advisory businesses.

Growth in the investment industry has been particularly strong, with assets under management increasing by 48% in the 12 months to the end of September 2025, with 161 fund managers overseeing 220 funds within ADGM.

The financial centre now supports close to 40,000 professionals, highlighting its contribution to employment, productivity and knowledge-based growth within the Abu Dhabi economy. Looking ahead, the next phase of development will further strengthen this momentum. Planned expansion of the financial district will double the supply of office space, providing capacity for continued growth in financial services, asset management and related sectors. This will support the advancement of cross-border economic relationships and sustained capital inflows into the UAE.

Note: The economic outlook presented reflects information available at the time of preparation

(1) Based on latest data available as at publication

# Select AI initiatives in the UAE

Government-led initiatives sit at the centre of the UAE's approach to artificial intelligence, providing strategic direction, investment, and enabling infrastructure for economy-wide adoption. Through coordinated policies spanning digital government, advanced computing, regulation, and talent development, the UAE is establishing the foundations for scalable and responsible AI deployment across the public and private sectors. The initiatives below illustrate the breadth of this national effort.

**PAN AI World model**

- AI world model developed by Mohamed bin Zayed University of Artificial Intelligence (MBZUAI)
- Enables AI agents to learn, plan and make decisions through simulations of real-world environments

**AI-powered Regulatory Intelligence Office**

- Cabinet-approved legislative AI platform designed to assess legal impact and reduce law-drafting timelines by up to 70%
- Overseen by the Regulatory Intelligence Office to strengthen regulatory effectiveness

**Stargate UAE AI supercomputing campus**

- One gigawatt AI computing campus in Abu Dhabi, led by OpenAI, G42, Oracle, NVDIA, Cisco and partners
- Phase one (200 MW) expected to become operational in 2026, expanding sovereign AI computing capacity

**Chief AI Officers training programme**

- Federal programme launched in June 2025 to upskill government AI leaders
- Focuses on ethics, governance, and technical strategy

**National AI programme**

- Delivered in conjunction with the University of Birmingham
- Open to public and private sector participants, building foundational and applied AI capabilities

**Ministry of Education introduces AI curriculum in schools**

- AI introduced as a core subject across the education system
- Supports long-term workforce readiness and digital capability development

**AI and Advanced Technology Council (AIATC)**

- Reconstituted by H.H. Sheikh Mohamed Bin Zayed Al Nahyan and chaired by H.H. Sheikh Tahnoon Bin Zayed Al Nahyan
- Drives AI policy, investment, and research, supporting Abu Dhabi's ambition to become the world's first fully AI-native government by 2027

**AI innovation programme – Ministry of Industry and Advanced Technology (MoIAT)**

- Connects industrial developers with AI solution providers across sectors including manufacturing and ports
- Supports productivity, innovation, and industrial competitiveness

**Microsoft–UAE AI partnership**

- Strategic collaboration involving USD 15.2 billion of investment up to 2029
- Focused on sovereign AI capabilities and secure cloud infrastructure

## The UAE's drive for leadership in artificial intelligence

The UAE continues to pursue a coordinated national approach to artificial intelligence as part of its economic diversification and long-term growth agenda. The country is an early mover, launching a national AI strategy in 2017, and moving at pace to integrate AI technology across priority sectors including finance, logistics, transport, and energy, while supporting expansion into areas such as cybersecurity and healthcare.

The UAE's AI Ministry expects a material boost to long-term growth from widespread adoption of AI technology, with an estimated AED 335 billion increase in output by 2031. According to a white paper co-published by MIT Sloan Management Review Middle East and Astra Tech, AI use is gaining strong traction across government and the private sector, with 44.7% of UAE companies now using generative AI in their operations. The most common applications include information retrieval (46%), customer service and support (33%), and personalised recommendations (13%).

## Abu Dhabi to become the world's first fully AI-native government

The Abu Dhabi Government Digital Strategy 2025–2027 sets out a roadmap to digitise and automate government operations through the large-scale adoption of artificial intelligence and advanced digital technologies. The strategy focuses on the deployment of AI across government services and operations, supported by sovereign cloud infrastructure and coordinated implementation across government entities, with the objective of improving efficiency, service delivery, and policy effectiveness.

Under the strategy, the Abu Dhabi government has committed an investment of AED 13 billion to support full digitisation and automation, including the deployment of more than 200 AI-enabled solutions across government. According to the Digital Government Authority, implementation of the strategy is expected to contribute AED 24 billion to GDP and create more than 5,000 jobs by 2027, supporting productivity gains and the development of national digital capabilities.



GROUP CEO'S MESSAGE

# 2025 marked a defining year in the execution of ADCB's Board-endorsed five-year strategy. Clarity of ambition, matched by disciplined execution, translated into tangible progress across the Group.

**Ala'a Eraiqat**
Group Chief Executive Officer

## Clarity of ambition. Discipline in execution.

At the outset of the year, we set a clear objective: to double net profit to AED 20 billion within five years. This was more than a financial target. It reflected a clear strategic intent, aligning our capabilities, technology and talent behind a focused agenda to strengthen our franchise and deliver sustainable, long-term value.

The first year of delivery affirms that this direction is firmly established. We extended our track record to 18 consecutive quarters of growth, a performance delivered during Abu Dhabi's own 18-quarter run of economic expansion. Profit before tax reached AED 12.843 billion and net profit after tax rose to an all-time high of AED 11.445 billion, generating a return on equity of 15.3% and achieving our guidance across all key metrics.

Growth was broad-based and supported by strong fundamentals. Net loans increased by 16% and deposits grew by 19% to reach the AED 500 billion milestone, reflecting considerable customer confidence. Total assets reached AED 774 billion, underscoring the scale of our franchise. Sustained investment in digital and AI-enabled capabilities enhanced productivity contributing to a record low cost-to-income ratio of 28.2% and reinforcing the durability of our earnings profile.

Our execution is translating into meaningful shareholder value creation. The Board has recommended a cash dividend of AED 0.63 per share for 2025. This follows delivery of a 12-month total shareholder return of 46%, with market capitalisation reaching AED 113 billion by year-end.

## Strengthening capacity for scale

As we enter the second year of our strategy, we have further reinforced our capacity to operate at greater scale and complexity.

In December, we successfully completed a landmark AED 6.1 billion rights issue, the largest ever executed by a company with a primary listing on the Abu Dhabi Securities Exchange. The transaction was significantly oversubscribed, reflecting strong shareholder confidence in our long-term direction. It strengthens our balance sheet, positioning the Group to support sustained organic growth while maintaining disciplined capital management.

In parallel, we accelerated a strategic transformation to embed AI at the core of our operating model. This represents a structural shift in how we operate, enhancing productivity, strengthening risk management and elevating customer experience. The transformation is central to the execution of our five-year strategy and aims to unlock AED 4 billion in financial value over the next few years. Our approach is aligned with the UAE's bold vision for practical adoption of AI in everyday decision-making, supported by strong infrastructure and regulation.

Other aspects of institutional capability also continued to advance. In 2025, we achieved 100% Emiratisation across all banking roles in our Al Ain operations. UAE nationals now represent approximately 40% of our total workforce and 40% of the Management Executive Committee, with 41% of Emirati employees in critical roles. During the year, ADCB was honoured with the Exceptional Efforts in Emiratisation – Diamond Category award, recognising the depth and effectiveness of our long-term commitment.

## Momentum across businesses and subsidiaries

Across our core businesses, momentum remained strong. The Corporate and Investment Banking Group delivered another solid year, deepening relationships with government-related entities and leading corporates, expanding regional capabilities and reinforcing its position in capital markets. The Retail Banking Group continued to grow through digital-led customer acquisition with a focus on premium segments and strong current and savings account (CASA) deposit momentum. Private Banking & Wealth Management achieved 50% expansion in assets under management, reflecting sustained demand for advisory-led solutions. The Treasury & Investment Group strengthened the Bank's wholesale funding profile and maintained favourable access to global capital markets.

Our subsidiaries also delivered strong momentum. ADCB Egypt achieved another year of solid performance, strengthening its market position. Al Hilal Bank advanced its transformation with continued progress in customer digital adoption and platform innovation. Meedaf gained traction in its first year as an innovation-led holding platform, expanding partnerships and reinforcing ADCB's diversification into adjacent, technology-enabled services.

## Customer and brand strength

Customer experience remains a defining strength of ADCB. Service excellence is embedded across the organisation, from process design to technology deployment. During the year, more than 95 customer journeys were enhanced, materially improving speed, transparency and ease of service.

Our net promoter score (NPS) has increased progressively in recent years to reach 80, in the top tier for customer advocacy globally. Furthermore, ADCB was recognised by Brand Finance as the UAE's strongest banking brand for the second consecutive year, with brand value rising 17% year-on-year. These outcomes reflect sustained trust and a differentiated proposition.

## Focus on enduring shareholder value

The progress achieved in 2025 reinforces our confidence in the path ahead. Reinforced capital, embedded technology capability and a scaled, diversified franchise provide a strong foundation for continued growth. ADCB is well placed to support the UAE's ongoing economic transformation while delivering enduring value for our shareholders.

I would like to extend my sincere appreciation to the Board of Directors for their guidance, our employees for their dedication, and our customers and shareholders for their continued trust.

# ADCB's 5-year strategy for a sustained pace of growth

Core engine ····· New bold moves

**Corporate & Investment Banking Group**
**Scale** geographically, expand into new segments, launch innovative product offerings

**Retail Banking Group**
**Digitalise**, hyper-personalise propositions, build partnerships and ecosystems

**Private Banking & Wealth Management Group**
**Expand** geographically, augment product suite, future proof service models

**Treasury & Investments Group**
**Augment** offering, revamp funding/risk strategy

**ADCB Egypt**
**Boost** corridor banking, launch new products and services

**Al Hilal Bank**
**Build** innovative partnerships, drive operational efficiency

**Meedaf**
**Provide** specialised solutions to streamline operations, strengthen security and enhance customer experience

**Create additional revenue streams**
Explore carve outs, partnerships and investment to create new business opportunities

## Cross-cutting themes

1. **Accelerate digital transformation and deploy AI** at scale by driving value-led innovation across AI, digital assets, and cybersecurity and cyber resilience
2. **Embed efficiency in the organisational DNA** by institutionalising pan-bank efficiency programmes focused on minimising costs (operational and funding), maximising revenue and elevating customer experience
3. **Grow talent brand and become an industry leader** by instilling a culture of superior value creation and distinctive entrepreneurship while building a hub for Emirati talent
4. **Reinforce risk and compliance** by enabling a risk-empowered culture powered by advanced analytics to foster healthy and balanced growth
5. **Drive ESG leadership,** reinforcing commitment to best practice governance, social responsibility and support for the UAE's Net Zero strategy

# Accelerate growth of the core businesses

## Corporate & Investment Banking Group

The Corporate & Investment Banking Group (CIBG) will build broader banking relationships across a growing client base. The Bank is enhancing its client engagement network for financial market solutions and capital markets products for corporates.

ADCB is also playing an increasing role in supporting clients operating across regional economic corridors, leveraging its strong presence in the UAE, Egypt and Kazakhstan. In parallel, the Bank is accelerating its working capital proposition with a focus on current and savings accounts (CASA) and transaction banking, while remaining fully committed to serving the small and medium enterprise (SME) segment through an enhanced digital proposition.

## Retail Banking Group

The Retail Banking Group (RBG) aims to further strengthen its position as the retail 'bank of choice', continuously delivering new innovative products and services to meet the ever-growing needs of customers.

The Bank will strengthen its focus on the high value segments as well as fast-growing Islamic market, launching tailored propositions to all customers, with a particular focus on Emiratis. The Bank is also committed to growing the micro-business landscape in the UAE and will act as the growth partner for these businesses, supporting their aspirations and offering a platform to address all their needs.

ADCB will continue to spearhead customer centricity, evolving its sales and service model to become digital-first, harness the power of data and artificial intelligence (AI) to offer hyper-personalised experiences, and differentiate through new innovations such as open banking.

## Private Banking & Wealth Management Group

The Private Banking & Wealth Management Group is a key growth area for ADCB. The Group's vision is to further deepen its local presence offering distinct propositions, while continuing to develop a client-centric relationship model, designed to meet the needs of an expanding client base. To achieve this ambitious goal, ADCB is building a differentiated product offering by enhancing investment products and services and establishing unique partnerships with leading global asset managers.

## Treasury & Investments Group

The Treasury & Investments Group will continue to enhance sophistication to support ADCB Group's funding, investments, and centralised risk management activities. This includes diversifying the trading desk into new areas such as ETFs and commodities, and expansion of the investment desk into a broader suite of products. The Asset-Liability Management function will further enhance the Bank's fund transfer pricing mechanism to support stable and cost-effective funding sources, effectively manage and mitigate interest rate risk, while also reviewing the bank's long-term funding plans to manage the cost of funds. For clients, the Treasury function will also work with Retail, Corporate and Private Banking to revamp value chain coverage and scale up the foreign exchange and derivatives sales business.

# Accelerate growth of the subsidiaries

### ADCB Egypt

ADCB Egypt is focused on driving growth and resilience by targeting the affluent segment and fostering strong relationships with major corporate and public sector entities. With a strategic emphasis on delivering tailored solutions and leveraging its expertise, the Bank aims to deepen its market presence and collaborate closely with ADCB's CIBG business to advise on cross-border transactions and support clients operating across key regional economic corridors.

### Al Hilal Bank

Al Hilal Bank is transforming into a digital-first Islamic Bank, creating a seamless, cloud-based banking experience for retail customers. By leveraging its advanced digital platform, the Bank is positioning itself as a leader in innovation, driving growth through enhanced accessibility and user-friendly Shari'ah-compliant financial solutions. This strategic shift is designed to meet the evolving needs of customers and support the Bank's vision of delivering cutting-edge, technology-driven services in the rapidly evolving financial landscape.

### Meedaf

Meedaf is an Abu Dhabi Global Market (ADGM) based financial services platform established to serve financial and non-financial institutions across the UAE and GCC. Its strategy is centred on building a scalable portfolio of specialised businesses, leveraging technology, partnerships and disciplined execution to deliver operational efficiency, innovation and long-term value for clients.

## New bold moves

ADCB will explore bold opportunities to generate additional revenue streams, by leveraging operational and technological strengths as well as expertise from across the business. This may include investment in new ventures, spin-offs of product and service offerings, and establishment of new strategic partnerships. To support these opportunities, the Bank will also consider significant deployment of cutting-edge technology, including blockchain.

# Cross-cutting strategy moves

1

### Accelerate digital transformation and deploy AI at scale

Underpinning the strategy is the launch of an enterprise-wide AI transformation programme, designed to accelerate delivery of efficient, high-quality service in a rapidly evolving environment. The Bank is advancing a digital-first operating model, automating processes and scaling AI-enabled capabilities across the organisation.

ADCB is taking a responsible approach to AI and advanced analytics by establishing a robust framework across the organisation. The Bank is implementing several 'use cases' that generate immediate productivity gains, particularly in areas such as regulatory compliance, risk management, and customer service.

2

### Embed efficiency in the organisational DNA

ADCB is committed to driving productivity through the institutionalisation of Group-wide efficiency programmes that optimise operational and funding costs while maximising revenue. By leveraging automated processes, including deployment of advanced AI technologies, the Bank aims to streamline tasks and enhance decision-making, enabling employees to focus on high-value, strategic initiatives. This approach not only improves operational efficiency but also elevates the customer experience, ensuring faster, more personalised services that align with ADCB's vision of delivering excellence in banking.

3

### Attract and nurture top talent

ADCB's strategy focuses on attracting and nurturing top talent while equipping its workforce to excel in a rapidly evolving digital banking landscape in an increasingly integrated financial ecosystem. By fostering a culture of innovation and continuous learning, the Bank ensures its employees are prepared to navigate emerging trends and technologies. As part of this approach, ADCB will continue to set the benchmark for Emiratisation within the UAE banking sector, developing talent through tailored training, leadership programmes and career pathways. This forward-looking strategy ensures that ADCB's workforce remains agile, skilled and well-positioned to drive long-term success and contribute to the nation's economic growth.

4

### Reinforce risk and compliance

ADCB is dedicated to embedding a risk-aware culture that aligns with its strategic vision for sustainable growth and resilience. By maintaining a robust governance framework and a forward-looking approach to risk management, the Bank is well-equipped to navigate an evolving risk landscape. Investments in advanced compliance capabilities and innovative tools enable ADCB to proactively adapt to emerging challenges, ensuring a balance between growth, operational resilience, and stakeholder confidence.

5

### Drive ESG leadership and commitment

ESG is a key strategic differentiator for ADCB, embedded across all decision-making processes to support sustainable growth and long-term value. The Bank remains committed to continuous enhancement of its best practice governance framework and playing a progressive role in the community, including promoting the country's Emiratisation agenda in the financial sector. With its Environmental and Social Risk Management (ESRM) framework integrated into credit assessments, ADCB ensures robust governance of environmental and social risks. This approach will continue to underscore the Bank's leadership in responsible banking to foster a sustainable financial ecosystem.

## Summary of key targets

- Doubling net profit to AED 20 billion within the next five years, while aiming to achieve an annual growth rate of circa 20%
- Increasing year-on-year paid-out dividends over the same period, whereby ADCB aims to increase its total targeted dividend payout to approximately AED 25 billion over the next five years[1], up 50% compared to the total dividend payout in the preceding five-year period
- Delivering annual RoE exceeding 15% each year, while maintaining healthy regulatory ratios and an adequate capital position to fuel future growth
- Maintain cost of risk below 60 bps
- Sustain CET1 ratio above 12%

(1) This statement represents a forward-looking projection and is subject to necessary approvals, including but not limited to Board, regulatory and shareholder approvals

# ARTIFICIAL INTELLIGENCE

→ Artificial intelligence (AI) is a central pillar of ADCB's Board-approved transformation programme and five-year strategy, with the Bank aiming to embed AI across every function to accelerate growth, efficiency and innovation. Disciplined execution and responsible adoption of AI represent significant priorities for the Board and Executive Management, driving the Bank's transformation in how it operates and creates value in a rapidly evolving digital economy.

**KEY HIGHLIGHTS**

- **AI at the core of strategy:** aim to embed AI in 100% of processes across all businesses to drive sustainable growth, personalised customer experiences, and operational excellence
- **Disciplined execution and value creation:** an AI roadmap that establishes core technology foundations and prioritises use cases to create long-term value
- **Responsible and robust governance:** clear oversight through the executive leadership team and dedicated governance forums, ensuring alignment with the Bank's strategy, transparency, accountability and regulatory compliance
- **Strategic partnerships to drive deployment:** scalable cloud-native infrastructure and advanced data frameworks, supported by global technology leaders to accelerate AI integration

## Transforming how ADCB operates

In October 2025, ADCB announced the launch of a strategic transformation programme, embedding AI at the core of its business model as a key catalyst in delivering the Bank's five-year strategy to double net profit to AED 20 billion.

To deliver on this ambition, the Bank has launched a comprehensive roadmap for an at-scale AI transformation. The plan consists of more than 150 AI use cases being activated at an accelerated pace over the coming years, supported by significant investments in infrastructure, cloud capabilities, and robust data foundations.

Customers are set to benefit from faster, more personalised, and seamless experiences, ranging from instant decisions and proactive insights to hyper-personalised product offerings and always-on intelligent support.

ADCB has mobilised dedicated leadership and delivery capacity to drive this transformation forward. A Chief AI Officer now leads a specialised team focused on execution across all lines of business.

The Bank has formed strategic partnerships with global technology leaders to accelerate the integration of AI into day-to-day decision-making and delivery, including collaboration with Microsoft, Amazon Web Services (AWS) and G42.

## Unlocking significant financial value

The Bank's ambition is to become a fully AI-integrated institution, embedding AI across 100% of its processes and targeting to unlock over AED 4 billion in financial value over the next few years and establish ADCB as the AI market leader in banking.

The AI transformation programme is designed to deliver phased, measurable value over the coming years, through additional revenue generation, cost efficiencies and risk management.

**Efficiencies & productivity gains by AI**

- Transforming the Bank's operating and business model
- Service model automation, enabling self service and straight through processing (STP)
- Strengthened risk and compliance capabilities
- Streamlined internal front-office and back-office processes

**Revenue generation enabled by AI**

- AI-led sales model, with enhanced customer relationship management (CRM), data intelligence and hyper-personalised targeting
- Service model with experience reimagined through AI, integrated across all channels

## Governance and responsible adoption

The Bank remains firmly committed to using AI responsibly and to adopting it in a safe, secure and accountable manner. Three management-level governance forums have been established with representation from the executive leadership team:

- **AI Risk Forum:** reviews AI use cases against the Bank's AI risk principles, and ensures they are trustworthy
- **AI Demand Management Forum:** evaluates and prioritises proposed use cases before approval
- **AI Value Assurance Forum:** validates financial impact, progress and delivery against approved business cases

## Building foundational capabilities

The immediate AI roadmap focuses on building and scaling five fundamental AI capabilities to unlock long-term value.

1. **Enterprise & customer knowledge:** intuitive and context-sensitive access to enterprise-wide structured and unstructured data
2. **Conversational AI:** AI chat and voice assistants responding to customers, taking actions and driving sales and insight
3. **Agents and agentic workflow automation:** automated actions including document processing and workflow handling – agentic where needed
4. **AI-enabled digital engineering:** AI supporting every part of the software delivery lifecycle, from requirements to testing
5. **Predictive AI:** machine learning capacity to predict or prescribe outcomes based on historic examples

## **Intelligent innovation in action:** select AI use cases across governance, compliance and operations

### Board Observer: intelligence for strategic decision-making

'Board Observer', a GenAI-powered assistant, is supporting executive and board-level decision-making and governance oversight. Operating securely within the Bank's internal environment, the system complements and facilitates in-room discussion by providing leadership with instant access to insights based on previous discussions as well as relevant external information. Board Observer strengthens institutional memory and supports efficient governance.

### Credit Companion: supporting rapid data-driven credit processes

ADCB has introduced 'Credit Companion', a generative AI assistant designed to support efficient credit processes. The tool analyses, structures and summarises complex deal documentation, extracting key risks, financial indicators and decision relevant insights, and responding to targeted, case specific queries. Operating securely within the Bank's internal environment, Credit Companion functions as a real-time digital assistant enabling consistent and data driven credit decision-making.

### Enterprise Knowledge: enhancing the compliance culture

The launch of ADCB's 'Enterprise Knowledge' marks a major step in empowering employees through the responsible use of AI. Powered by a secure voice-enabled generative AI model hosted within ADCB's internal network, the platform provides instant access to thousands of internal policies and procedures, as well as external regulatory documents issued by UAE authorities. Operating in English and Arabic, Enterprise Knowledge strengthens accountability, enhances the Bank's compliance culture and supports confident, well-informed decision-making across the organisation. The tool is being further developed to support a wide range of productivity enhancing use cases across the Group.

### Procure to Pay: AI-enabled invoice automation

ADCB has introduced a 'Procure to Pay' AI tool that automates the end-to-end validation and approval of supplier invoices through an agentic workflow. The system extracts invoice data, cross checks it against purchase orders and delivery confirmations and runs more than 50 automated checks for accuracy, tax compliance and duplication. Operating in real time, this agentic workflow accelerates approvals, reduces manual effort and strengthens financial controls, significantly cutting invoice processing times, lowering operating costs and improving visibility of spending.

### Using AI for coding to accelerate mobile banking enhancements

In 2025, the Bank started to use AI successfully for coding within its mobile banking development teams, enabling faster delivery of features. With AI now supporting engineers in translating requirements into accurate code, early results indicate close to 30% improvement in productivity. Since adoption, 35% of code developed for the mobile banking platform has been generated with AI support, significantly reducing build timelines. This early deployment demonstrates the high potential for AI to enhance productivity and speed to market as the Bank accelerates digital transformation.





ADCB delivered record financial results in 2025, supported by strong balance sheet growth, enhancement of the revenue mix and continued cost discipline, while the Bank also strengthened its capital base to support future organic growth.

**Deepak Khullar**
Group Chief Financial Officer

## Record performance and strengthened earnings profile

The UAE's macroeconomic environment remained supportive throughout 2025, characterised by robust consumer and business confidence, continued government investment and healthy liquidity conditions. Within this context, ADCB achieved double-digit loan growth for the third consecutive year, while maintaining high asset quality, and significantly increased fee income by broadening customer relationships, reinforcing the quality and sustainability of earnings.

In 2025, net profit after tax increased by 22% to AED 11.445 billion, translating into a return on average equity of 15.3%, consistent with medium-term guidance.

Net interest income increased by 11% to AED 14.688 billion, driven by higher loan volumes across sectors and supported by an optimised funding mix. Despite six benchmark rate cuts since September 2024, net interest margin remained resilient at 2.45%, reflecting substantial current and savings account (CASA) inflows and active management of the funding mix.

Non-interest income continued to gain momentum, increasing by 20% to AED 7.495 billion and accounting for 34% of total operating income. Growth was broad based, net fees and commission income was up 16% year on year, driven by loan processing, trade finance and asset management, while net trading income was up 32%, supported by higher gains from foreign exchange and derivatives. The growing contribution from these income streams continues to reduce sensitivity to interest rate cycles and strengthens the Bank's revenue profile.

Greater scale is translating into structural efficiency. While operating income increased by 14%, expenses rose by 4%, generating positive jaws and resulting in a 19% increase in operating profit before impairment charges to AED 15.937 billion. The cost-to-income ratio improved by 280 basis points to a record low of 28.2%, reflecting sustained cost management and productivity gains from digital and AI-enabled automation.

## Balance sheet expansion and capital strength

ADCB expanded its balance sheet in 2025 while maintaining rigorous risk management. The Bank's strong financial position was further validated during the year by a credit rating upgrade to 'A+' from 'A' by S&P Global Ratings, reflecting robust earnings generation and high asset quality, placing the Bank among the highest-rated institutions in the MENA region.

Total assets increased by 19% to AED 774 billion, with net loans rising AED 55 billion, or 16%, to AED 406 billion. Growth was diversified across key economic sectors including energy, transport, financial institutions and trading. Loans outside the UAE increased to 27% of the portfolio, consistent with ADCB's role in supporting cross-border investment by UAE institutions and clients operating across regional corridors.

Asset quality metrics continued to reflect prudent underwriting and active portfolio oversight. Cost of risk for 2025 was 59 basis points, in line with guidance, while the non-performing loan ratio declined to a record low of 1.83% at year-end. Provision coverage increased to 146.4%, or 249% including collateral.

Customer deposits increased by 19% to reach the AED 500 billion milestone. CASA balances rose by AED 46 billion, accounting for 59% of total deposit growth and bringing CASA to 46% of total deposits at year-end, up from 44% a year earlier. This cost-efficient liability base has supported continued margin resilience in a lower interest rate environment.

Liquidity metrics remained comfortably above regulatory thresholds, with a liquidity coverage ratio of 131.3%, a net stable funding ratio of 109.2% and a loan-to-deposit ratio of 81.2%.

Capital strengthened substantially during the year, supported by the AED 6.1 billion rights issue completed in December. The capital raise was undertaken to support continued organic growth while remaining well ahead of evolving regulatory requirements as a Domestic Systemically Important Bank. At year-end, the CET1 ratio stood at 13.79%, up 123 basis points year-on-year, while the capital adequacy ratio reached 17.00%.

Sustainability remains fully integrated within ADCB's operational and risk frameworks. During 2025, the Bank further strengthened its Environmental and Social Risk Management (ESRM) framework and conducted its first quantitative climate risk stress test under Internal Capital Adequacy Assessment Process (ICAAP), reinforcing alignment between sustainability and long-term financial resilience. ADCB has also achieved leading positions across S&P Global Corporate Sustainability Assessment, MSCI, Sustainalytics and Bloomberg ESG ratings, underpinned by strengths in areas such as data privacy and security, sustainable finance, business ethics and tax transparency.

In 2025, the Bank reinforced the financial foundations underpinning its five-year strategy. Earnings are increasingly diversified, scale is supported by structural efficiency, and growth continues to be delivered alongside resilient asset quality. With robust liquidity, strong capital ratios and a proven execution track record, ADCB is well positioned to advance with confidence in a dynamic operating environment.

# Financial review

## Strong FY'25 profit growth, driven by 14% increase in operating income, an all-time low cost to income ratio and resilient asset quality

— Profit before tax increased 21% YoY to AED 12.843 bn in FY'25 and was up 30% YoY to AED 3.736 bn in Q4'25. Net profit after tax increased 22% YoY to AED 11.445 bn in FY'25 and rose 30% YoY to AED 3.342 bn in Q4'25. Return on average equity (post-tax) was 15.3% for FY'25 (vs. 13.5% in FY'24) and 17.6% for Q4'25 (vs. 14.9% in Q4'24), in line with annual and five-year guidance.

— Net interest income increased 11% YoY to AED 14.688 bn in FY'25 and rose 9% YoY to AED 3.833 bn in Q4'25 driven by higher volumes. Risk-adjusted net interest margin (NIM) declined by 13 bps YoY to 1.90%, while NIM was also 13 bps lower YoY at 2.45% in FY'25 due to a lower interest rate environment. The Bank's margins have remained resilient in the context of six benchmark rate cuts since September 2024 reflecting an optimised cost of funds, supported by a higher contribution of CASA balances in the deposit mix.

— Non-interest income increased 20% YoY to AED 7.495 bn in FY'25, representing 34% of total operating income, up from 32% a year earlier. Growth was broad-based, with a 16% rise in net fees and commission income and a 32% increase in net trading income, which was driven by higher gains from foreign exchange, derivatives and a net gain from financial assets held at fair value through profit or loss (FVTPL). Q4'25 non-interest income decreased 12% YoY to AED 1.734 bn, primarily due to a YoY decrease in other operating income to AED 210 mn, from a high base in Q4'24, when the Bank recorded significant gains on extinguishment of corporate loans. Excluding this one-off gain booked in Q4'24, the underlying increase in Q4'25 non-interest income was 41% YoY. Q4'25 net fees and commission income increased 23% YoY to AED 888 mn and net trading income increased 46% YoY to AED 637 mn.

— Operating income increased 14% YoY to AED 22.183 bn in FY'25, and was up 2% YoY at AED 5.568 bn in Q4'25.

— Cost to income ratio improved by 280 bps to an all-time low of 28.2% in FY'25 with strong top-line growth accompanied by significant efficiency gains, driven by AI & digital transformation, as well as sustained cost discipline. Operating expenses increased by 4% YoY to AED 6.246 bn in FY'25 and were up 5% YoY to AED 1.647 bn in Q4'25 as the Bank continued to invest in talent and technology to drive growth.

— Cost of risk was 59 bps in FY'25, below full-year guidance of 63-68 bps and five-year guidance of below 60 bps. Cost of risk in Q4'25 was 16 bps. Impairment charges were 8% higher YoY at AED 3.103 bn in FY'25, largely due to a build of provisions on a small number of legacy corporate accounts recorded in Q2'25 and Q3'25. Impairment charges in Q4'25 were significantly lower at AED 183 million reflecting higher recoveries and provision releases.

## Q4/FY 2025 financial highlights

| Income statement highlights (AED mn) | FY'25 | FY'24 | ΔYoY% | Q4'25 | Q3'25 | Q4'24 | ΔQoQ% | ΔYoY% |
|---|---|---|---|---|---|---|---|---|
| Total net interest and Islamic financing income | **14,688** | 13,225 | 11 | **3,833** | **3,806** | 3,505 | 1 | 9 |
| Non-interest income | **7,495** | 6,254 | 20 | **1,734** | **2,068** | 1,962 | (16) | (12) |
| Operating income | **22,183** | 19,479 | 14 | **5,568** | **5,875** | 5,467 | (5) | 2 |
| Operating expenses | **(6,246)** | (6,031) | 4 | **(1,647)** | **(1,624)** | (1,565) | 1 | 5 |
| Operating profit before impairment charge | **15,937** | 13,448 | 19 | **3,921** | **4,251** | 3,902 | (8) | 0 |
| Impairment charge | **(3,103)** | (2,874) | 8 | **(183)** | **(1,087)** | (1,020) | (83) | (82) |
| Profit before tax[1] | **12,843** | 10,585 | 21 | **3,736** | **3,166** | 2,884 | 18 | 30 |
| Income tax charge | **(1,398)** | (1,166) | 20 | **(394)** | **(76)** | (311) | 418 | 27 |
| Net profit for the period[2] | **11,445** | 9,419 | 22 | **3,342** | **3,090** | 2,573 | 8 | 30 |

| Balance sheet highlights (AED mn) | Dec'25 | Dec'24 | ΔYoY% | Dec'25 | Sep'25 | Dec'24 | ΔQoQ% | ΔYoY% |
|---|---|---|---|---|---|---|---|---|
| Total assets | **773,654** | 652,814 | 19 | **773,654** | 744,273 | 652,814 | 4 | 19 |
| Net loans and advances | **405,967** | 350,638 | 16 | **405,967** | 401,356 | 350,638 | 1 | 16 |
| Net interest earning assets | **649,440** | 555,289 | 17 | **649,440** | 627,196 | 555,289 | 4 | 17 |
| Deposits from customers | **499,775** | 421,060 | 19 | **499,775** | 482,440 | 421,060 | 4 | 19 |

| Key metrics (%) | FY'25 | FY'24 | ΔYoY bps | Q4'25 | Q3'25 | Q4'24 | ΔQoQ bps | ΔYoY bps |
|---|---|---|---|---|---|---|---|---|
| CAR (Capital adequacy ratio — Basel III) | **17.00** | 16.13 | 87 | **17.00** | **16.00** | 16.13 | 100 | 87 |
| CET1 (Common equity tier 1) ratio | **13.79** | 12.56 | 123 | **13.79** | **12.70** | 12.56 | 109 | 123 |
| Liquidity coverage ratio (LCR) | **131.3** | 137.3 | (600) | **131.3** | **133.1** | 137.3 | (180) | (600) |
| Loan to deposit ratio | **81.2** | 83.3 | (210) | **81.2** | **83.2** | 83.3 | (200) | (210) |
| CASA/total customer deposits | **46** | 44 | 200 | **46** | **45** | 44 | 100 | 200 |
| Non-performing loan (NPL) ratio | **1.83** | 3.04 | (121) | **1.83** | **1.86** | 3.04 | (3) | (121) |
| Provision coverage ratio[3] | **146.4** | 110.0 | 3,640 | **146.4** | **187.3** | 110.0 | (4,090) | 3,640 |
| Cost of risk (CoR)[4] | **0.59** | 0.58 | 1 | **0.16** | **0.82** | 0.72 | (66) | (56) |
| Cost to income ratio | **28.2** | 31.0 | (280) | **29.6** | **27.6** | 28.6 | 200 | 100 |
| Net interest margin (NIM)[5] | **2.45** | 2.58 | (13) | **2.39** | **2.45** | 2.58 | (6) | (19) |
| Risk adjusted NIM[5] | **1.90** | 2.03 | (13) | **2.24** | **1.68** | 1.89 | 56 | 35 |
| Return on average equity (RoAE)[6] | **15.3** | 13.5 | 180 | **17.6** | **16.6** | 14.9 | 100 | 270 |

Note: Figures may not add up due to rounding differences
(1) After including share in profit of associates
(2) Effective 1 January 2025, the UAE enacted a 15% Domestic Minimum Top-up Tax (DMTT) aligned with OECD Pillar Two Model rules. The Group has performed a detailed evaluation and meets the criteria for the Initial Phase of International Activity Exclusion (IAE) provisions. Consequently, the applicable statutory tax rate has been reduced from the DMTT rate of 15% to the UAE Corporate Tax rate of 9% for the 2025 financial year. In Q3'25, the Group reversed an excess tax provision recognised in the first half of 2025
(3) Provisions on loans and advances, including fair value adjustments and IFRS 9 reserve
(4) COR: Net impairment charge on loans & advances and investments divided by net average loans & advances and investments
(5) NIM and risk adjusted NIM exclude 'Financial assets at fair value through profit or loss' and 'Loans and advances to customers at fair value through profit or loss' from interest earning assets
(6) For ROAE calculation, net profit after tax attributable to equity shareholders has been considered, i.e., net profit after deducting coupon payments relating to Tier 1 capital notes

## Strong balance sheet growth, with net loans increasing AED 55 bn and CASA deposits up AED 46 bn YoY, while the successful rights issue strengthened capital position, with CET1 ratio rising to 13.79%

— Total assets increased 19% YoY to AED 774 bn at December-end.

— Net loans and advances to customers increased AED 55 bn or 16% YoY to AED 406 bn at December-end. Key sectors of significant credit growth during the year included energy, trading, transport and communication and financial institutions. Loans outside the UAE increased to 27% of the total portfolio from 21% a year earlier, as the Group continued to support cross-border investment by UAE entities and clients operating across key regional economic corridors, notably Saudi Arabia and Egypt.

— Investment securities increased 16% YoY to AED 166 bn, with 99.6% invested in bonds. The securities were 49% accounted for at amortised cost and 51% at fair value through other comprehensive income.

— Customer deposits increased AED 79 bn or 19% YoY to AED 500 bn at the end of December. CASA deposits were up AED 46 bn or 25% YoY to AED 232 bn, accounting for 59% of deposit growth during the year. CASA deposits represented 46% of total deposits at December-end, up from 44% a year earlier.

— NPL ratio continued to improve, reaching a new record low of 1.83% at December-end, compared to 3.04% a year earlier. Provision coverage increased significantly to 146.4% from 110.0% in December 2024, while including collateral, total coverage stood at 249%, up from 188% a year earlier.

— In the context of strong demand for credit and evolving regulatory capital requirements, ADCB completed a successful AED 6.1 bn rights issue in December 2025 to support its strategy for organic growth, while remaining ahead of evolving regulatory capital requirements. This is reflected in the Bank's strengthened capital position, with the capital adequacy ratio (Basel III) at 17.00% and the CET1 ratio at 13.79% as at 31 December 2025. In recognition of the Bank's rapid growth and stature among the country's largest financial institutions, higher capital buffers have recently been introduced for ADCB as a Domestic Systemically Important Bank (D-SIB).

— The Bank maintained a strong liquidity position, with a liquidity coverage ratio (LCR) of 131.3%, net stable funding ratio (NSFR) of 109.2%, a liquidity ratio of 34.7% and a loan-to-deposit ratio of 81.2% as at 31 December 2025.

— Total shareholders' equity stood at AED 89 bn as at 31 December 2025.

### 5-year and full-year guidance

| | 5-year guidance | 2025 full-year guidance | 2025 actuals | 2026 full-year guidance |
|---|---|---|---|---|
| **CET1 ratio** | >12% | >12% | 13.79% ✓ | >12% |
| **Cost of risk**[1] | <60 bps | 63-68 bps | 59 bps ✓ | <60 bps |
| **ROE** | >15% | c.15% | 15.3% ✓ | >15% |
| **Profitability** | Double net profit to AED 20 bn within five years; c.20% annual growth rate | Unchanged | AED 11.445 bn ✓ +22% YoY | Double net profit to AED 20 bn within five years; c.20% annual growth rate |
| **Dividend payout ratio**[2] | Progressive year-on-year increase in paid-out dividends, with targeted total dividend payout of c.AED 25 bn over five-year period | Unchanged | AED 0.63 per share ✓ +7% YoY | Progressive year-on-year increase in paid-out dividends, with targeted total dividend payout of c.AED 25 bn over five-year period |

(1) CoR: Net impairment charge on loans & advances and investments divided by net average loans & advances and investments
(2) This statement represents a forward-looking projection and is subject to necessary approvals, including but not limited to Board, regulatory and shareholder approvals





## Executing a landmark rights issue to support organic growth

In December 2025, ADCB achieved a significant strategic milestone with the successful completion of a landmark AED 6.1 billion rights issue, reinforcing its capital base to support continued organic growth and the disciplined execution of the Bank's five-year strategy.

Undertaken from a position of financial strength and sustained growth momentum, the transaction positions the Bank to capture robust credit demand, deepen client relationships, and preserve balance sheet resilience.

The rights issue attracted exceptional investor demand, with total funded commitments exceeding AED 12 billion from UAE, regional and international investors. Mubadala Investment Company, ADCB's majority shareholder, subscribed in full to its proportional entitlement, providing strong anchor support. The remaining shares were more than three times oversubscribed, underscoring broad investor confidence in the Bank's strategy, performance and growth outlook.

The capital increase contributed to a strengthened capital position as at 31 December 2025, with a Basel III capital adequacy ratio (CAR) of 17.00% and a common equity tier 1 (CET1) ratio of 13.79%, placing ADCB ahead of evolving regulatory requirements, including enhanced buffers applicable to Domestic Systemically Important Banks (D-SIB).

This landmark transaction represents the largest rights issue completed by a company with a primary listing on the Abu Dhabi Securities Exchange (ADX). Acting as sole lead manager, sole bookrunner and sole receiving bank, ADCB demonstrated its equity capital markets expertise through the seamless execution of a transaction of significant scale. The rights issue involved the issuance of 592,228,700 new shares at AED 10.30 per share, with the new shares ranking equally with existing shares, including full entitlement to future dividends.

With a reinforced capital foundation and strong shareholder alignment, ADCB enters its next phase of growth well-positioned to scale responsibly, navigate evolving regulatory expectations and deliver sustainable long-term value for shareholders.

# BUSINESS REVIEW


62 Retail Banking Group
68 Corporate & Investment Banking Group
76 Championing small businesses
78 Private Banking & Wealth Management Group
84 Treasury & Investments Group
88 Islamic Banking
92 Al Hilal Bank
96 ADCB Egypt
100 Meedaf
103 Other subsidiaries


03

# RETAIL BANKING GROUP

→ The Retail Banking Group (RBG) supports retail and micro-business customers in managing their finances through tailored advice and a comprehensive suite of products and services across conventional and Islamic banking. Following strong multi-year customer growth, the business is now sharpening its focus on affluent and Emirati customers as well as fee-led propositions, while continuing to drive digital and AI innovation to deliver excellence in customer service.

**KEY HIGHLIGHTS**

- **Refined segment strategy:** driving sustainable, well-balanced growth across affluent, Emirati, mass and micro-SME customers
- **Deepened relationships with Emirati customers:** embedding Islamic-first propositions and expanding access through dedicated 'Emirati Majlis'
- **Expanded fee-based income streams:** innovative wealth, cards and foreign exchange propositions supported by ecosystem partnerships
- **Advanced operational excellence:** improving efficiency through digital, AI-enabled processes and an optimised branch network

**FINANCIAL HIGHLIGHTS**

Profit before tax (AED)

2.010 bn

+45% YoY

Contribution to operating income

26%

AED 5.859 bn, +10% YoY

RBG deposits (AED)

109 bn

+21% YoY

RBG CASA deposits (AED)

88 bn

+30% YoY

## Driving growth through focus and innovation

In 2025, the Retail Banking Group entered a new phase of growth aligned with ADCB's five-year strategy. Having built a strong franchise and achieved sustained customer growth in recent years, the Bank is now shaping its retail proposition for a technology-driven and highly competitive operating environment. The focus is on deepening relationships, particularly with the affluent segment and Emirati customers, and on accelerating product innovation to expand the fee generating proposition.

Execution of this strategy delivered a robust financial performance in 2025, with profit before tax increasing 45% year-on-year to AED 2.010 billion, and the business accounted for 26% of the Bank's operating income.

During the year, RBG advanced its digital and operating capabilities, initiating a programme to embed AI across customer service to enhance speed, accuracy and personalisation. Data insights are increasingly informing product design and pricing, supporting stronger cross-sell and retention. The business also expanded ecosystem partnerships with employers, government platforms and fintechs to embed banking seamlessly into customers' daily lives. These initiatives are driving measurable gains in productivity and customer service, reinforcing RBG's role as a key engine of sustainable growth for the Group.

Customer experience is central to ADCB's strategy, with high approval ratings helping to drive organic growth through referrals, particularly in the affluent segment. The overall net promoter score (NPS)[1] for RBG reached 82 in 2025. Key customer segments also achieved high customer satisfaction ratings, with Excellency receiving an NPS of 84, Privilege 82 and Emirati 76.

(1) NPS scores are for ADCB UAE only

# Focused segment strategy to deliver well-balanced growth

RBG has refined its customer segmentation, defining ‘affluent’ and ‘mass’ as the two principal segments, with Islamic banking integrated across both and as the primary proposition for Emiratis. The micro-SME segment has also been established as a dedicated area of focus.

## Affluent and Emirati customers

The affluent segment has been identified as a key growth driver, backed by an expanded wealth and foreign exchange proposition. New-to-bank acquisition increased by 8% over the previous year, with more than 3,000 new customers added monthly. The roll out of new investment, protection and savings products is strengthening customer relationships, while data analytics are increasing personalisation and share of wallet.

Attracting and retaining Emirati customers remains a strategic priority, supported by an ‘Islamic-first’ approach that is now fully embedded across the segment. This strategy ensures that Shari’ah-compliant solutions are positioned as the primary offer for UAE nationals, reinforced by dedicated relationship coverage and digital access to pre-approved loans and cards, including integrated ecosystem partnerships. ADCB has also developed select branches into ‘Emirati hubs’ with a majlis designed for UAE national customers, providing a personalised environment and deeper community connection.

## Mass segment

The Bank is refocusing its approach to the mass segment to drive stronger profitability and sustainable value creation. The strategy prioritises stronger, higher-value relationships, supported by greater automation and a fully digital service model. Relationship-based pricing and revised fee structures are being introduced to reward engagement. Meanwhile cross-sell income is being driven by new propositions, including express loans, enhanced remittance services and integrated product bundles.

## Micro-SME

The micro-SME segment is emerging as a strategic priority for growth. In 2025, the Bank achieved 30% growth in customer numbers in the segment, supported by digital onboarding and self-service tools, with premium clients served by relationship managers. ADCB continues to expand this franchise through enhanced coverage, targeted incentives and collaboration with national SME initiatives such as Khalifa Fund and Dubai SME.



“ADCB challenges me every day in the best way. I’m constantly learning, doing meaningful work, and growing alongside a team that genuinely supports, pushes, and inspires me.”

**Nasser Almarzooqi**
Senior Portfolio Manager – Emirati Segment

## Strong CASA growth driven by digital acquisition and new propositions

RBG delivered exceptional growth in current and savings accounts (CASA) deposits, with balances rising 30% year-on-year to AED 88 billion, representing 80% of total retail deposits. Growth was supported by digital acquisition, targeted campaigns and a stronger presence in Dubai.

In 2025, RBG launched new CASA products, including foreign currency accounts, gold and silver linked accounts and goal-based savings accounts, combined with data-led personalisation and seamless digital onboarding journeys. Segment-specific offerings for families, women and minors are also encouraging multi-account relationships.

Islamic deposits also recorded robust growth underpinned by new products such as the Islamic Elite Account and Sustainable Wakala Deposit.

## Expanding fee income through a broader product suite and digital partnerships[1]

RBG’s product strategy evolved in 2025 to drive balanced growth, expanding high-yield assets while accelerating fee-based revenues across cards, wealth management and foreign exchange. The approach combined disciplined portfolio management, product innovation and greater use of digital channels to strengthen profitability and customer engagement.

ADCB continues to rank among the top issuers of cards in the UAE, with over 206,000 new cards issued in 2025. During the year, the Bank launched new digital propositions, most notably the Shukran credit card with Landmark Group, which achieved strong uptake through its fully digital model. Established partnerships with third-party platforms such as Talabat, Careem and Amazon continued to drive card acquisition and usage, embedding ADCB products seamlessly within customers’ lifestyle choices. Digital origination captured a record 30% of credit card and 49% of personal finance sales, driven by journey redesign and AI-powered pre-approvals that accelerated delivery and boosted conversion.

Wealth management and foreign exchange income also delivered robust growth, reflecting continued diversification of the fee base. RBG recorded a 29% increase in assets under management over the past year, supported by new investment products including structured notes, fractional bonds and pension plans, as well as the introduction of third-party mutual funds and fiduciary deposits to broaden customer choice. Foreign exchange income increased 54%[2] year-on-year driven by targeted remittance campaigns across key markets and the launch of a dedicated remittance app that simplified transfers. Enhanced relationship manager engagement and referral programmes further drove this momentum.

ADCB also launched a virtual asset trading platform through ADCB Securities, providing access to 40 cryptocurrencies within a regulated environment built on cloud-ready infrastructure. The platform has seen strong early adoption since its launch in July 2025.

A key feature of RBG’s diversified product suite is the continued expansion of the Islamic Banking offering, which particularly resonates with the Emirati community. Reflecting strong and rising customer demand, approximately 56% of new retail loans in 2025 were originated through Islamic products. For further details, please see the Islamic Banking section of this report.

(1) Figures in this section refer to ADCB UAE only, unless stated otherwise
(2) ADCB Group’s UAE operations, including Al Hilal Bank

SPOTLIGHT

# ADCB customer journeys embedded within partner ecosystems

ADCB is redefining access to priority customer segments through its innovative Responsive Web App (RWA) platform, a cornerstone of the Bank's retail growth strategy. Now integrated across multiple partner ecosystems, the platform embeds ADCB's account opening and product journeys directly within the digital platforms of employers and key institutions. This approach enables the Bank to meet customers where they work, making it faster and easier to begin a banking relationship while reducing acquisition costs.

The RWA platform has become a key enabler of the Bank's 'Islamic-first' and Emirati engagement strategy. Integration with Nafis, a federal initiative promoting UAE national employment in the private sector, has expanded access to Emirati professionals. Strategic collaborations with GEMS Education and the government's Mazaya platform are extending access to families and employees across major government-related enterprises. Future enhancements will introduce payroll-linked propositions and instant salary-switch journeys, further strengthening primary banking relationships through this embedded model.

## Service excellence at scale through digital platforms[1]

Over recent years, the Bank has expanded its customer base significantly without increasing its operational footprint, proving the scalability of its digital model. In 2025, ADCB built on this success with targeted investments to advance personalisation, enhance service quality and strengthen the Bank's competitive edge.

Digital acquisition accounted for 61% of the c.270,000 new-to-bank customers during the year, while the continued expansion of digital-only journeys for key retail products further strengthened customer engagement. At the end of 2025, 93% of customers were registered on ADCB's digital platforms, and during the year 98% of retail financial transactions were completed through self-service channels, among the highest rates in the region. The mobile banking app continued to achieve strong ratings on the Apple App Store and on Google Play, reflecting its high-quality design, functionality and reliability.

Upgrades to core digital and customer relationship management (CRM) platforms have created a unified, intelligent view of each customer, allowing relationship teams to deliver more relevant advice and faster turnaround times.

Customers registered on ADCB's digital platforms

93%

## Refining the branch network for a digital era

ADCB's distribution model continues to evolve in line with strong digital engagement. With the vast majority of retail transactions now completed through self-service channels, the physical network is being streamlined and redesigned to reflect changing customer behaviour.

Branch optimisation continues, with select locations transitioning to the uBank format – fully digital, paperless centres that deliver personalised services. These branches offer instant card printing, statement access and other self-service features, combining efficiency with convenience. Three ADCB branches were converted to uBank centres in 2025, with further conversions planned for 2026. This transformation, supported by accelerated AI and digital innovation, is expected to further enhance service quality and cost efficiency.

(1) Digital figures in this section refer to ADCB UAE only

> I am proud to contribute to the development of Shari'ah-compliant investment solutions that enhance ADCB's wealth offering and deliver meaningful value to clients."

**Maryam Sharaf**
Senior Manager - Retail Wealth Products



## Harnessing AI to accelerate transformation and customer value

In 2025, RBG began applying artificial intelligence across key customer and operational areas, building on the Bank's investments in digital and data capabilities. Several priority use cases were launched during the year to improve decision-making, efficiency and service quality, forming the foundation for wider adoption over the next 12 months.

The first set of applications focused on credit and marketing analytics, using AI models to assess eligibility, identify customer needs and recommend relevant products with greater accuracy and speed. This supports rapid approvals and more tailored offers, helping the Bank enhance customer relationships and improve conversion in core retail products such as personal loans and credit cards.

AI is also being used to simplify operations. Automation and data-led monitoring are streamlining verification, onboarding and reconciliation processes, reducing manual work and turnaround times. In branches, an AI assistant is helping staff access information instantly and provide more consistent service, while conversational AI is being tested on digital channels to enhance self-service support.

Together, these initiatives mark an important step in embedding AI across RBG's key activities, linking analytics, automation and customer engagement to drive efficiency and strengthen the Bank's competitive edge.

PRIORITIES FOR 2026

- Deepen relationships with affluent, Emirati and micro-SME customers, while enhancing digital convenience and self-service for the broader base
- Further embed digital and AI capabilities across the customer journey to improve personalisation, efficiency and service quality
- Sustain strong CASA growth through innovative savings products and targeted acquisition programmes
- Enhance wealth and fee-based offerings, broadening investment options to meet evolving customer needs
- Maintain leadership in cards, focusing on selective and high-quality growth
- Expand ecosystem partnerships, integrating with government platforms, employers and merchant networks to reach priority customer groups

# CORPORATE & INVESTMENT BANKING GROUP



## KEY HIGHLIGHTS

- **Strong momentum:** disciplined loan growth and a higher non-interest income delivering a market-leading fee-to-income ratio
- **Capital efficiency:** focus on optimising capital deployment and dynamic balance sheet management supported by originate-to-distribute model
- **Market-leading investment banking franchise:** a leading proposition in regional debt and equity capital markets, with CIBG acting as lead manager, bookrunner and receiving bank for ADCB's landmark AED 6.1 billion rights issue
- **Regional connectivity:** serving clients across key economic corridors, supported by presence in Egypt and Kazakhstan



→ The Corporate & Investment Banking Group (CIBG) provides a portfolio of corporate banking services, including investment and transaction banking and financial market solutions. This sophisticated product suite is powered by efficient digital platforms and distribution channels. CIBG serves a broad range of clients both domestically and across the MENA region, including government entities, financial institutions, large to mid-size corporates, and commercial clients (SMEs), while maintaining strategic relationships with leading banks globally.

## FINANCIAL HIGHLIGHTS

Profit before tax (AED)

**6.917 bn**

+41% YoY

Contribution to operating income

**39%**

AED 8.760 bn, +15% YoY

CIBG net loans (AED)

**297 bn**

+25% YoY

CIBG deposits (AED)

**261 bn**

+27% YoY

CIBG CASA deposits[1] (AED)

**126 bn**

+20% YoY

(1) Includes Commercial (SME) CASA deposits
(2) Excludes Commercial (SME) clients
(3) ADCB UAE only

## A leading franchise delivering scale, diversification and strong momentum

The Corporate and Investment Banking Group delivered another year of strong performance in 2025, with profit before tax rising 41% to AED 6.917 billion. This was supported by disciplined loan growth and higher non-interest income, underpinned by a sophisticated product and service offering that continues to broaden client engagement.

As a core contributor to the diversification of the Bank's income streams, CIBG remains focused on expanding its client relationships and regional presence, with the business onboarding 5,400 new clients[2] in 2025. Service quality remained a differentiator, reflected in a net promoter score[3] of 90, compared with 86 the previous year.

The loan book expanded in line with the Bank's focus on quality lending and selective growth across key markets and sectors. CIBG net loans reached AED 297 billion at December-end, an increase of AED 59 billion (+25%) during the year, supported by favourable macroeconomic conditions in the UAE and the wider region. The Group continued to pursue an 'originate-to-distribute' model, with syndicated lending and securitisation contributing to capital optimisation, risk distribution and higher fee income.

ADCB's advisory, financial market solutions, capital markets and transaction banking offerings also supported growth in non-interest income, with CIBG sustaining a fee-to-income ratio that remains among the highest in the regional sector.

Strong client engagement also contributed to substantial inflows of customer deposits from SMEs and corporates. Total CIBG deposits increased by AED 55 billion (+27%) during 2025 to AED 261 billion, with current and savings account (CASA) balances accounting for 48% of the total as at year-end.

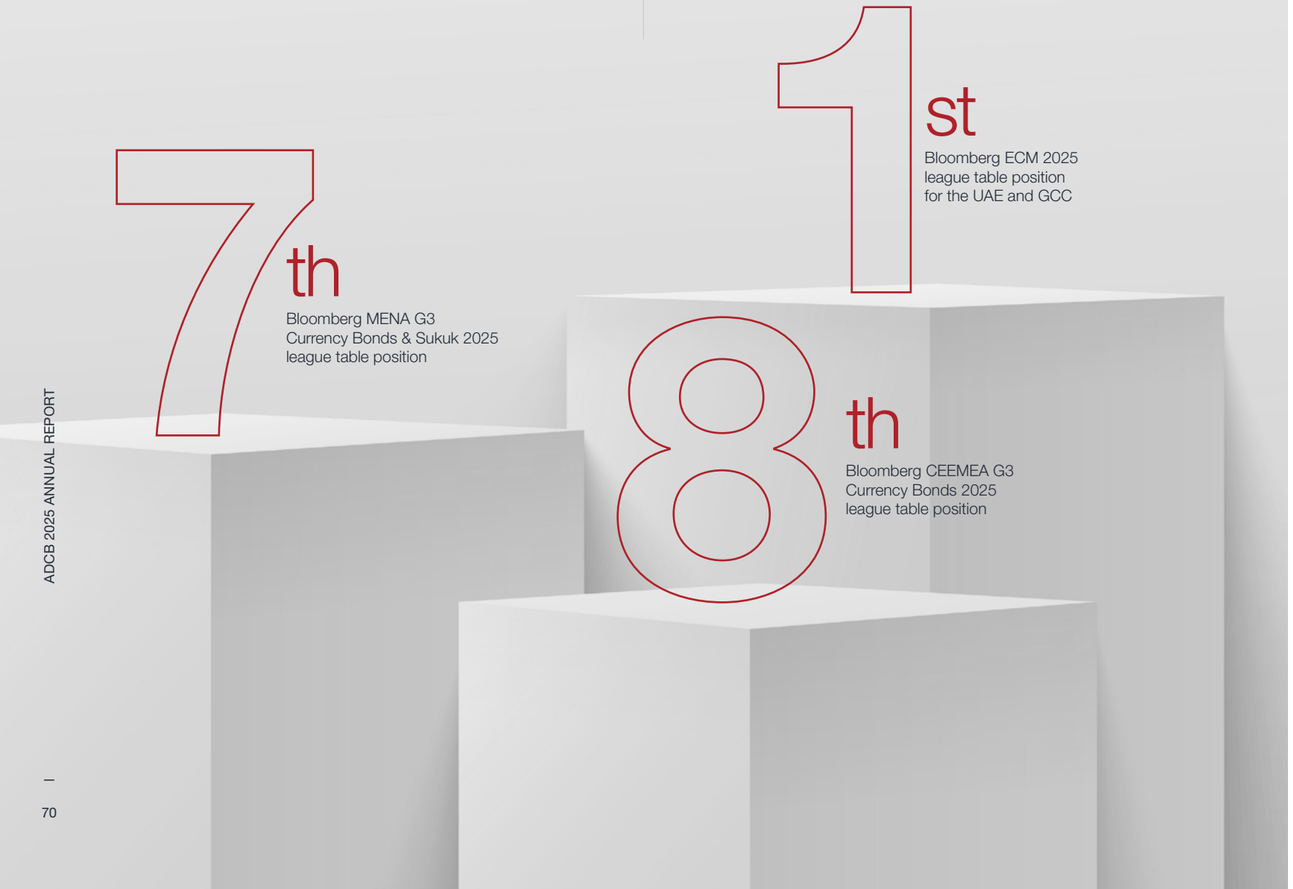
# Growing stature in regional capital markets

ADCB's investment banking business continued to scale significantly in 2025, serving as an increasingly important driver of fee income for the Group. The Bank cemented its position as a leading regional franchise in debt and equity capital markets, maintaining a top-10 ranking in the CEEMEA G3 Bonds League Table and expanding its activity across the MENAT region, Central Asia and the Caucasus.

In debt capital markets (DCM), the team executed 67 transactions valued at USD 60 billion, spanning conventional bonds and sukuk, underscoring the depth of the Bank's structuring expertise and reach of its distribution network. Key mandates included a dual-tranche bond offering for the Government of Abu Dhabi, a dual-tranche sukuk offering for Saudi Aramco, and leading in notable issuances for ADNOC and DP World, all of which attracted strong regional and international demand. ADCB's standing in DCM was reflected in multiple industry recognitions, including Best Investment Bank for DCM in the Middle East and Best Investment Bank for DCM in the UAE (Euromoney 2025) and Rising Star Bond House of the Year (Global Banking & Markets Middle East Awards 2025).

Equity capital markets (ECM) activity continued to gain strong momentum during the year, with ADCB strengthening its position as a leading adviser on UAE listings and secondary offerings. The team acted on 32 UAE issuances, with key transactions including the USD 381 million initial public offering (IPO) of ALEC Holdings on the Dubai Financial Market, the largest construction sector IPO in the UAE, and Mubadala's sale of a 7.55% stake in du, raising AED 3.15 billion through a fully marketed secondary offering. The CIBG business also served as the sole lead manager, sole bookrunner and sole receiving bank for ADCB's landmark AED 6.1 billion rights issue, demonstrating the Bank's deep expertise and ability to conduct transactions of scale.

This strong execution translated into market leadership, with Bloomberg league tables ranking ADCB first in the UAE and in the GCC by total ECM deal value in 2025.






CASE STUDIES



## Financing a world-class destination in Ras Al Khaimah

In January 2025, ADCB closed a USD 2.4 billion, seven-year dual-currency secured facility for the Wynn Al Marjan Island development, the largest hospitality financing completed in the history of the GCC. The project sits at the centre of Ras Al Khaimah's strategy to position itself as a leading regional leisure and tourism destination, supported by substantial investment in high-end hospitality, entertainment and mixed-use developments. It will deliver the region's first integrated resort and is expected to set new standards for luxury and entertainment when it opens in 2027.

ADCB acted as advisor, joint global coordinator, initial mandated lead arranger and bookrunner, underwriter and account bank for the facility.

With a gross floor area of 5.2 million square feet, the development will include over 1,500 hotel rooms, 15,000 square metres of luxury retail, a 7,500 square metre conference centre and extensive wellness, dining and entertainment facilities. The transaction underscores ADCB's ability to mobilise its full franchise in support of transformational projects that contribute to the UAE's economic diversification and the long-term growth of Ras Al Khaimah's tourism economy.

A seven-year dual-currency financing (USD)

**2.4 bn**



## Supporting the UAE's largest construction IPO

In October 2025, ADCB played a major role in the USD 381 million IPO of ALEC Holdings on the Dubai Financial Market (DFM), the UAE's largest construction sector IPO in more than 15 years. The offering attracted strong demand and closed around 21 times oversubscribed. It priced at the top of the range at AED 1.40 per share and saw one of the highest levels of non-UAE investor participation among recent listings on the DFM.

ALEC is a 26-year-old engineering and construction group with an 18-year profitability record, generating annual revenues of c.AED 13 billion and maintaining a project backlog of AED 30 billion.

ADCB's share of demand for the ALEC Holdings IPO (AED)

**10.6 bn**

# At the heart of the UAE growth story and expansion along regional corridors

Within the UAE, CIBG continued to play a central role in financing the country's economic priorities, deepening relationships with government-related entities (GREs). The Bank also increased exposure to leading corporates across energy, transportation and communications, trading and financial institutions, economic sectors that are integral to the nation's long-term development agenda.

A major highlight during the year was the USD 2.4 billion dual-currency secured facility for the Wynn Al Marjan Island development, the largest hospitality financing completed in the GCC, with ADCB acting as advisor, underwriter and account bank. ADCB also provided a USD 1 billion general corporate purpose term loan to Sirius International Holding, a subsidiary of International Holding Company (IHC) registered in Abu Dhabi Global Market (ADGM), strengthening the Bank's relationship with one of the UAE's largest conglomerates. The facility supports Sirius' ongoing investment and expansion across its portfolio of digital, technology and data-driven businesses supporting the UAE's digital economy.

In parallel, CIBG continued to broaden its sustainable finance offering in line with the UAE's net zero ambitions. The business provided ESG-linked facilities and transition financing to support clients investing in energy efficiency, low-carbon technologies and other sustainability-aligned initiatives.

ADCB acted as the sole lender for Masdar on a USD 250 million facility for the second consecutive year, providing the company with flexible liquidity to support its strategic objectives. The Bank was also appointed as joint lead manager and joint bookrunner on Masdar's dual-tranche USD 1 billion Reg S Green bond issuance, further cementing a strategic relationship with an ambitious organisation investing across the region and international markets.

Building on its domestic strength, ADCB continued to develop broad relationships with corporates operating across key regional economic corridors, particularly in Saudi Arabia, Egypt and Central Asia. This expansion enhances the Bank's role as a regional connector, supporting international capital flows across key markets. ADCB's capabilities were recognised with the Loan House of the Year award at the Global Banking & Markets Awards for Central and Eastern Europe (CEE), Central Asia and Türkiye 2025.

In Saudi Arabia, the Group advised on and arranged several landmark transactions, including a USD 1.25 billion, 10-year Tier 2 Eurobond for Saudi National Bank (SNB), the largest issuance in the institution's history. CIBG also broadened its work with GREs and leading corporates seeking Saudi Riyal-denominated and structured financing solutions.

Across the Egypt - UAE corridor, CIBG strengthened its role in supporting increased corporate activity in the context of improving economic conditions in Egypt. ADCB Egypt's Corporate Banking business provided more than EGP 3.5 billion in new and expanded facilities for clients operating across both markets, underscoring the effectiveness of a unified client coverage model.

Beyond the Middle East, the business extended its reach in Central Asia and the Caucasus. The Bank completed a EUR 116 million financing for Kazakhstan-based Air Liquide Munay Tech Gases LLP. In Uzbekistan, CIBG arranged two major transactions for Uzbekneftegaz JSC; a USD 850 million bond and a USD 100 million club loan including sustainability-related projects.

**Banking relationships across key regional economic corridors through a presence in the UAE, Egypt and Kazakhstan**




## Financial solutions and transaction banking driving fee income

The expansion of the financial market solutions suite further cemented CIBG's position as a provider of sophisticated treasury and risk-management services. During the year, 11 new products were introduced across structured hedging, derivatives, liquidity management and investment solutions, significantly enhancing the Group's capacity to generate fee income. These capabilities enable clients to manage funding requirements, interest rate exposure and foreign exchange risk with greater precision, while supporting more complex financing and treasury strategies.

Transaction banking and liquidity management also delivered strong results, underpinned by continued growth in cross-border flows and increased utilisation of cash-management platforms. Together, these offerings position CIBG as a trusted partner for corporates seeking integrated solutions across their daily transaction needs and long-term financial management.

## Leveraging digital and artificial intelligence to enhance client experience

Digitisation and AI transformation continue to reshape the corporate banking experience, by streamlining onboarding and know-your-customer (KYC) processes as well as improving the speed and efficiency of transactions.

The Bank is increasingly using AI and machine learning-driven analytics in credit assessment processes, enabling tailored evaluations and dynamic pricing strategies. These capabilities leverage contextual client data and predictive insights to deliver accuracy and agility in decision-making.

In addition, by integrating generative AI with advanced recommendation algorithms, ADCB has introduced a proactive advisory framework that provides the Bank's client-facing teams with 'next best product' recommendations tailored to a customer's specific needs. This approach enhances engagement and facilitates adaptive strategies that anticipate client requirements and optimise portfolio performance.



"At ADCB, product development is built on teamwork and trust, turning ideas into practical products that create value for customers and the business."

**Jalal Halabi**
Head - New Product Development, Structuring



"ADCB's leadership and commitment to developing its people through upskilling have enabled me to contribute to a key transaction with a GCC sovereign client, which I was honoured to present to the GCEO and Management Credit Committee."

**Mahra Yaqoob Yousuf Janahi**
Relationship Manager - International Corporate Banking MENA

**PRIORITIES FOR 2026**

- Capitalise on the Group's presence in Egypt and Kazakhstan to expand corridor banking
- Enhance the working capital proposition, including FX and transaction banking
- Further develop the commodity finance and hedging solutions business
- Enhance asset management capabilities and widen the financial market solutions portfolio to serve both CIBG and Private Banking clients

# Landmark deals



## Sirius International Holding

### USD 1 billion

ADCB provided a general corporate purpose term loan to Sirius International Holding, a subsidiary of International Holding Company (IHC), strengthening the Bank's relationship with one of the UAE's largest conglomerates.



## Masdar

### USD 1 billion

ADCB was a joint lead manager and joint bookrunner on Masdar's dual-tranche Reg S Green bond issuance, supporting the company's investments in renewable energy. The Bank also acted as the sole lender for a USD 250 million facility for the second consecutive year.



## Wynn Al Marjan Island

### USD 2.4 billion

ADCB closed a seven-year dual-currency secured facility, acting as advisor, joint global coordinator, initial mandated lead arranger and bookrunner, underwriter and account bank.



## Saudi National Bank

### USD 1.25 billion

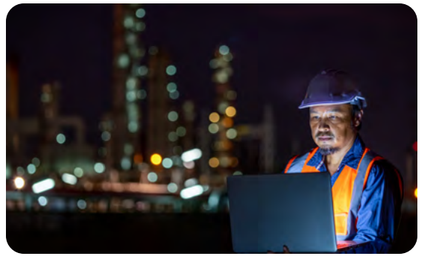
ADCB acted as a joint lead manager and joint bookrunner on a 10-year Tier 2 conventional unsecured issuance in the international debt capital markets for Saudi National Bank (SNB), the largest issuance in the institution's history.



## Air Liquide Munay Tech Gases

### EUR 116 million

ADCB completed a financing transaction for Air Liquide Munay Tech Gases LLP marking the Bank's first corporate facility involving both refinancing of existing debt and brownfield facility expansion in Kazakhstan.



## Uzbekneftegaz JSC

### USD 950 million

In Uzbekistan, ADCB arranged two major transactions for Uzbekneftegaz JSC, a USD 850 million bond and a USD 100 million club loan including sustainability-related projects.



# Championing small businesses

## A trusted partner for the UAE's fast-growing SME sector

Commercial Banking plays a central role in supporting the UAE's small and medium-sized enterprises (SMEs), which are integral to the country's ambition to build a dynamic and diversified economy. The Bank now serves more than 170,000 SMEs, onboarding approximately 39,000 new clients in 2025, through a proposition built around transaction banking strength, tailored financing solutions and a digital-first operating model.

The business has maintained strong momentum in recent years, supported by a relationship-led coverage framework and a hub-and-spoke structure that provides streamlined access to trade finance, foreign exchange and treasury expertise. This approach ensures consistent service quality as clients grow, enabling a smooth progression from micro-business to SME and into the corporate segment.

Another key driver of growth has been ADCB's strategic partnerships with leading hubs such as Abu Dhabi Global Market (ADGM) and Hub71, alongside collaborations with e-commerce platforms and national SME enablers, the Khalifa Fund and Emirates Development Bank. These ecosystems attract high-potential, technology-driven businesses seeking reliable, relationship-focused banking partners. ADCB's involvement enables early engagement with a comprehensive suite of banking services that support day-to-day operations and evolving funding needs.

### FINANCIAL HIGHLIGHTS

Commercial clients (SMEs)[1]

**170,000+**

New Commercial clients onboarded in 2025

**c.39,000**

Commercial CASA deposits (AED)

**28 bn**

+22% YoY

Growth in FX transaction volumes

**33%**

Lending activity remained robust in 2025, supported by demand for working capital, trade and equipment finance. The Bank's 'Simplified Working Capital' and 'Asset-Backed Finance' offerings continued to gain traction, particularly among smaller SMEs, following targeted enhancements that improved accessibility while maintaining a disciplined approach to credit risk management.

SME clients also remained a major contributor to the Bank's deposit base, with the segment's current and savings account (CASA) deposits rising 22% year-on-year to AED 28 billion. This growth reflects the Bank's focus on transaction banking and the effectiveness of a service model built around consistency, simplicity and long-term engagement.

SMEs also represent an important driver of fee-based income, with foreign exchange, trade finance and cash management contributing meaningfully to the Bank's objective of diversifying income streams. Fee income increased by 22% year-on-year, supported by higher transaction activity and 33% growth in foreign exchange volumes.

## Relationship banking powered by a digital-first operating model

ADCB's SME proposition is anchored in a digital-first operating model, complemented by a relationship manager structure that provides high-quality advice and day-to-day guidance for clients. At the centre of this offering are the Bank's core digital transaction platforms, ProCash and ProTrade, which deliver integrated cash and trade management capabilities, enabling end-to-end processing with minimal manual intervention.

In 2025, ADCB expanded digital product journeys supported by deployment of a digital signature capability for remote execution for loans and sub-account opening. Among other enhancements, the Bank introduced a dedicated digital workflow to allow customers to raise bank guarantee requests directly through the ProCash digital platform, helping to streamline this critical working capital process.

PacePay, a key ADCB initiative supporting micro businesses and SMEs, continues to sustain its success, providing companies with a straightforward and cost-effective solution for accepting customer payments through mobile phones. In 2025, the Bank conducted a major upgrade of the PacePay platform to provide an expanded suite of digital payment and collection capabilities. Enhancements include broader acceptance options, such as payment links, QR codes and tap-on-phone functionality, as well as an improved merchant dashboard that offers real-time transaction visibility and performance insights. PacePay's role as an accessible, low-cost alternative to point-of-sale hardware continued to strengthen, with merchant numbers increasing by 11% and transaction volumes up by 50% from the previous year.

### CASE STUDIES

Schroeder Projekt ElectroMechanic LLC

## Enabling a contractor's transition into higher-value, complex projects

Schroeder Projects, a UAE-based contracting firm delivering mechanical, electrical and plumbing (MEP) works across public and private sector developments, has banked with ADCB since its formation in 2007. Over time, the company has progressed from small-scale assignments to larger and more complex mandates, including a series of government-related projects.

The Bank has supported this transition through structured project financing and by adapting facility arrangements as the company's delivery capacity has grown. Schroeder Projects also draws on the Bank's trade finance, cash management and digital platforms, which help streamline project cycles and operational activity. The depth and duration of the relationship provide a strong financial base for the company as it undertakes more demanding mandates across the UAE.

BIC Bitutrade INDUSTRIAL CO.L.L.C

## Supporting the growth of a UAE bituminous products supplier

Bitutrade, a UAE-based producer and distributor of bituminous materials for construction and infrastructure projects, has banked exclusively with ADCB since 2013. During this period, the company has grown substantially, with lending facilities progressively expanded to reflect its scale and sustained financial performance.

The company draws on a wide range of ADCB services, including working capital, foreign exchange, cash management and point-of-sale solutions, enabling effective liquidity management and supporting higher transaction volumes. This enduring relationship continues to evolve in line with the company's operational needs, with the Bank providing a stable platform as the business builds its market presence.

(1) Includes micro SMEs

# PRIVATE BANKING & WEALTH MANAGEMENT GROUP

→ Private Banking and Wealth Management Group delivers a differentiated end-to-end service for high-net-worth and ultra-high-net-worth clients, addressing their full banking and investment needs. ADCB Private's dedicated bankers offer a comprehensive range of solutions across investments, financing and broader wealth requirements, tailored to individual objectives.

## KEY HIGHLIGHTS

- **Strong pace of client and asset growth:** an expanding investment platform is delivering diverse solutions for a growing base of high-net-worth clients
- **Reshaping the business model to drive expansion:** enhancement of client-centric operating model for sustainable growth
- **Broadening reach and capabilities:** establishment of a second Private Banking Centre in Dubai, with further branch expansion planned
- **Digital and AI-enabled transformation:** progress on new digital wealth platform, AI-enhanced investment and client management tools

## FINANCIAL HIGHLIGHTS

Contribution to operating income

8%

AED 1.841 bn, +20% YoY

YoY increase in assets under management

50%

YoY growth in investment advisory assets

113%

Private Banking and Wealth Management Group deposits (AED)

64 bn

+10% YoY

YoY increase in client base

17%

## Growth of Private Banking underpinned by comprehensive investment platform

The Private Banking & Wealth Management Group delivered another year of strong progress in 2025, reinforcing ADCB's position as a best-in-class UAE private bank, underpinned by an investment platform that is broadening its offerings to high-net-worth individuals (HNWIs).

The business has benefited from strong structural tailwinds as the UAE cements its status as a preferred base for HNWIs and family offices. In this conducive environment, ADCB Private Banking is serving an expanding client base, achieving sustainable and capital-efficient growth.

The business recorded a 17% increase in its client base in 2025, a 50% rise in assets under management, a 10% increase in deposits and 113% growth in investment-advisory, all reaching record levels that reflect the success of its disciplined client acquisition strategy and growing demand for advisory-led wealth solutions. Over the past four years, the client base has expanded four-fold to become one of the region's most dynamic wealth management franchises.

A dedicated client acquisition team has been instrumental in driving this performance, engaging entrepreneurs, family offices and high-potential clients through tailored onboarding and relationship programmes. Private Banking also broadened its proposition through institutional partnerships, providing clients with access to a diverse range of investment opportunities, particularly in alternative asset classes.

## Transformation of the delivery model

2025 marked a year of transformation and strategic focus with Private Banking executing a comprehensive repositioning of the business to enhance its client-centric operating model for ambitious and sustainable growth.

The reorganisation has increased operational efficiency and client engagement, enabling the business to respond dynamically to the diverse needs of its expanding client base. This has facilitated client access to specific areas of expertise across ADCB, from day-to-day banking to sophisticated investment, brokerage and wealth planning services. Private Banking has also implemented targeted enhancements to client coverage and product capabilities to deliver service excellence and drive further expansion.

> At ADCB, I played a pivotal role in positioning the Investment Strategy & Research team as Best Research Team in the UAE and Middle East – Euromoney 2025."

**Mohammed Alhemeiri**
Senior Specialist - Investment Strategy



A new Private Banking Centre was inaugurated in Jumeirah in 2025, the Bank's second in the emirate of Dubai, extending ADCB's reach alongside established hubs in Abu Dhabi and Al Ain. This expansion reflects the UAE's growing prominence as a global hub for high-net-worth individuals, driven by its dynamic business environment, favourable residency framework, strong real estate market and status as a leading centre for wealth management and investment in the region.

Private Banking continues to invest in talent, recruiting experienced professionals to strengthen its frontline and leadership capabilities. In 2025, the appointment of a new Head of Client Relationships strengthened the business and led to a significant expansion of its team of high-calibre relationship managers, enhancing client engagement and delivering significant value.

## Product innovation and global partnerships

Private Banking broadened its range of investment solutions in 2025, launching a suite of new onshore funds aligned with the introduction of new regulations issued by the Capital Market Authority[1] (CMA).

As a UAE institution with strong asset management capabilities and relationships, ADCB is well placed to create locally domiciled products that provide local, regional and international exposure. In total, four new funds were launched during the year, spanning a broad range of solutions, including Shari'ah-compliant and conventional strategies across equity, fixed income, and multi-asset classes. As part of the initiative, ADCB entered a new sub-advisory partnership with J.P. Morgan Asset Management to drive further growth of the onshore fund offering.

The business has also expanded its range of private market products, giving clients access to opportunities beyond traditional public markets. Through partnerships with leading global alternative asset managers, ADCB now offers exposure to private credit, real estate and other alternative asset classes, supporting stronger risk-adjusted returns and greater portfolio diversification.



> At ADCB, I've built trusted client relationships, delivered meaningful results, and grown within a culture that inspires excellence, integrity, and impact."

**Meena Al Nahhas**
Senior Manager - Private Banking

Sustainability remains a defining element of ADCB's investment philosophy. Following the Bank's adoption of the UN Principles for Responsible Investment (UN PRI) in 2024, the business has expanded its sustainable-investment platform. Green bonds, ESG-focused funds and sustainability-linked exchange-traded funds now represent a growing share of client portfolios.

ADCB Private's achievements received wide recognition in 2025. The business received six Euromoney Awards, including Best Private Bank in the Middle East, Best for High-Net-Worth Clients and Best for Investment Research across both Middle East and UAE categories. In addition, Forbes recognised ADCB Asset Management among the Top 40 Asset Managers in the Middle East, with further honours from the Global Private Banking Awards and FT Banker. These accolades affirm ADCB Private's reputation as a trusted wealth partner offering international-standard expertise with deep local insight.

Euromoney Awards across Middle East and UAE categories

**6**

Recognised by Forbes

**Top 40**

**Asset managers in the Middle East**

(1) Effective 1 January 2026, the Securities and Commodities Authority (SCA) was renamed as the Capital Market Authority (CMA)




SPOTLIGHT

# Integrated into Abu Dhabi's wealth ecosystem

Abu Dhabi continues to evolve as one of the world's fastest-growing business, investment and lifestyle hubs, attracting entrepreneurs, family offices and institutional investors seeking a stable, well-regulated environment.

In alignment with this momentum, ADCB has partnered with Abu Dhabi Global Market (ADGM), the capital's international financial centre, and Abu Dhabi Investment Office (ADIO) to offer private banking services to HNWIs and entrepreneurs arriving in the emirate. These relationships embed ADCB as a key partner in Abu Dhabi's development as a leading destination for global wealth.

## Adopting digital tools to enhance the client experience

Private Banking is also investing significantly in technology to lay the foundations for an AI-enabled wealth proposition.

The business made strong progress in 2025 on the planned rollout of its next-generation digital wealth platform, which will allow the future integration of AI tools. The platform will include digital client onboarding, online trading, and an enhanced client relationship management (CRM) system to enable seamless interaction between clients and the relationship team. Private markets and advisory services are also being fully integrated, ensuring a truly cohesive ecosystem that provides clients with a holistic view of their portfolios.

ADCB Private has already initiated the adoption of advanced digital and AI tools to strengthen advisory capabilities and deliver more personalised outcomes. Tools such as 'Lombard IQ' and 'Investment Buddy' have improved adviser productivity and enabled faster, data-driven decision-making.

## Building Emirati leadership in Private Banking

ADCB has advanced Emiratisation across Private Banking, increasing the number of UAE nationals in both frontline and support roles, while also attracting experienced relationship managers from leading international institutions.

ADCB continues to invest in the development of Emirati talent to build a strong pipeline of future leaders for the Private Banking business, in line with the UAE's national human capital priorities. Initiatives include Ethraa, a training programme conducted by the Emirates Institute of Finance and under the generous directives of His Highness Sheikh Mansour Bin Zayed Al Nahyan, UAE Vice President, Deputy Prime Minister and Chairman of the Presidential Court, and Chairman of the UAE Central Bank. The programme focuses on developing Emirati graduates and nurturing them for critical roles within the Private Banking operation, opening up significant career growth opportunities.

### PRIORITIES FOR 2026

- Maintain a strong pace of growth in client acquisition and assets under management through a comprehensive wealth proposition
- Continue attracting high-calibre private banking talent and grow the relationship management team in both depth and scale to support the next phase of expansion
- Further integrate digital and AI-powered solutions across client and operational journeys
- Position ADCB Private as the regional bank of choice, defined by expertise and international reach

# TREASURY & INVESTMENTS GROUP

→ The Treasury & Investments Group (Treasury) plays a central role as a key enabler of the Bank's five-year strategy, ensuring stable and diversified funding, proactive liquidity management, and sustainable investment activity. It manages the Bank's borrowings, issuance of debt securities, and use of derivatives to mitigate financial risk, while investing in a range of instruments, including green bonds, short-term placements, and corporate and sovereign debt securities. Treasury also offers clients a diverse range of conventional and Islamic banking solutions, including risk management products to support effective balance sheet management and hedging strategies.

## KEY HIGHLIGHTS

- **Strong financial performance:** robust results across liability management and investments, while expanding the trading product suite
- **Enhanced model governance:** comprehensive back-testing and governance framework to strengthen transparency and regulatory alignment
- **Diversified funding base:** balanced mix of CASA deposits, term funding and long-term instruments

## FINANCIAL HIGHLIGHTS

Profit before tax (AED)

**5.012 bn**

+11% YoY

Contribution to operating income

**24%**

AED 5.413 bn, +12% YoY

ADCB Group net trading income (AED)

**2.716 bn**

+32% YoY

ADCB Group investment portfolio (AED)

**166 bn**

+16% YoY

## Strong performance driven by trading income and broader client offering

The Treasury & Investments Group delivered a strong performance in 2025, reinforcing its position as a core income generator and strategic enabler of ADCB's growth. Solid investment returns, combined with strong trading performance, contributed to the continued diversification of revenue.

Treasury achieved an 11% year-on-year increase in profit before tax, reaching AED 5.012 billion in 2025, and accounting for 24% of the Bank's total operating income. Net trading income rose by 32% year-on-year to AED 2.716 billion, on higher gains from foreign exchange and trading securities.

During the year, Treasury worked closely with Corporate and Investment Banking Group (CIBG) and Retail Banking Group (RBG) to expand the product suite for clients and successfully execute some of the largest dirham-denominated transactions in the region, including foreign exchange and interest rate swaps for government-related entities and corporates.
A notable example was the Bank's support for a prominent regional corporate, facilitating fixed-deposit placements that deepened a key cross-border relationship.

*From left to right:*

"What inspires me is turning market insight and knowledge into action, working closely with teams to support liquidity, resilience and informed decision-making."

**Mohamed Hamza**
Executive Manager - Money Markets, Liquidity Management

"In 2025, I enhanced Treasury management through disciplined expense governance, strategic vendor oversight, and operational Treasury support."

**Ahmed Al Khoori**
Support Specialist - Treasury and Investments

"I am passionate about turning strategy into execution by aligning business vision with technology contributing to innovation, operational excellence, and a culture rooted in integrity and growth."

**Afra Fadhel**
Manager - Treasury Product Management Business




Digital assets have been identified as a strategic growth area. In 2025, Treasury expanded its trading capabilities in crypto assets and commodities, offering a wider range of products to clients. A dedicated Treasury-led Digital Assets Taskforce is also partnering with leading technology providers to explore tokenised products and crypto-linked solutions under robust governance frameworks, ensuring innovation remains aligned with the Bank's risk appetite and sustainability principles.

The Treasury team also worked closely with CIBG to support clients' decarbonisation efforts through Sustainable Wakala and Sustainable Call Accounts. In addition, the establishment of an equity trading desk and enhancements to the foreign exchange e-commerce platform further strengthened ADCB's trading proposition and execution capabilities.

Treasury's leadership in regional capital markets was recognised externally, with ADCB named one of the 'Top Investment Houses in the Middle East' under the G3 Bonds category by The Asset Benchmark Research.

## Focus on optimisation of cost of funds

In a year marked by the beginning of a global monetary-easing cycle, Treasury continued to optimise ADCB's funding structure through a balanced mix of customer deposits, wholesale funding and capital market instruments. The Bank actively expanded its funding base through current and savings account (CASA) deposits, term deposits, repo funding and long-term instruments, supported by a prudent approach to maturity management.

ADCB leveraged its strong franchise to attract substantial customer deposits, which increased by AED 79 billion during the year to reach AED 500 billion, including a net inflow of AED 46 billion of CASA deposits.

The Bank increased its participation in global funding programmes under the Global Medium-Term Note (GMTN), Euro Commercial Paper (ECP), and Certificate of Deposit platforms, reflecting a strategic focus on diversifying funding sources, attracting new investors, and strengthening its international funding base.

Two successful Formosa bond issuances in 2025 underscored ADCB's status as a high-quality regional issuer. In February, the Bank priced a USD 600 million dual-listed Formosa bond at a spread of 105 basis points above SOFR, with the issuance predominantly allocated to Asian investors due to strong demand. Building on this momentum, ADCB returned to the market in May with another five-year USD 600 million Formosa bond at a tighter spread of 100 basis points, generating orders exceeding USD 900 million and reflecting strong investor confidence in the Bank's credit strength and prudent funding strategy.

## Enhancing liquidity through active portfolio management

Proactive management of the investment portfolio continued to support ADCB's strong liquidity profile. The portfolio reached AED 166 billion as at the end of 2025, an increase of 16% year-on-year, with bonds representing 99.6%, of which 49% were held at amortised cost and 51% at fair value through other comprehensive income, marked to market on a daily basis.

In 2025, the Bank further strengthened its liquidity management approach by introducing a new balance sheet analytics platform that provides real-time data, daily risk reporting and improved deposit modelling to better anticipate customer cash flow behaviour. In addition, robust hedging of interest rate exposures and rigorous scenario testing have driven effective management of interest rate volatility, reinforcing liquidity resilience and cost efficiency.

## Enhanced model governance

As part of ADCB's commitment to robust risk management and regulatory compliance, Treasury implemented a comprehensive model-governance framework in 2025. This framework includes back-testing of model predictions, such as those related to interest rate risk and liquidity requirements, against actual historical outcomes. The new structure improved oversight across behavioural models, valuation tools, and forecasting methodologies, ensuring transparency, accuracy, and alignment with regulatory expectations.

Working closely with Group Risk, Treasury refined behavioural assumptions for deposit and funding models to align with evolving market conditions and the Central Bank of the UAE's regulatory standards. This approach, which included independent validation in accordance with supervisory guidelines, has optimised the reliability of asset-liability management (ALM) outcomes, ensuring the Bank's framework remains compliant, adaptive and robust.

## Harnessing AI-driven technology for smarter decision-making

Treasury is playing an active role in the Bank-wide initiative to leverage artificial intelligence to increase revenue generation and operational efficiency. A major milestone in 2025 was the launch of a scalable analytics environment for Treasury operations. This platform will enable faster, smarter decision-making across asset-liability management and funding optimisation, while supporting sophisticated simulation and stress-testing to manage liquidity and interest rate risk with greater precision.

**PRIORITIES FOR 2026**

- Expanding the pipeline of structured products, enhancing FX and commodities offerings, and leveraging AI for analytics and decision support
- Advancing the Bank's digital asset strategy in line with market trends and regulatory developments
- Driving cost efficiencies through process improvements and automation
- Investing in talent, technology, and building scalable infrastructure to support growth and resilience



# ISLAMIC BANKING

بنك أبوظبي التجاري
ADCB ISLAMIC الإسلامي

**KEY HIGHLIGHTS**

- **Sustained performance momentum:** rapid growth in Islamic Banking with robust financing and deposit momentum
- **Digital excellence and customer reach:** a seamless, end-to-end digital platform underpins customer acquisition and service delivery
- **Product innovation:** 2025 launches include new deposit, savings and card solutions
- **Strategic regional ambition:** enhanced sukuk and advisory capabilities supported by strong corporate banking presence across key markets

→ Islamic Banking provides Shari'ah-compliant solutions across retail, wealth and corporate banking. Leveraging its existing infrastructure, the Bank offers a full range of Islamic products and services alongside conventional offerings through integrated, clearly segregated digital and branch channels. This model ensures efficiency, customer choice and seamless service, supported by end-to-end Shari'ah governance and digitised contracts.

## Performance momentum and scale

Islamic Banking is a priority growth area, closely aligned with the UAE's ambition to be a leading centre for Islamic finance. ADCB Islamic is among the largest Shari'ah-compliant banking propositions in the UAE, comparable to standalone Islamic banks. Net Islamic financing assets and deposits represented 12% and 14% of the Group's total, respectively, as of year-end 2025.

ADCB Islamic Banking[1] achieved robust expansion across all segments, with net financing assets increasing 9% year-on-year to AED 48 billion, and customer deposits growing 9% to AED 71 billion. ADCB Islamic Banking accounted for a 9% market share of new Islamic retail financing in the UAE banking system in 2025 and an 11% share of new Shari'ah-compliant credit cards issued. This strong resonance with customers is reflected in a net promoter score of 76.

Growth in 2025 was driven by increasing preference among customers, particularly within the Emirati community, for ethical and transparent banking built on Shari'ah principles. At the same time, demand is broadening among expatriate customers and corporate clients that value the breadth and flexibility of ADCB's Islamic proposition.

The ADCB Islamic Banking offering is complementary to Al Hilal Bank, the Group's wholly owned subsidiary, which is dedicated to providing Shari'ah-compliant digital banking solutions exclusively for retail customers.

**FINANCIAL HIGHLIGHTS[1]**

Net Islamic financing assets (AED)

48 bn

+9% YoY

Total Islamic deposits (AED)

71 bn

+9% YoY



"At ADCB, we don't adapt to change; we actively drive it through innovation and determination. This ethos, championed by our Board and management, enables each of us to thrive in an environment that is both inspiring and empowering, and is what keeps me completely engaged with my work."

**Humaid Abdul Aziz**
Executive Manager - Islamic Banking Product Development

## Strong retail performance driven by digital-first strategy and customer growth

Performance within the ADCB's Islamic retail business was underpinned by strong acquisition volumes across product lines. Efforts to target Islamic affinity clients resulted in an improved share of Islamic customers, currently representing 36% of the total retail customer base. ADCB Islamic retail financing grew 4% during the year, while deposits increased by 17%.

A digital-first model continues to support this growth, with 84% of Islamic deposits and 81% of savings accounts originated through self-service digital channels during the year. Enhancing the customer experience remains a high priority, with Islamic Banking fully integrated into ADCB's AI roadmap to deliver hyper-personalised offerings and greater efficiencies.

Note: All figures refer to ADCB UAE only, unless stated otherwise

(1) Includes ADCB UAE Islamic Banking, Al Hilal Bank, ADCB Kazakhstan



SPOTLIGHT

# Building trust through the ‘Bank on Values’ campaign

In 2025, ADCB Islamic Banking launched the ‘Bank on Values’ campaign to reaffirm its commitment to Shari’ah-compliant finance and the cultural values that shape customers’ financial decisions. The campaign articulated a clear and differentiated offering rooted in integrity, fairness and transparency, reinforcing trust in the Bank’s Islamic offering.

‘Bank on Values’ positions ADCB Islamic Banking as a purpose-led proposition, focused on strengthening emotional and cultural connection with customers by celebrating the values that have shaped our journey. Delivered through a compelling promotional film, and tailored digital assets, the campaign achieved strong engagement, reinforcing ADCB’s ambition to provide value-led, Shari’ah-compliant solutions that meet the evolving needs of individuals, families and future generations.

The broadening product suite also remained a key differentiator in 2025. The new Elite Account (Mudaraba) seamlessly combines current and savings functionality, while the goal-based savings and super saver accounts encourage disciplined saving with monthly profit and goal-achievement bonuses. The new Upfront Profit Wakala Deposit, which allows customers to receive profit on the day of booking, was well received and contributed to strong customer engagement. The cards portfolio was also expanded, including the launch of the new Shukran ADCB Islamic card in partnership with Landmark Group, which offers 10% cashback.

## Serving a growing Emirati customer base

The Emirati proposition remains a cornerstone of Islamic Banking’s growth and appeal, with 9,000 new customers acquired in 2025. ADCB continues to deepen engagement with this core segment through exclusive Shari’ah-compliant solutions that seamlessly blend lifestyle benefits with strong financial value. The Emirati Islamic cashback card, designed specifically for UAE nationals, provides exceptional lifestyle rewards including 7% cashback across several key spending categories. Similarly, the Emirati Millionaire savings account offers customers the opportunity to win 140 prizes worth a combined AED 18 million annually.

The Islamic Banking offering is supported by regular, targeted campaigns that reflect banking relationships built on shared values, trust and transparency. The Bank also collaborates with UAE government entities and strategic partners to deliver customised financial solutions directly to UAE nationals in their workplace through third-party digital platforms.

## Expanding the Islamic wealth management business

Islamic wealth management is a key offering for high-net-worth individuals (HNWIs) served through ADCB’s Affluent Banking segment. The Bank provides dedicated relationship managers to focus on preserving and growing wealth, ensuring strict adherence to Islamic principles and effective risk management.

A number of Shari’ah-compliant investment options have been introduced that provide clients with exposure to sukuks, Islamic ETFs and mutual funds, as well as a series of ADCB managed funds.



“With a background in banking and finance, my professional journey has been dedicated to driving meaningful impact in Islamic finance. Being named among the Top 100 Most Influential Women in Islamic Business and Finance is an honour made possible by ADCB’s culture of trust, empowerment and excellence.”

**Farah Mounir**
Executive Manager - Islamic Banking Product Development

## Tailored offering for regional corporates and GREs

ADCB’s Islamic corporate proposition is tailored to client requirements, providing Shari’ah-compliant solutions for SMEs, mid-sized corporates, government-related entities (GREs) and multinational clients.

Islamic products now cover a wide range of financing, deposit and treasury solutions, including cash management, trade finance, client money accounts, and digital stored-value facilities. This breadth of offering has made Islamic banking an integral part of ADCB’s institutional relationship model, helping expand market share and support clients’ sustainability and governance objectives.

Islamic corporate banking services continued to expand in 2025, with Islamic financing up 27% year-on-year. Growth was driven by companies aligning their financing strategies with ESG principles, recognising the shared values between responsible finance and Islamic ethics.

ADCB strengthened its sukuk and structured finance capabilities, acting as joint lead manager and bookrunner on several landmark transactions. During the year, the Bank supported transactions by major issuers, including ADNOC, Mubadala Investment Company, DP World, Omniyat, Binghatti, Aldar Properties, Dubai Aerospace Enterprise, Saudi Electricity Company, Majid Al Futtaim Group, Ajman Bank, Mashreq Bank, Arada Developments and Sobha Group. Building on this momentum, ADCB is expanding its Islamic proposition across key regional markets, leveraging the Bank’s presence in strategic locations in line with its approach to supporting clients operating along regional economic corridors.

### PRIORITIES FOR 2026

- Expand Islamic Banking’s contribution to the retail business through differentiated, digital-first offering, including Emirati and youth propositions across wealth, takaful and savings
- Broaden Islamic offerings for SMEs and corporates, with emphasis on trade finance and liquidity management
- Strengthen cross-border coverage through regional expansion
- Extend responsible finance solutions and ESG-linked deposits
- Continue to harness automation and AI to elevate efficiency and customer experience

# AL HILAL BANK

→ Al Hilal Bank is solidifying its position as a leader in digital Shari'ah-compliant retail banking in the UAE. The Bank's cloud-based platform provides strong foundations for further growth, allowing for seamless access to an expanding suite of products and services.

**KEY HIGHLIGHTS**

- **Transition to a fully digital Islamic bank:** over 95% of active customers banking digitally and all new-to-bank customers onboarded via digital platforms in 2025
- **Significant operational efficiency gains:** automation, cloud readiness and a lean three-branch network supported by ADCB's network of 450+ ATMs
- **Industry-leading Emiratisation at senior levels:** appointment of senior UAE nationals to key roles and launch of a new graduate programme



**Jamal Al Awadhi**

Chief Executive Officer,
Al Hilal Bank

**KEY NUMBERS**

New digital features launched on the mobile app

20

Active customers banking digitally

Over 95%

Customer onboarding through digital channels

100%

ALHILAL

## A lean and agile business model

In 2025, Al Hilal Bank continued to make solid progress in its transformation journey as a fully digital Shari'ah-compliant retail bank, building strong foundations for sustainable long-term growth. Led by Chief Executive Officer, Jamal Al Awadhi, who was appointed to the role at the beginning of the year, the Bank remains focused on accelerating digital transformation, AI adoption, product innovation and elevating the customer experience.

Al Hilal Bank continued to benefit from the expertise and infrastructure within the ADCB Group. While operating as an independent Islamic entity, the Bank leverages shared central services in the areas of risk, legal, procurement and technology, providing efficiencies of scale and significant cost advantages.

The Bank aims to serve as an innovation incubator for the Group, providing its advanced cloud-based platforms to pilot digital initiatives and customer engagement models that can later be adopted across the wider ADCB ecosystem. These synergies reinforce the Group's diversified growth model and support Al Hilal Bank's position as a leader in digital Islamic finance.



## Transition to a fully digital bank

Al Hilal Bank continues to strengthen its position as a leading proponent of the fully digital model in UAE Islamic banking, enhancing its technology platform and mobile ecosystem. The Bank added 20 new self-service features to its mobile app in 2025, and is now close to transitioning all banking interactions to digital. By year-end, over 95% of active customers were banking digitally, and all new-to-bank customers were onboarded through digital platforms. This mobile-first approach is delivering an enhanced customer experience and improved engagement.

This success in digital transformation has allowed the Bank to optimise its physical network to three branches, supported by access to more than 450 ADCB ATMs across the UAE. This distribution model ensures that in-person advice remains available to customers, while delivering significant cost efficiencies.

To support further growth, the Bank has launched an infrastructure enhancement programme that has improved resilience, strengthened cybersecurity and optimised system flexibility and scalability. The initiative is aligned with Al Hilal Bank's transition to cloud-based architecture, enabling more secure and rapid delivery of new banking features.

Additionally, the Bank is starting to adopt artificial intelligence tools for back office and support functions, while also exploring opportunities around the UAE's Open Finance initiative, which will position Al Hilal Bank for next-generation connectivity across the financial ecosystem.

To support growth as a digital-only proposition, Al Hilal Bank continues to embed robust governance, regulatory compliance and data integrity standards across its customer journeys, ensuring a seamless and secure banking experience.



"I empower and develop our people through awareness and training, while driving stronger controls, supporting informed decisions, and safeguarding our clients and the organisation."

**Mariyam Mohamed Abdulla Alhenyami Alfalasi**
Senior Manager - Client Acceptance Advisory

## Product innovation and partnerships

Tailored products and partnerships remained a core driver of growth in 2025. The Bank's flagship Savings Plus Wakala account continued to attract new customers and increased inflows of deposits, while new youth and family-focused savings options strengthened the Bank's financial literacy offering.

Al Hilal Bank continued to refine its customer acquisition strategy in 2025, focusing on sustainable growth and high levels of engagement across its digital ecosystem. The Bank's onboarding approach emphasises customers who actively use and benefit from its digital-driven services, reinforcing alignment with its proposition as a fully digital Islamic bank. During the year, Al Hilal Bank also enhanced its pricing structure to reward customer loyalty and multi-product relationships, ensuring greater fairness and transparency. Card propositions were further expanded, with debit and instalment products driving fee income through targeted cashback and retail partnerships.

The Bank also advanced its ecosystem integration, incorporating Islamic banking solutions within leading consumer platforms. Partnerships with Careem, Amazon, e&, Carrefour and Sharaf DG enabled customers to make payments, access rewards or financing, and redeem benefits directly through partner applications. These collaborations increased digital transaction volumes and diversified non-interest income. A partnership with KidZania was also renewed, extending financial education programmes that introduce young customers to saving and responsible money management.

## Developing Emirati leadership and future talent

Emiratisation remains a defining pillar of Al Hilal Bank's strategy and culture. As a UAE-founded institution and a key part of ADCB Group, the Bank is committed to advancing the national talent agenda by placing Emiratis at the centre of its transformation and governance framework.

In 2025, Al Hilal Bank significantly strengthened its leadership bench with the appointment of senior UAE nationals across core functions. New Emirati appointments included the Chief Executive Officer, Jamal Al Awadhi, appointed in January 2025, as well as Chief Audit Officer, Acting Chief Risk Officer and Acting Head of Human Resources. Each of these appointments brings extensive operational and management expertise, strengthening the Bank's governance framework and ensuring Emirati leaders are at the forefront of shaping the Bank's future.

UAE nationals not only hold key roles in senior management but also across business, risk, compliance and technology functions, reflecting the Bank's emphasis on cultivating versatile, future-ready leaders.

To build the next generation of Emirati talent, Al Hilal Bank launched a revitalised graduate programme in 2025, under the auspices of ADCB's Ethraa Emirati training initiative. The programme enrolled 14 graduates in 2025 in the areas of digital banking, risk, compliance and innovation, supported by active mentorship. Candidates receive external training for approximately six months in partnership with the Emirates Institute of Finance and are then assigned opportunities at Al Hilal Bank to gain on-the-job skills and experience in their relevant functions and domains.

In parallel, the Bank continues to embed a culture of high performance, collaboration and continuous learning. Emirati employees benefit from Group-wide learning resources and secondment opportunities within ADCB Group, promoting cross-functional exposure and leadership development. Through these initiatives, Al Hilal Bank is creating a sustainable platform for Emirati advancement while strengthening its position as a customer-focused Islamic institution that reflects the values and ambitions of the UAE.

**PRIORITIES FOR 2026**

- Drive efficient growth through disciplined execution and innovation
- Advance cloud platform to enhance resilience and agility
- Expand AI and data analytics to enrich the customer experience
- Deepen ecosystem partnerships to extend Al Hilal Bank's digital reach

# ADCB EGYPT

→ ADCB Egypt offers a wide portfolio of financial products and services to retail, SME and large corporate customers, combined with a range of market-leading online services. Reflecting the overarching priorities of the ADCB Group, the Bank's growth strategy is defined by its focus on customer excellence, digital innovation and sustainability.

**KEY HIGHLIGHTS**

- **Strong performance in an improving operating environment:** robust loan growth supported by disciplined risk management and effective cost control
- **Strengthened positioning in corporate and syndicated lending:** support for Egypt's infrastructure and real-estate sectors through complex, high-profile financings
- **Accelerated digital transformation:** delivery of enhanced customer journeys across retail, SME and corporate segments
- **Advancing sustainability and inclusion:** measurable progress in green lending, EDGE certification and women's financial participation



**Ihab ElSewerky**

Managing Director and
Chief Executive Officer, ADCB Egypt

**FINANCIAL HIGHLIGHTS**

Net profit[1] (EGP)

5.25 bn

+46% YoY

Return on equity

35%

Net loans (EGP)

67 bn

+29% YoY

Customer deposits (EGP)

150 bn

+29% YoY

## Strong growth momentum powered by loan growth and Group connectivity

ADCB Egypt delivered another year of strong financial and operating performance in 2025 as macro-economic conditions improved and business activity picked up across key sectors. The Bank continued to focus on the affluent, corporate and SME segments to drive robust earnings growth, supported by expanding digital capabilities and a growing role in major syndicated financings.

Net profit[1] increased 46% year-on-year to EGP 5.25 billion, representing a return on equity of 35%, with net loans rising 29% to EGP 67 billion, driven by strong demand from large corporates and government-related entities. Customer deposits increased 29% year-on-year to EGP 150 billion at the end of 2025, with corporate escrow accounts serving as a key driver of growth, further strengthening the Bank's liquidity and supporting a favourable cost of funds.

Syndicated lending was a major contributor to growth in 2025, as the Bank played a leading role in several high-profile transactions. Meanwhile, collaboration with ADCB Group's Corporate and Investment Banking Team in the UAE continued to drive strong activity across key regional economic corridors, supporting increasing cross-border investment and trade flows between Egypt and the Gulf.

Through close coordination across the Group, ADCB Egypt is serving a growing base of regional corporates and multinationals with seamless banking and financial operations, including transaction banking, working capital and payment solutions, corporate credit cards and escrow services.

(1) Based on IFRS

SPOTLIGHT

# Powering progress through syndication

A defining feature of growth in 2025 was ADCB Egypt's increasing role in syndicated financing, supporting the country's expanding infrastructure and real estate sectors. The Bank participated in ten major syndication deals, increasing its total syndication portfolio to EGP 11.8 billion at the end of 2025, up from EGP 6.4 billion at the end of 2024.

**Key financing activities included:**

**EGP 2 billion**
facility for the National Authority of Tunnels to support metro line upgrades, the monorail and electric train initiatives

**EGP 1 billion**
facility for Sky Innovo Developments' Park Street Edition project in New Cairo's Golden Square

**EGP 700 million**
facility for Madinaty to support urban and tourism development

**Major syndicated transactions included:**

**EGP 1.3 billion**
for Palm Hills Development

**EGP 4.2 billion**
for Redcon Properties

Additional significant syndications included Hassan Allam, Orascom, El Sewedy, Egyptian General Petroleum Corporation (EGPC) and El Dawlia for Engineering and Contracting (EDECS).

These transactions demonstrate the Bank's ability to deliver complex funding solutions while maintaining rigorous credit standards. By leveraging ADCB Group's regional expertise and network, ADCB Egypt is playing an increasing role in mobilising capital for national development.

The Bank has also continued to expand its role in Egypt's capital markets, having become one of a small number of banks approved in 2024 to act as a custodian in debt capital markets transactions. During 2025, ADCB Egypt reinforced its position, acting as custodian for three major bond issuances for Bedaya Mortgage Finance and Beltone Mortgage Finance, with a collective value of EGP 4.5 billion. These transactions, conducted in collaboration with EFG Hermes, Capital Securitisation and Beltone Investment Banking, were instrumental in elevating the Bank's total participation in bond issuances to EGP 7.5 billion since the inception of this activity in the fourth quarter of 2024.

ADCB Egypt's retail business has also achieved significant growth in its assets and liabilities portfolios through a segmented approach focused on the affluent segment, while increasing the customer base by over 33% during the year.

## Digital transformation to capture growth in the affluent segment

ADCB Egypt is fully aligned with the Group's focus on service excellence and digital innovation as key differentiators as it implements its strategy to gain a greater share of the affluent segment. The Bank has introduced a structured voice-of-customer programme to ensure that feedback directly informs service improvements, while a comprehensive enhancement plan monitors performance across all customer touchpoints.

The Bank has prioritised leadership in digital banking, and in 2025 continued to implement a transformation programme at pace. During the year, digital onboarding reached new heights, as approximately 80% of new-to-bank customer accounts were opened digitally.

The number of customers using digital channels increased 35% during the year, while active users rose 48%, supported by the Bank's upgraded mobile app featuring an improved user interface and experience. Digital-driven lending and credit-card origination were launched, giving customers instant, paper-free access to financing and significantly reducing turnaround times through an enhanced loan origination system. More than 70% of customers are now registered on digital channels, and the Bank's mobile and internet banking platforms are capable of delivering 95% of all transaction services.

The Bank also made strong progress on digital payments through the introduction of instant payment and accessibility features, which broadened adoption across customer segments. Meanwhile, a flagship electronic branch in New Cairo continues to provide a fully paperless model integrated with interactive teller technology, reinforcing the migration to self-service banking.

The Bank's network of 276 ATMs, including mobile units for payroll and seasonal activities, continues to extend convenient access nationwide. To protect customers as transaction volumes grow, AI-enabled fraud-detection tools and real-time monitoring, delivered in partnership with a leading payments provider, have strengthened the Bank's control framework. In addition, AI and machine learning are integrated within the digital onboarding journey for a seamless experience. Such advances are enabling ADCB Egypt to deliver faster and safer banking experiences to drive growth in market share.

## Championing sustainability

Sustainability remains central to ADCB Egypt's strategy, as demonstrated by measurable progress across operations, responsible finance and inclusion. The Bank's fourth sustainability report, published in 2025, confirmed continued gains in energy efficiency, with 19 branches and the Head Office now EDGE-certified[1], representing approximately 40% of the Bank's premises. Sustainable finance exposure increased 56% in 2025 to EGP 13 billion as at year-end, encompassing green facilities, social-health financing, sustainable call accounts, solar panel and electric vehicle loans. ADCB Egypt met its 2030 target of sustainable finance accounting for 15% of its total financed portfolio by the end of 2024, and further increased this level to 19% by year-end 2025. The Bank has completed a second, broader assessment of financed emissions, extending coverage to all carbon-intensive sectors across its large corporate and SME portfolios.



"The Bank's values of integrity, discipline, and ambition mirror my own, inspiring me to deliver real impact while contributing to a supportive and empowering culture."

**Yasmine Abaze**
Assistant General Manager - Corporate and Institutional Banking

(1) EDGE: Excellence in Design for Greater Efficiencies

Beyond lending, the Bank's broader sustainability agenda delivered tangible social impact. This included the launch of the third round of its climate accelerator, in collaboration with 'Nilepreneur'. This initiative aims to facilitate the scaling up of green start-ups and support solar powered community projects that provide clean energy and water to rural villages, in partnership with Schneider Electric.

ADCB Egypt is the only bank in the country to join the Financial Alliance for Women. In line with its commitment to financial inclusion and women's economic empowerment, the Bank sponsored vocational and entrepreneurial programmes for 100 stay-at-home women offering marketing exposure and financial literacy sessions. For the first time, the programme was delivered in collaboration with the 'femtech' community, expanding its reach to a new segment of women who can benefit from ADCB Egypt's dedicated financial inclusion package for start-ups.

In 2025, the Bank's Corporate Social Responsibility (CSR) programme also supported employment initiatives for young people with disabilities through partnerships with El Sewedy Technical Academy and Misr El Kheir NGO, while continuing its employee 'volunteer club' to foster environmental stewardship and social engagement among staff.

**PRIORITIES FOR 2026**

- Increase participation in syndicated and infrastructure financing across priority sectors
- Expand digital lending and payments capabilities to deliver faster, fully paperless customer journeys
- Sustain profitability and balance sheet strength through disciplined risk and cost management
- Advance ESG integration by increasing sustainable finance exposure and expanding EDGE-certified buildings
- Strengthen SME origination and financial inclusion programmes
- Expand the Bank's offering across target segments

# MEEDAF

**KEY HIGHLIGHTS**

- **Independent entity owned by ADCB:** established to provide access to a portfolio of companies offering technology-led products and services to the financial services sector
- **Two strategic partnerships launched:** partnerships with Brink's and InDebted bring advanced services to the UAE financial market
- **Carve-out of TouchPoints from ADCB:** Meedaf to deliver loyalty programme management as part of its offering of customer-centric digital solutions
- **Diversification through innovative solutions:** supports the Bank's strategy by driving innovation in the financial services sector and strengthening partnerships with leading local and global industry players



→ Meedaf, launched in April 2025 and headquartered in Abu Dhabi Global Market (ADGM), is an innovation-driven financial services holding platform. It is transforming efficiency, security and customer experience for financial and non-financial institutions across the UAE and GCC region by building a portfolio of technology-led non-core banking companies and ecosystem partnerships. Established as an independent entity, Meedaf supports ADCB's diversification strategy while actively contributing to the disruption and growth across the region's financial ecosystem.



**Eng. Abdulla Abdul Aziz AlShamsi**

Managing Director and
Chief Executive Officer, Meedaf

## Transforming financial services operations

Meedaf is scaling a comprehensive portfolio of innovative organisations to support financial institutions as they seek to improve operational efficiency and deliver superior products and services to their customers. Meedaf's strategy is designed to build organisations equipped to provide capabilities such as AI-powered automation for collections, risk assessment and regulatory compliance; blockchain-based security to strengthen fraud prevention and ensure transaction integrity; and predictive analytics to optimise processing and performance. In addition, Meedaf's portfolio will include customer-focused digital tools, including loyalty programme management, aimed at enhancing engagement and service quality.

## Strategic partnerships accelerating delivery

Within months of launch, Meedaf announced two landmark partnerships with international providers of operational services to the financial sector. As the inaugural strategic collaboration on the Meedaf platform, a joint venture with Brink's, the global leader in cash and valuables management, marks a significant milestone in advancing cash logistics and ATM managed services in the UAE. Leveraging Brink's global expertise and advanced technology, the partnership sets new standards for efficiency and security, delivering integrated solutions that enhance operational performance and reduce costs for financial institutions.

The second strategic partnership announced in 2025 was with InDebted, the global leader in AI-powered collections infrastructure. This collaboration includes an investment in InDebted's UAE entity to accelerate regional expansion. By combining Meedaf's regional expertise with InDebted's empathy-led, technology-driven approach, the partnership sets a new benchmark for innovation in debt resolution and financial wellbeing. The strategic partnership will accelerate expansion into banking, financial services, government, and telecommunications, while strengthening regional operations by establishing a UAE hub, reinforcing Meedaf's role in driving advanced, customer-centric solutions across the financial ecosystem.

## The carve-out of TouchPoints as a loyalty programme provider

At the end of 2025, ADCB's retail banking loyalty programme, TouchPoints, was carved out as a new corporate entity under Meedaf, which aims to provide loyalty programme management as part of its offering of customer-centric digital solutions. Originating within the Retail Banking Group to reward everyday banking activity, the programme has expanded into one of the UAE's leading digital-driven rewards ecosystems with its points serving as a widely used unit of exchange.

During the year, TouchPoints strengthened its market positioning through a landmark collaboration with Abu Dhabi Airports, under which it became the exclusive loyalty programme at Zayed International Airport. The partnership enables ADCB customers to earn and redeem points across airport retail and dining outlets, as well as access to selected airport services.



TouchPoints' growth has been supported by its instant redemption model, which enables frequent, everyday use across retail, dining, entertainment and e-commerce. The platform now connects with more than 8,600 merchant partners, with the majority of redemptions completed digitally through partner platforms as well as the TouchPoints app, which was launched in 2025. The app further enhanced accessibility, enabling users to redeem and transfer points, settle utility bills and discover participating merchants through a single interface.

Merchant partners connected with the TouchPoints platform

**8,600+**

In addition to the transfer of TouchPoints to Meedaf, ADCB is also transferring Abu Dhabi Commercial Engineering (ADCE), its real estate development and technical advisory subsidiary. The company has adopted a new five-year business plan to drive continued growth of the client base and geographical diversification, including increasing mandates in the Northern Emirates.

## Building long-term value

Over the medium term, Meedaf is expected to contribute meaningfully to ADCB's non-interest income as it scales recurring revenue streams from enterprise clients through its portfolio of specialised subsidiaries. As a holding company, Meedaf focuses on streamlining financial operations, strengthening security, and improving customer experience, leveraging AI-driven automation, blockchain enabled fraud detection, and predictive analytics. Its asset-light model and strong strategic partnerships provide a solid foundation for sustainable growth. By fostering innovation and collaboration across the financial ecosystem, Meedaf will support ADCB's strategy to diversify earnings while reinforcing Abu Dhabi's position as a leading regional centre for fintech and financial excellence.

### PRIORITIES FOR 2026

- Continue to scale the Meedaf platform, investing in technology-led disruptive organisations offering both products and services
- Accelerate AI deployment to expand Meedaf's technology-driven platform leveraging Abu Dhabi's ecosystem partnerships
- Forge new global partnerships in financial operations to accelerate innovation and regional reach
- Expanding the customer base of the TouchPoints loyalty programme and the ecosystem of strategic partnerships
- Contribute to the ADCB Group's Emiratisation agenda



# Other subsidiaries



**Hasan Salem Al Hosani**

General Manager

أبوظبي التجاري
ADCB
SECURITIES للأوراق المالية

ADCB Securities is a leading brokerage firm providing clients with seamless access to trade across UAE stock exchanges, virtual assets, and major international markets, with a strong focus on US markets. As a wholly-owned subsidiary of ADCB, the company is licensed and regulated by the CMA[1] to offer trading services on ADX[1], DFM[1] and Nasdaq Dubai, while also enabling diversified investment opportunities in global and virtual asset markets.

Total assets under custody (AED)

**38.5 bn**

Total lending through margin accounts (AED)

**563 mn**

Total trading value through online trading channels (AED)

**6.4 bn**

Total account base

**26,529**



**PK Raman**

General Manager

ITMAM
شركة إتمام للخدمات
Itmam Services Company

ITMAM, meaning 'we get things done' in Arabic, was established to provide operational support to ADCB Group, including customer onboarding, cash management, trade operations, credit underwriting and contact centre services, among others. ITMAM's service-focused net promoter score (NPS) framework enables the Bank to pursue a more customer-oriented business model.

Overall service level targets achieved

**98%**

YoY increase in total volumes processed

**36%**

Self-service personal loan applications through digital channels

**87%**

CASA[2] accounts opened via digital channels

**95%**

(1) CMA: Capital Market Authority, ADX: Abu Dhabi Securities Exchange, DFM: Dubai Financial Market
(2) Current and savings account

# 04

# STRATEGIC PRIORITIES


106 Our people
112 Emiratisation
122 Digital transformation
128 Delivering service excellence

# OUR PEOPLE



**KEY HIGHLIGHTS**

- **Nurturing a high-performance workplace:** strengthening culture and capabilities to drive effective delivery of the Bank's five-year strategy
- **Expanded leadership and AI Academy:** building AI fluency and leadership capability across the Group
- **Industry benchmark in Emiratisation:** 2025 Nafis Diamond Award reflects the Bank's strong Emirati representation at all levels of workforce
- **First in the UAE banking sector:** 100% Emiratisation of banking roles across Al Ain operations representing the first milestone of its kind in the UAE
- **Technology-enabled HR transformation:** Digital platforms that enable a transparent and seamless employee experience



→ ADCB's people are central to the Bank's transformation and long-term success, enabling progress toward its ambitious five-year strategy. Attracting, developing and retaining high-calibre talent, particularly among UAE nationals, alongside a strong focus on leadership capability and meaningful career progression, remain core priorities. Group Human Resources (HR) partners with functions across the organisation to foster a high-performance culture. Initiatives such as the launch of the Artificial Intelligence (AI) Academy equip employees with future-ready skills, supporting an agile, empowered workforce prepared to meet evolving business and technological demands.

**KEY NUMBERS**

Global ranking in the Organisational Health Index

**Top quartile**

UAE national representation in ADCB's employee base

**c.40%**

Nationalities represented within the Bank

**80+**

Female representation across ADCB Group

**44%**

Hours of learning delivered

**+400,000**

> "Record results in 2025 were shaped by disciplined ambition and integrity. At ADCB, care, respect and precision build enduring relationships, driving achievement and confidence as we define what comes next."
>
> **Abdulla Almarzooqi**
> Senior Manager - Private Banking Acquisition

## Nurturing a high-performance culture

As ADCB enters its next phase of accelerated technology-driven growth, the Bank continues to invest in its culture and capabilities to support delivery of its five-year strategy. A clear focus on people fosters an environment in which employees are empowered to realise their full potential, driving a high-performance ethos aligned with organisational goals and the Bank's core values of integrity, care, ambition, respect and discipline.

Group Human Resources plays a pivotal role in achieving this vision, prioritising career growth, building a culture of empowerment and advancing Emirati talent across all levels.

ADCB's approach to fostering a positive, productive workplace culture with strong employee engagement was demonstrated in the results of the latest Organisational Health Index (OHI) survey, conducted by a leading global consultancy firm. The Bank achieved a high OHI rating, firmly positioning ADCB in the top quartile of companies globally, well above the median for global industry peers and among the top three banks in the Middle East.

The OHI survey assesses an organisation's ability to achieve sustained performance improvement by examining how effectively it aligns, executes and renews itself. In the 2025 OHI survey, ADCB performed strongly across key dimensions, including direction and leadership, accountability, a customer-centric mindset, innovation and learning. Employee participation in the survey reached 95%, indicating a strong sense of engagement. Collectively, the results point to a healthy organisational culture, and the continued effectiveness of the Bank's management and leadership approach in supporting long-term performance.

To support further two-way engagement and feedback, employees also participate twice a year in the Line Manager Index (LMI) survey, which measures management effectiveness against defined performance indicators, with results shared with individual line managers and executive management to support targeted feedback and development.

## Leadership and learning to shape rapid change

ADCB promotes continuous development to equip employees with the skills and confidence to meet evolving business and technological demands, and in 2025, the Bank prioritised targeted programmes to strengthen digital fluency, the practical application of AI, leadership capabilities and career progression.

Driven by Ambition University, an in-house centre for strategically aligned learning, employees benefit from access to an integrated suite of digital learning platforms, providing tailored journeys and self-paced modules. These are complemented by live workshops and collaborative exercises, which embed continuous learning into everyday work.

In 2025, the number of learning hours completed at ADCB Group was over 400,000, equivalent to an average of 48 per employee. This commitment continues to enhance internal mobility, reduce reliance on external recruitment and cultivate a high-performing, future-ready workforce to sustain ADCB's growth and innovation.

## Leadership Academy

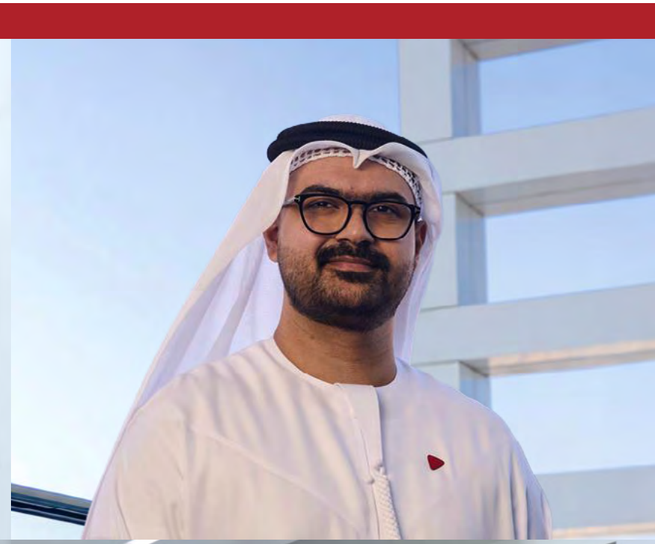
The ADCB Leadership Academy, delivered in partnership with globally recognised institutions, develops current and future leaders with the mindset and capabilities to navigate complexity and drive high performance. Modules cover strategic thinking, innovation, resilience and inclusive leadership.

## AI Academy

To strengthen expertise in emerging technologies, ADCB's new AI Academy provides a structured three-tier pathway: AI for Everyone, AI for Practitioners and AI for Leaders; supporting employees at all levels. During the year, all employees had the opportunity to access learning to help them leverage AI tools responsibly to enhance service delivery, strengthen efficiency and accelerate innovation. The academy offers more than 40 programmes combining role-based courses, hands-on labs and use case clinics, enabling employees to apply AI in real world scenarios and co-develop ADCB-specific solutions with experts.











> Proud to contribute to ADCB's corporate connectivity journey by delivering modern APIs and resilient ecosystems that empower UAE corporates and drive the next wave of technological innovation."

**Hind Alali**
Senior Product Owner - Transact and Run the Business

"My journey at ADCB is shaped by growth and achievement. The collaborative culture and broad exposure drives excellence and inspires me to contribute boldly and create a stronger future."
**Maryam Al Rahmah**
Analyst - Taxation

"I am proud to contribute to initiatives that support the Bank's long-term vision, while continually strengthening my skillset and expertise."
**Danielle Helen Kelly**
Executive Manager - Sanctions Advisory and Investigations

"Delivered an AI-powered spreading tool, improving rating speed and accuracy while enabling analysts to focus on deeper credit analysis."
**Jaison Fernando**
Executive Manager - Corporate Credit

"Six years guided by integrity and purpose, focused on strengthening safeguards, upholding trust, and protecting ADCB and its clients."
**Catalina Calin**
Senior Manager - Client Acceptance Advisory

"Proud to be part of ADCB Procurement – delivering excellence and efficiency."
**Ashwin Deju Bhandary**
Procurement - Specialist

"From my early journey at ADCB to every milestone since, the Bank has fuelled my growth. Empowering me as an Emirati, enriching my skills and network, and giving me pride and purpose."
**Abdulla Alameeri**
Manager - Business Support

"Being part of the Excellency Team means delivering exceptional client experiences through trust, collaboration, and dedication. Together, we set the standard for relationship excellence."
**Rafik Nabil**
Relationship Manager - Excellency Acquisition

"ADCB means being part of a bank that believes in people, innovation, and progress, where my work contributes to meaningful growth for clients, colleagues, and the wider community."
**Zein Haddadin**
Head - Marketing Services - Corporate & Investment Banking Group

# ADCB employees in their own words



**Naser Alsuwaidi**
Associate Relationship Manager - International Corporate Banking

“ADCB fosters a culture where people are empowered to perform at their best. Through collaboration and integrity, we work together to achieve excellence and support the Bank’s vision.”



**Jacintha Sandrasagra**
Executive Manager - Escrow Operations

“As part of the Escrow Operations Team, I play a pivotal role in managing multiple regulatory authorities and overseeing a diverse portfolio of clients across the Emirates.”



**Fabian Osadebay**
Executive Manager - Structuring

“Within the Financial Markets Solutions Structuring Team, I originate and deliver innovative new products that expand our platform and unlock broader engagement for our clients.”



**Mark Jallad**
Senior Specialist - Compliance

“I supported ADCB’s efforts in combating financial crime by playing an active role in anti-narcotics investigations, working closely with law enforcement authorities and providing financial intelligence.”



**Alaa ElSakran**
Analyst - Data Science

“ADCB’s culture of collaboration and innovation empowers me to integrate analytics, automation, and AI into intelligent solutions that drive efficiency, strengthen governance and support strategic decision-making.”



**Marwan Alshareif**
Section Head - Treasury, Market, and Liquidity Risk

“At ADCB, Group Risk is more than a second line of defence. We are strategic partners engaged early to guide the business on the safest path to executing the Bank’s vision.”



**Juliana Farrell**
Executive Legal Counsel

“ADCB’s success is anchored in its strong, value-driven culture, which prioritises professionalism, collaboration and sustained investment in its people, enabling a high-performance culture where employees thrive.”



**Pedro Araujo**
Head - Securitisation and Commodities Financing

“The clarity and ambition of the strategy sets a high bar for everybody to give their best and I feel highly motivated and engaged to be part of this team.”



**Rachana Nataraj**
Executive Manager - Collateral, Static Data Management and Finance Operations

“I lead Collateral Management and Fixed Income (FI) within Treasury Operations, driving new product initiatives and delivering agile-based structured solutions to support Financial Market Solutions.”






## Engagement, well-being and inclusion

ADCB recognises that sustainable high-performance depends on the well-being, inclusion and diversity of its people. With more than 80 nationalities represented across the organisation, diversity is a defining strength, fostering collaboration, innovation and mutual respect. The Bank’s inclusive policies promote equal opportunity, merit-based advancement and a working environment where every employee is valued.

The Bank’s approach to employee well-being is holistic, with a range of programmes that aim to foster belonging, respect and recognition. This includes providing mental-health support and free annual health checks as part of comprehensive medical coverage that ensures access to quality care across a wide range of treatments.

Flexible working models were continued in 2025, supporting employees balance professional and personal commitments, while maintaining collaboration and productivity. Under the policy, employees may take up to 10 days per year of remote work, either from home or abroad. Additionally, extended remote work arrangements of up to one year may be provided, offering greater flexibility when dealing with specific personal and family circumstances.

## Technology transforming Group HR

The transformation of the HR function accelerated in 2025, leveraging new digital tools to create a seamless, data-driven employee experience and enhance operational efficiency.

As well as providing productivity gains, digitisation is enhancing accessibility and transparency. Employees manage their HR interactions through a single platform, ‘HR Connect’, providing visibility into their development progress, feedback, and career goals. Within the platform, an ‘Ask HR’ module centralises employee requests and analytics, ensuring faster resolution and improved service.

**PRIORITIES FOR 2026**

- Accelerate Emiratisation in leadership and critical roles
- Develop next-generation leaders through structured succession planning
- Sustain employee engagement through continuous feedback and data analytics

→ Emiratisation remains integral to the continued development of a resilient and competitive banking sector in the UAE. As the industry forges rapid technological change in an increasingly complex regulatory environment, development of Emirati leadership is key to the strengthening of institutions in alignment with the nation's economic vision.

# EMIRATISATION



"What sets ADCB apart is its culture, anchored in integrity, ambition, and discipline, and the seamless collaboration across businesses that enable the institution to operate as one cohesive platform."

**Khalid Al Mentheri**

Executive Manager – Private Banking

"My journey at ADCB is defined by continuous growth, strong teamwork, and a deep sense of responsibility toward our customers and community. The Bank's commitment to developing national talent inspires me to perform with passion, loyalty, and purpose every day."

**Amna Aldoukhi**

Executive Manager – Business Banking Group

"The support of the Bank's leadership has been central to my professional growth, strengthening my confidence and reinforcing my commitment to pursue institutional excellence."

**Ameera Anwar**

Specialist – Vendor, Employee Payments and Nostro Reconciliation

## Building Emirati leadership

ADCB continues to invest in national talent to lead the organisation. Emirati professionals play a defining role in the Bank's most senior decision-making forums, contributing directly to strategy, governance and oversight. Within executive and other key governance bodies, UAE national talent holds significant influence; 40% of voting roles within the Management Executive Committee, 60% on the Compliance Committee, and 71% on the Risk Management Committee.

**Percentage of Emiratis on key ADCB committees**

| | |
|---|---|
| Management Executive Committee | **40%** |
| Management Credit Committee | **50%** |
| Risk Management Committee | **71%** |
| Management Compliance Committee | **60%** |
| Assets & Liabilities Committee | **43%** |

In 2025, the Bank strengthened its leadership pipeline by promoting UAE nationals into key senior roles, including Acting Group Chief Risk Officer, while also complementing this with external appointments of Emirati talent to positions such as Deputy Treasurer.

Across the organisation, ADCB continues to strengthen its Emirati talent base, with around 238 UAE nationals joining the Bank in 2025. By year-end, approximately 2,054 UAE nationals were employed, representing approximately 40% of the workforce, one of the highest ratios in the UAE banking sector.

A strong pipeline of future leaders is reflected in the high proportion of Emiratis under 30 and steady progression across roles. In 2025, 698 UAE national employees were promoted, underpinned by structured development and succession planning.

ADCB places strong emphasis on capability building through its 'Emirati Training Academy', which is central to developing a skilled and future-ready Emirati workforce. This ensures that Emirati employees are well positioned to lead, adapt and innovate as the UAE banking landscape continues to evolve.

During the year, participants completed more than 140,000 learning hours, representing an average of 68 hours per learner. The effectiveness of the programme is further reflected in an Emirati training net promoter score exceeding 95, highlighting the Academy's role in supporting the long-term strategic objectives of the Bank and the sustained development of national talent.

## Key training programmes for UAE nationals

ADCB remains steadfast in its commitment to nurturing Emirati talent through structured learning and development programmes designed to enhance both professional and personal competencies.

Under the Emirati learning programmes, participants focus on core capabilities such as technical and leadership skills. Complementing this, the ETHRAA Programme, delivered in collaboration with the Emirates Institute of Finance (EIF), aims to strengthen the skills of Emirati staff within the financial sector by channelling their potential into targeted learning pathways. Strategic partnerships with leading institutions further reinforce this commitment. Key initiatives include:

- Future Tech Leaders Program, offering AI and data science specialisation for early career professionals
- Emirati Empowerment Programme, developed with RIT University to advance technical and leadership skills
- Strategic Leadership in the Era of Disruption Program, in collaboration with Saïd Business School, University of Oxford, equips senior leaders with the tools and strategic clarity required to lead transformation in a dynamic global environment

Collectively, these programs underscore ADCB's dedication to creating impactful development opportunities that enable Emirati talent to thrive and contribute across the organisation.

Hours of learning completed by UAE nationals in 2025

**140,000+**

Learning hours completed by participants at Emirati Training Academy

**50,000+**

*From left to right:*

"Proud to contribute to ADCB's culture of excellence, I blend insight and partnership to strengthen governance and build trust."

**Huda Al Khalsan**
Section Head - Operations & Financial Audit

"ADCB is built on trust and teamwork. By empowering people and strengthening governance, Internal Audit plays a meaningful role in supporting sustainable success across the Bank."

**Ali Al Qahtani**
Section Head - Operations & Financial Audit

"Partnering with leaders to build talent, drive performance, and create a culture where our business units can thrive with confidence and agility."

**Abdulla Alweswasi**
Assistant Manager - HR Business Partner

## Advancing careers for Emirati women

Established to create flexible career pathways for Emirati women, Tamooha remains one of ADCB's most impactful inclusion programmes and a cornerstone of its Emiratisation journey. Now more than a decade in operation, the initiative has created career opportunities for more than 400 Emirati women, with 178 currently working across a range of business and support functions.

The programme offers flexible, remote and hybrid working models, along with dedicated women-only centres that foster collaboration and professional development. Tamooha enables participants to build meaningful careers in operations, customer service, data management and processing, while balancing family and cultural commitments.

Over the years, many Tamooha graduates have advanced into senior roles, contributing to the Bank's leadership pipeline and broadening expertise across functions. The programme continues to evolve, demonstrating that flexibility and professional growth can coexist, delivering benefits to individuals, organisations and the wider economy.

Job opportunities for Emirati women through 'Tamooha' programme over a decade

**400+**



CASE STUDY

# Nafis Diamond Award highlights ADCB's role in advancing Emirati talent

ADCB's leadership in Emiratisation was recognised at the 2025 Nafis Awards, where the Bank received the 'Exceptional Efforts – Diamond Category' honour, presented by H.H. Sheikh Mansour Bin Zayed Al Nahyan, UAE Vice President, Deputy Prime Minister, Chairman of the Presidential Court and Chairman of the Emirati Talent Competitiveness Council.

The award acknowledged ADCB's strong performance in Emirati hiring, training, career progression and female participation, as well as its sustained success in exceeding Emiratisation targets across leadership levels. In addition, several enhancements introduced during the year to ensure faster, clearer and more streamlined hiring processes have significantly boosted the overall candidate experience. This has greatly supported the Bank in attracting and retaining Emirati talent. Moreover, these improvements have reinforced alignment across internal teams to meet the Bank's national Emiratisation objectives effectively and sustainably.

Nafis, a nationwide programme to advance Emirati participation in the private sector, provides a vital platform for collaboration between the government and industry. ADCB remains an active partner in this initiative, working closely with the Emirati Talent Competitiveness Council and the Central Bank of the UAE to promote national employment and career development across the financial sector.

## Emiratisation in numbers

Emiratis recruited in 2025

238

Emirati representation in ADCB's employee base

c.40%

Female representation among Emirati employee base

c.80%

Emirati employees promoted in 2025

698

Emiratis in critical roles

41%

Emirati representation within the senior management team

40%

Emiratis who count ADCB as their first employer

48%












"Being part of the centralisation of sanctions screening allowed me to enhance key processes and support a stronger, more agile compliance ecosystem."
**Jasim Al Hassani**
Manager - Compliance Screening

"At ADCB, we drive seamless corporate client journeys by simplifying complex onboarding. I oversee strategic execution across the team to enhance efficiency and deliver sustained value from day one."
**Ahmed Al Harthy**
Senior Manager - Corporate Client Onboarding & Transaction Banking Fulfillment

"ADCB has shaped my career, trusted me with leadership opportunities, and allowed me to contribute to the Bank's success with confidence and pride."
**Layla Almaazmi**
Executive Manager - Client Acceptance Advisory

"Emiratisation is not only about representation, but about preparing a generation capable of leading institutions, shaping markets, and strengthening the future of our nation."
**Ali Alkhajeh**
Executive Manager - Investor Relations

"From delivering key enhancements to shaping innovation in escrow management, I've continuously driven smarter, customer-focused solutions within Transaction Banking."
**Noura Alkhoori**
Senior Product Manager - Escrow Product

"ADCB's culture of opportunity, continuous learning and strong leadership has enabled me to develop innovative solutions and tools while contributing to stronger regulatory capital management."
**Ali Al Abboudi**
Manager - Balance Sheet Management

"I was once one of those young Emiratis who began their career here at ADCB. I understand their ambitions and hopes because I have lived that experience myself. Today, being able to support and guide them gives my role a deeper purpose."
**Maryam Alblooshi**
Senior Specialist - Talent Acquisition

"ADCB represents growth and impact. Through training and enablement, I help transform potential into performance and support a culture of continuous learning."
**Amal Ali Alshamsi**
Senior Manager - Customer Contact Services

"As an Emirati woman at ADCB, I lead with purpose and innovation to advance Emirati talent, women's leadership, and sustainable progress."
**Afaf Al Hosani**
Executive Manager - Operational Risk Management

"Through ADCB's values of integrity, excellence, and teamwork, I contribute to strengthening customer trust and delivering high-quality banking experiences in Al Ain."
**Nayef Al Khoori**
Executive Area Manager - Al Ain Area




# A major milestone for Emiratisation in Al Ain

*Above, standing from left to right:*

“ADCB empowers us to make a real difference for customers every day. Supporting the branch allows me to contribute to efficient, secure and seamless banking services.”

**Abdulla Al Hosani**
Team Leader - Transaction Services

“Being part of ADCB has strengthened my commitment to excellence and teamwork. I’m proud to contribute to delivering trusted services, creating value for customers, and supporting the Bank’s continued success.”

**Raghash Saleh Saeed Al Ameri**
Senior Teller - Al Ain Main Branch



In early 2025, ADCB achieved 100% Emiratisation of banking roles across its Al Ain operations, the first milestone of its kind in the UAE banking sector. The Al Ain Operations Centre has become a model for how investment in national talent can deliver both operational excellence and meaningful employment.

More than 390 UAE nationals now serve in roles spanning Islamic banking, corporate banking, cash management, operations and wealth management. With an average tenure of nine years, the Al Ain team combines technical expertise with deep understanding of customer needs and the Bank’s service standards.

Building on this success, ADCB plans to create a further 220 roles for UAE nationals in Al Ain by the end of 2026, bringing the total to 600, reinforcing its contribution to sustainable regional employment and UAE Vision 2031. Fully managed by experienced Emirati professionals, the Al Ain Operations Centre has evolved into a hub of excellence for banking operations and service delivery.

The experience gained in Al Ain continues to inform the Bank’s wider Emiratisation strategy, which includes expanding similar initiatives across other Emirates, particularly in digital services, operations and client support. This approach blends both strategic localisation and strengthening the skills base to enhance performance.

Through ADCB’s close collaboration with government entities and national partners, it has significantly enhanced its recruitment strategy, enabling the Bank to attract top Emirati talent. These partnerships have been instrumental in providing structured development pathways that ensure long-term career growth for Emirati colleagues.

One of the year’s highlights was a highly successful hiring open day in Al Ain, which enabled the Bank to conduct onsite evaluations and complete contract signings from a large pool of Emirati talent. Such initiatives have not only accelerated the hiring process, but also bolstered the expansion of the Al Ain operations centre.

Looking to the future, ADCB remains steadfast in advancing its Emiratisation strategy. The Bank plans to introduce specialised training programmes, leadership development initiatives, and new career pathways across digital, operations, and modern banking services. These efforts align with the UAE’s national vision to build a high-performing Emirati workforce.



*From left to right:*

“I build strong customer relationships, support and train our employees to become future leaders. We are proud of 100% Emiratisation in Al Ain branches, delivering professional services that meet our clients’ aspirations.”

**Mohammed Al Messabi**
Customer Relationship Manager - Hazza Bin Zayed Stadium

“ADCB’s culture fuels bold leadership empowering us in Al Ain to raise standards, inspire our teams, and deliver meaningful impact to every customer we serve.”

**Abdullateef Almarzooqi**
Senior Relationship Manager - Commercial Banking - Sales & Coverage - Abu Dhabi & Al Ain

“The Bank’s culture inspires me to serve clients with excellence, grow professionally, and contribute positively to the Bank’s reputation and long-term success every day.”

**Zayana Al Talei**
Senior Service Manager - Key Accounts & Service Delivery

SPOTLIGHT



## Empowering Emirati talent through professional growth and creativity

Hessa Abdulla Almansoori is a Senior Officer, working within the Sponsorships Team, where she supports initiatives that strengthen the Bank’s engagement with key partners and the wider community. Alongside her professional role, Hessa is an accomplished artist, whose paintings reflect creativity, cultural depth and a strong sense of personal expression.

Her work featured above reflects ADCB’s ongoing commitment to Emiratisation, celebrating and supporting the diverse talents of Emirati employees and empowering them to excel both professionally and creatively.

“ADCB is a place where creativity is valued and people are empowered to grow. I’m proud to be part of a culture that encourages ideas, collaboration and purpose.”

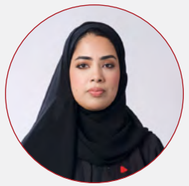
**Hessa Abdulla Almansoori**
Senior Officer - Sponsorships

# Emirati employees in their own words



**Ahmed Alhashmi**
Senior Relationship Manager - Corporate Banking

“Guided by ADCB’s values, I strive to build trust, strengthen partnerships, and deliver real impact.”



**Shaikha AlZaabi**
Senior Investigator - Card Fraud

“I am proud to contribute to a culture built on trust, integrity, and collaboration, where we work together to create lasting value for our customers, community, and the future of banking.”



**Saif Almheiri**
Specialist - Lending and Finance Corporate Banking

“Proud to be part of ADCB, where integrity, collaboration, and expertise come together to deliver thoughtful financing solutions that support client growth.”



**Arwa Alblooshi**
Senior Specialist - Customer Research

“I am a key contributor to the Customer Experience and Research team, driven by service excellence and a strong belief in listening to customers and transforming their feedback into actionable insights.”



**Hasan Alblooshi**
Senior Manager - Subsidiary Risk Oversight

“ADCB represents excellence, trust, and meaningful impact. It’s where I turn insights into value, challenges into progress, and ambitions into reality.”



**Hayfa Alhmoudi**
Senior Specialist - Compliance

“I am committed to setting and achieving ambitious performance targets that align with ADCB’s strategic growth objectives.”



**Mohamed Al Jaberi**
Senior Manager, Shari'ah Consultation, Research & Development

“I work on conducting research and providing Shari'ah advisory for all products and services offered by Al Hilal Bank, to ensure a Shari'ah-compliant financial experience that meets our customers’ aspirations.”



**Shereen Alnachas**
Senior Specialist - Procurement

“I drive sustainable growth by strengthening governance, enabling smart commercial decisions, building strategic supplier partnerships and delivering measurable financial returns.”



**Saif Almazrouei**
Executive Trader - Credit

“Building deep market expertise and continuously expanding my perspective has been central to my journey at ADCB.”











# Enabling Emirati talent in the Credit Team

“Developing Emirati capability within Credit is a strategic priority at ADCB. Our Emirati colleagues are entrusted with real responsibility across the credit lifecycle, strengthening decision-making today while building sustainable expertise for the future.”

**Mohamed Akasha**
Executive Head - Corporate and Private Banking Credit



*Top:* **Athari Almemari, Shaikha Alshehhi, Mahbooba Hussain, Shaikha Abubaker Amiri**
*Middle:* **Abdulla Almheiri and Khalifa Al Rahma**
*Below:* **Shareena Eisa**

*Top:* **Mohamed Akasha**
*Below:* **Hamad Alameri and Majren Almarar**

# DIGITAL TRANSFORMATION

→ Digital transformation is reshaping how ADCB serves customers and strengthens long-term competitiveness, combining advanced technology with data-driven insight to deliver seamless, tailored experiences. A programme of automation, cloud migration and AI innovation is also improving resilience and operational performance, supported by partnerships with fintechs, leading technology providers and national platforms. The Bank is accelerating time to market and enabling scalable, cost efficient growth, while ensuring that cloud native security and proactive risk management safeguard stakeholder trust.

### KEY HIGHLIGHTS

- **Digital business leadership:** digital is enabling sustained revenue growth, adoption and engagement
- **Cloud modernisation:** secure, scalable cloud platforms reinforcing system resilience and accelerated time to market
- **Customer-centric design:** unified onboarding framework delivering seamless journeys across key customer segments
- **Ecosystem innovation:** fostering partnerships to strengthen ADCB's role in the UAE's Open Finance and digital payments landscape

### KEY NUMBERS

Percentage of digitally registered customers

93%

Retail financial transactions through self-service channels

98%

Service requests processed digitally

71%

Note: The reported figures in this section are for ADCB UAE only

## Accelerating transformation through scale and agility

ADCB has accelerated its digital transformation agenda in 2025, achieving tangible gains in digital sales, automation, data-driven innovation and customer engagement. In particular, the Bank started the establishment of next-generation platforms and digital architecture to support rapid AI adoption, which is central to delivering significant gains in operational efficiency and service excellence in the years ahead.

To accelerate transformation, two new digital hubs have been established in Abu Dhabi and Dubai, bringing together IT and digital specialists to enable agile delivery and collaboration. This operating model unites technology and business teams into smaller, cross-functional units focused on enhancing specific customer journeys.

ADCB's digital strategy continued to transform customer engagement in 2025, enabling the sourcing, life-cycle, and post-sales servicing of the key retail products, current accounts, personal loans and credit cards through digital channels. Mobile Banking remained the primary orchestrator of customer journeys, delivering a seamless experience with full access to banking services and integrated support across every touchpoint.

In 2025, ADCB sustained market-leading digital activity and surpassed global benchmarks, with 1.9 million customers registered across internet and mobile banking platforms, representing 93% of ADCB's customer base. Digital transactions grew significantly, while reliance on branches and call centres continued to decline. The Bank recorded strong gains in digital adoption across credit cards and loans, supported by substantial improvements in straight-through processing (STP), reinforcing a shift to digital servicing and a more efficient operating model. Key STP highlights for 2025 included:

- **Credit cards:** digital acquisition has grown significantly year-on-year, with self-service usage doubling. STP improved twofold, enabling faster and automated fulfilment

- **Personal loans:** digital origination expanded, supported by double digit growth in self-service adoption and STP, driving greater automation and speed

Percentage of credit card sales conducted digitally

30%

Percentage of personal loan sales conducted digitally

49%




## Strengthening resilience through cloud modernisation

ADCB's evolution into an AI-powered institution is driven by development of new generation digital platforms, which provide the data foundation for applying machine learning and generative AI across customer experience, lending, operations, risk management and software development.

A key enabler of the AI strategy is the Bank's migration to cloud infrastructure, with more than half of the digital transaction volumes now hosted on secure cloud platforms. This shift has strengthened system resilience and scalability, ensuring consistent performance even during peak demand, while enabling hyper-personalisation and real-time analytics across customer journeys. The Bank's cloud platform automatically adjusts computing capacity to meet demand during periods of high activity, such as month-end processing. This flexibility has reduced infrastructure costs and improved system availability as digital volumes grow.

To complement these initiatives, the Bank implemented a comprehensive cloud-security upgrade, introducing enhanced encryption, access controls and monitoring to ensure full compliance with internal and regulatory standards. The annual disaster-recovery exercise was completed successfully, validating ADCB's ability to operate critical banking systems and applications from a backup site for an extended period of time with zero customer impact, demonstrating resilience at scale.

*From left to right:*

"At ADCB, empowerment inspires performance. I played a key role in handling Al Hilal Bank audits, enhancing compliance standards and successfully achieving PCI DSS certification."

**Saoud Alali**
Senior Analyst - Systems

"ADCB inspires me to lead with purpose, innovate boldly, and contribute to a culture that values people as much as performance. It empowers me to grow, create meaningful impact and elevate customer experience."

**Asma Alshaikha**
Senior Software Engineer - Artificial Intelligence



# Key digital updates in 2025

### Launch of gateway to digital assets

In 2025, the Bank launched a virtual asset trading platform through ADCB Securities, expanding the digital investment offering. The platform enables clients to trade more than 40 digital assets securely within a regulated environment that integrates custody and exchange services. Cloud-based and fully compliant, it provides real-time portfolio tracking and automated e-statements, forming a foundation for future innovation in digital custody and tokenised securities.

### Strengthened capabilities for corporate clients

The Bank continued to strengthen its digital capabilities for corporate clients. Enhancements in 2025 included the introduction of term deposit bookings on mobile via the ProCash cash management app, as well as improvements to ADCB's liquidity management and virtual account offering, such as automated and streamlined fee processes, including recovery and charges.

### New TouchPoints mobile app

ADCB launched a standalone TouchPoints mobile app, a dedicated platform to manage and redeem loyalty rewards. The app has gained strong early traction and offers features such as bill payments, donations and peer-to-peer point transfers, supporting the continued growth of TouchPoints as a core component of customer engagement.

### Auto-enrolment to Aani instant payments

In line with UAE Central Bank directives, ADCB initiated the auto-enrolment of retail customers to Aani, the national instant payments platform. The rollout allows transfers of up to AED 50,000 using identifiers such as mobile number or Emirates ID and supports QR-based payments for 23,000 merchants. The initiative promotes cashless transactions, reduces processing costs and strengthens ADCB's position in the UAE's digital payments ecosystem.

### Digital identity integration

In 2025, ADCB began integrating UAE PASS, the national digital identity system, into its retail and SME platforms. This allows customers to verify their identity and sign documents digitally, reducing manual verification and improving security across digital channels.

### Safer online payments

ADCB strengthened e-commerce security by enabling customers to approve payments directly within the mobile app via SecurePass using biometrics or a secure PIN, thereby eliminating reliance on SMS one-time passwords, significantly reducing exposure to phishing and other fraud risks.



SPOTLIGHT

# Open Finance and ecosystem innovation

ADCB is playing a leading role in the rollout of the UAE's Open Finance Framework, which enables secure data sharing between financial institutions and trusted partners through application programming interfaces (APIs). The framework marks an important step towards open banking in the UAE, creating a connected financial ecosystem that allows customers to access a broader range of lifestyle, investment and financial services through integrated digital platforms. Reflecting its leadership in this area, ADCB became the first bank certified by the Central Bank of the UAE to participate in Al Tareq, the national Open Finance platform operated by Nebras, and successfully completed the first end-to-end payment transaction on the system. ADCB also hosted a joint hackathon with Nebras and other partners, using AI tools to write code and promote open finance innovation.

These initiatives built on ADCB's track record of building ecosystem partnerships with fintechs, e-commerce platforms and technology providers to deliver embedded financial solutions across customer segments. ADCB's modern app and API architecture powers integrations with partners, such as Talabat for payments, and e& for blockchain validation of trade documents. Through such partnerships, ADCB continues to extend its reach and deliver seamless digital experiences across customer lifestyles and supply chains.



## Seamless onboarding and automation to drive productivity

Automation is central to ADCB's digital transformation agenda, delivering enhanced service reliability, customer satisfaction and significant productivity gains. The creation of a unified digital onboarding framework in 2025 was a major development, providing solid foundations for consistent, paperless account opening across customer segments.

For retail customers, the Bank rolled out instant account opening via the mobile app, providing access to conventional and Islamic banking services, as well as new multi-CASA and multi-currency options. The redesigned minor account journey now enables parents to open and manage children's accounts digitally in under two minutes, reducing branch visits and processing time. For SMEs, onboarding and post-onboarding features were added to the web platform, fully aligned with the mobile app and integrated with major UAE trade-licensing authorities, ensuring faster, compliant access to banking services across all emirates.



"At ADCB, we turn ambition into achievement by combining innovation, integrity, and collaboration to create lasting value for our customers and communities."

**Faris Alkhoori**
Analyst - Systems, Artificial Intelligence

Leveraging the agility of modular components from next generation platforms, ADCB launched a first-to-market fully digital, paperless onboarding process for Private Banking and Excellency customers, introducing facial biometric consent, end-to-end status tracking, and integrated document scanning.

Another major step forward was the integration of Digisign, ADCB's secure digital signature solution, into the loan processing system which has accelerated loan disbursals, strengthened fraud controls and improved the customer experience through faster, fully paperless processing.

Additional automation initiatives included a real-time know-your-customer (KYC) alert system across all branches, enabling customer records to be updated instantly during visits, eliminating repeat interactions and ensuring ongoing regulatory compliance. In payments, automated reconciliation for more than 700,000 daily card transactions significantly improved processing speed, reduced manual intervention and enhanced accuracy.

Daily card transactions reconciled automatically

**700,000+**

**PRIORITIES FOR 2026**

- Scale digital and AI-driven approaches to achieve service excellence
- Leverage AI to create efficient, tailored and frictionless customer interactions
- Drive innovation by advancing Open Finance and building strategic fintech alliances
- Strengthen cyber resilience and fraud prevention while safeguarding customers

# DELIVERING SERVICE EXCELLENCE



**KEY HIGHLIGHTS**

- **Customer Experience Forum elevated to a Management Executive level committee:** reinforcing the strategic importance of service excellence
- **'Customer Journey Design Centre of Excellence':** delivering intuitive, insight-led customer journeys simplifying processes, reducing effort and ensuring consistent, high-quality experiences across all touchpoints
- **Branch transformation:** repositioned branches as advisory hubs, supported by automation and digitisation, driving significant reduction in footfall
- **Brand leadership:** ADCB recognised as the strongest banking brand in the UAE for the second consecutive year by Brand Finance, with brand value rising 17% to AED 12.3 billion



→ Service excellence is a defining hallmark of ADCB's leadership and a core pillar of the Group's five-year strategy for accelerated growth. In 2025, the Bank further strengthened its position as a leading UAE institution for customer experience, deepening its culture of service and driving efficiency, design-led innovation and disciplined execution to ensure every interaction is seamless, secure and personal.

**KEY NUMBERS**

Bank-wide Net Promoter Score (NPS)

80

Industry recognition by Brand Finance

Top-rated UAE banking brand

Service Quality Forums convened in 2025

40

New services launched through mobile and internet banking

15

Customer journeys improved

95+

Note: Figures in this section refer to ADCB UAE only

## A culture of service and delivery embedded across ADCB

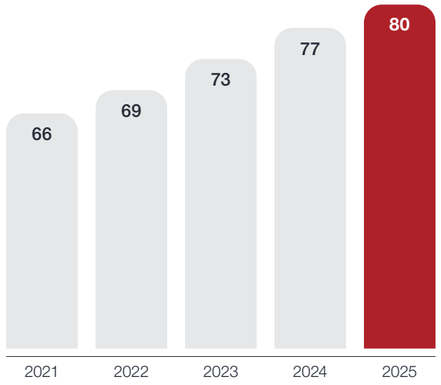
Service excellence is an organisation-wide commitment that defines how ADCB operates and continuously delivers value to customers. A comprehensive governance structure ensures that service quality is monitored, measured and improved, supported by cross-functional collaboration and data-driven insight.

At the heart of this structure is the Customer Experience Committee (CX Committee), chaired by the Group Chief Executive Officer. Meeting quarterly, the Committee brings together leadership from across the Bank to review performance indicators, address service gaps and track progress until outcomes are achieved. Elevated to a formal Management Executive level committee in 2024, the CX Committee underscores ADCB's focus on customer outcomes at the highest levels of decision-making.

Complementing this leadership focus, 'Service Quality Forums' for each Group Head drive performance and efficiency through rapid process improvements, with steering committees engaged as needed for complex projects. These forums fuel strategic decisions from net promoter score (NPS), fast feedback loop surveys, and customer complaints across more than 95 journeys. In 2025, 40 forums were convened, resulting in initiatives such as the 'Branch Efficiency Programme' and the redesign of payment and collections processes.

Through its 'Voice of the Customer Programme', ADCB integrates customer perspectives on product design, communications, digital enhancements and sustainability. Nine sessions were held in 2025, ensuring that feedback and customer sentiment directly informed service design and delivery.

### ADCB Net Promoter Score (NPS)




The enduring commitment to service excellence is embedded across every aspect of the business. Each initiative begins with a defined charter outlining accountabilities, milestones, and outcomes. Service excellence metrics form part of every employee's KPIs, reinforcing the shared responsibility for delivering outstanding experiences across the Bank.

This structured governance framework for service excellence highlights ADCB's unified approach and the drive to embed continuous enhancement across all operations.

## Branch transformation: driving efficiency and empowering customers

ADCB's 'Branch Efficiency Programme' was a cornerstone of its service excellence agenda in 2025, reshaping how customers interact with the Bank while creating a more agile and efficient operating model. The initiative integrated two complementary streams, enhancing in-branch productivity and accelerating digital enablement, to deliver a seamless, high-quality experience across every channel.

Across branches, ADCB streamlined operational activities and strengthened its culture of service excellence. Key initiatives included the automation and centralisation of non-customer facing activities, enabling teams to focus more effectively on providing high-value services to customers.

Process optimisation delivered substantial gains in speed and consistency, cutting resolution times by more than half for high-effort service requests, such as changes to operating instructions, account openings for minors and corporate customer services. In addition, a branch capacity tool now provides real-time monitoring across a majority of branches. This has improved resource utilisation and staff deployment, ensuring uniform service quality throughout the network and enabling the creation of new corporate centres that deliver tailored support for business clients.

At the same time, ADCB has accelerated digital enablement to provide customers with faster, easier and more secure access to services. In 2025, 15 additional services were launched digitally through mobile and internet banking, complemented by new service request channels designed to reduce branch dependency. Key enhancements included digitising know-your-customer (KYC) document updates and a webform solution for trade license updates, delivering particular benefits to small business and corporate customers, resulting in a reduction of more than 40% in branch footfall for these segments.

Together, these digitally driven innovations have transformed ADCB's branch network into a more efficient and customer focused environment that complements the Bank's expanding digital ecosystem. The new model ensures that branches are dedicated to advisory and relationship-driven services, while routine transactions are completed quickly and conveniently through digital channels.

Regular measurement of customer satisfaction and service consistency is conducted through mystery shopping and internal assessments, highlighting successes that can be replicated across all ADCB branches as well as the Al Hilal Bank and ADCB Egypt subsidiaries. Branches continue to achieve five-star ratings through independent online channels, while an NPS of 80 reflects customers' high level of satisfaction in ADCB's evolving service model.




## Deploying AI to strengthen human connection

Artificial intelligence has become an important enabler of ADCB's customer service strategy, enabling faster, more reliable, and highly personalised interactions across the Bank.

AI is also embedded in workflow automation and customer journey analytics, helping the Bank anticipate customer needs, eliminate service bottlenecks and drive operational efficiencies. Applications such as 'Next Best Product', which leverages data to identify the most relevant offer for each customer, underscore ADCB's commitment to using technology responsibly to strengthen human capability. This approach enables employees to focus on delivering value-added services while customers benefit from a more seamless and personalised experience.

## Revamped payments and collections

Guided by ADCB's 'digital-first' philosophy, many of the initiatives that originate from the customer experience process evolve into Bank-wide programmes. In 2025, a prime example was the upgrade of the payments and collections processes. The payments process revamp focused on achieving operational efficiencies and strengthening the corporate offering, while digitally enabled changes to the collections process significantly improved the customer experience related to fraud and dispute resolution.

## Service excellence as a driver of brand value

ADCB's singular focus on customer experience continues to translate into exceptional market recognition. In 2025, the Bank was rated the strongest banking brand in the UAE for the second consecutive year by Brand Finance in its global report that featured 500 banks. Reflecting the consistent strength of ADCB's profile in the market, the Bank's brand value surged 17% to AED 12.3 billion.

A key driver of this robust performance is the brand strength score, which gauges brand investment, stakeholder equity and business performance. This score rose to 81.5% (brand strength rating: AAA-) in 2025, positioning ADCB as the highest-rated bank in the UAE for brand strength. By outpacing the overall UAE banking sector's 16% rise in brand value and the global industry's 14% increase, ADCB has cemented its status as one of the region's most pioneering and ambitious banking brands.

ADCB also ranked sixth overall in the UAE in KPMG's Customer Experience Excellence 2025 report, retaining its position as a leader within the financial services sector.



"For me, joining ADCB is not just a job, but a platform where I can add value through my experience, achieve ambitious targets, and grow within a leading financial institution."

**Saleh Almansoori**
Customer Relationship Officer - Mortgage Sales

## Streamlining dispute resolution for card transactions

ADCB has continued to enhance its dispute-resolution framework to provide customers with faster, simpler and more transparent outcomes. A key improvement in 2025 was the redesign of the card dispute process, which eliminated the need for customers to complete and sign lengthy dispute forms and streamlining interactions to ensure a seamless experience.

A centralised dispute-resolution unit now manages this process on behalf of customers for cases raised through the Fraud Monitoring Unit, the contact centre, branches and relationship managers. This change has reduced administrative effort for customers, improved accuracy and consistency, and enabled faster resolution of card-related disputes.




Building on these efficiencies, the Bank also piloted Mastercard's Ethoca technology, designed to significantly accelerate refund turnaround times. The solution enables real-time communication between merchants, banks and card networks, allowing eligible transactions to be refunded almost immediately once confirmed. Early results have been highly positive, with 35% of more than 29,000 transactions refunded within five business days. The initiative has set a new benchmark for speed and transparency in dispute management, reinforcing ADCB's commitment to service excellence and customer trust.



## Strengthening fraud protection through QR verification

ADCB has enhanced customer protection and transparency by introducing QR code-enabled clearance letters. This innovation allows employers and customers to instantly verify the authenticity of clearance documents, significantly reducing the risk of fraud and improving trust in the process.

The initiative emerged from a cross-functional fraud taskforce that reviewed document handling processes and introduced a secure, customer-centric solution. Each clearance letter now carries a unique QR code that links directly to a verification platform, enabling 24-hour, bilingual support for immediate confirmation.

Beyond safeguarding customers, the initiative has streamlined internal workflows and reduced verification turnaround times, underlining the Bank's commitment to service excellence.

## Designing the next generation of customer experiences

The 'Customer Journey Design Centre of Excellence' (CoE) marks an important step in advancing ADCB's next generation service model. Bringing together diverse expertise from business, digital, technology and operational functions, the CoE applies a structured, end-to-end design methodology that promotes customer-centric innovation, accountability and continuous improvement. Through cross-functional synergy, teams identify overlaps, eliminate inefficiencies and simplify complex processes. This integrated approach delivers tangible benefits, including greater agility, enhanced customer satisfaction and streamlined experiences across key journeys.

By embedding customer insights at every stage, the CoE ensures that each new service or enhancement delivers measurable value aligned with customer priorities.
As the CoE scales its framework across the organisation, it reinforces ADCB's leadership in design-led transformation, keeping the Bank at the forefront of service innovation in the UAE's financial sector.

### PRIORITIES FOR 2026

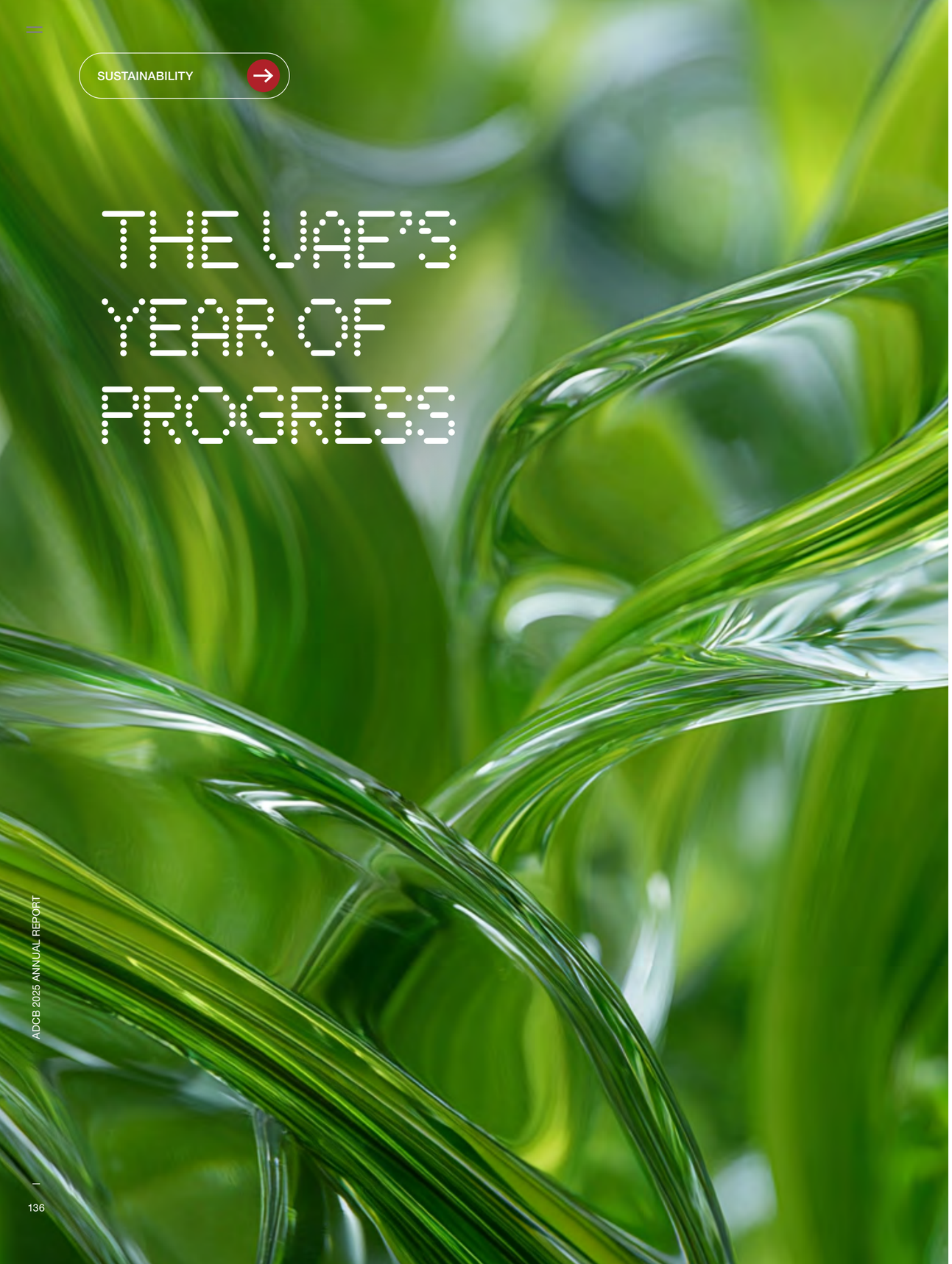
- Advance ADCB's next generation service leadership framework for exceptional customer experiences
- Further integrate data and technology across user journeys to deliver a consistent, intuitive and high-quality customer experience across all channels
- Expand the 'Customer Journey Design Centre of Excellence' to drive innovation and design-led improvement across the organisation
- Reinforce customer protection and trust by embedding secure, seamless verification and fraud-prevention measures across journeys

# SUSTAINABILITY


136 The UAE’s year of progress
140 ADCB’s integrated approach to sustainability
142 ADCB’s sustainability strategy
144 Sustainability governance framework
148 Climate risk governance
153 Stakeholder engagement
154 Materiality assessment
158 Key highlights of our performance on the double material topics in 2025




05



# THE UAE'S YEAR OF PROGRESS



# Supporting the UAE's transition to a sustainable, inclusive future

## From climate commitment to implementation

In 2025, the UAE advanced from long-term climate pledges to the implementation of its net-zero vision. The year marked the entry into force of Federal Decree-Law No. (11) of 2024 on Climate Change[1], along with the linked Cabinet Resolution[2]. The law provides a unified framework to deliver the UAE's Net Zero by 2050 strategy, with the aim of managing emissions, building capabilities, improving emissions data, and aligning with national plans and strategies with climate mitigation and adaptation objectives.

Under the new law, a National Register for Carbon Credits[2] will enable transparent tracking of verified carbon credits and offset projects, along with reporting obligations for large emitters and a common methodology for greenhouse gas measurement across the economy.

Alongside this, the National Climate Adaptation Action Plan[3] aims to strengthen national resilience across multiple sectors, including infrastructure, water management, agriculture and health. It is supported by research partnerships between national universities and international organisations to enhance climate data and modelling.

Meanwhile, federal entities have been progressing with sectoral decarbonisation plans aligned with the Third Nationally Determined Contribution (NDC 3.0), reaffirming the goal of a 47% reduction in national emissions by 2035, from a 2019 baseline.

## Accelerating the energy transition

Energy transition efforts have accelerated over the past year. The UAE remains on course to achieve its targets of 30% clean energy generation by 2030, tripling the contribution of renewable energy over the same timeframe[4]. Solar energy expansion continues across the emirates, while the Barakah Nuclear Energy Plant[5] is fully operational in Abu Dhabi, generating 40 terawatt-hours (TWh) annually, equivalent to approximately a quarter of the nation's electricity needs.
At the same time, the government continues to explore technologies such as Carbon Capture and Storage (CCS) and electrification within high-emitting sectors as part of its decarbonisation commitments and the National Hydrogen Strategy 2050 sets out plans to strengthen the UAE's position as a producer and supplier of low-emission hydrogen.

(1) Federal Decree-Law On The Reduction Of Climate Change Effects
(2) Cabinet Resolution Concerning The National Register For Carbon Credits
(3) National Climate Adaptation Action Plan
(4) UAE Energy Strategy 2050
(5) Barakah Nuclear Energy Plant

## Sector decarbonisation targets as per UAE's climate commitments (NDC 3.0)

| Sector[1] | 2019 base year in $MtCO_2e$ | Target $MtCO_2e$ by 2035 | Reduction by 2035 |
|---|---|---|---|
| Industry | 92.6 | 68.0 | 27% |
| Transport | 30.2 | 24.2 | 20% |
| Waste | 4.8 | 3.0 | 37% |
| Buildings | 71.0 | 15.0 | 79% |
| Agriculture | 4.2 | 2.6 | 39% |

**UAE's 2035 emission reduction target**

47%

(reduction in national emissions by 2035, from a 2019 baseline)

### Mobilising sustainable finance

Sustainable finance is a cornerstone of the UAE's energy transition, enabling the shift towards a low-carbon and resilient economy. The country's banking sector continues to lead regionally in aligning capital flows with the Net Zero by 2050 strategy.

The UAE Banks Federation (UBF) provides quarterly progress updates on the collective AED 1 trillion sustainable finance pledge by 2030, reaffirming the industry's commitment to the national net zero pathway.

Demonstrating its commitment to tangible climate action, the UAE's Sustainable Finance Working Group (SFWG) launched a public consultation in June 2025 on draft principles for climate transition planning, marking the next step in efforts to strengthen the country's sustainable finance ecosystem[2]. This was followed in July by the Central Bank's (CBUAE) Climate-related Financial Risk Management Regulation[3], which aims to ensure financial institutions implement appropriate governance and risk management processes to identify and manage climate-related financial risks.

### Social progress and inclusion

Reflecting its emphasis on shared prosperity, the UAE designated 2025 as the 'Year of Community' to promote volunteering and strengthen collaboration across government, business and wider society.

As part of the Year of Community, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, launched the UAE Volunteering and Community Engagement System. This is a national programme to expand the country's volunteer base to 600,000 and support not-for-profit organisations.

The initiative aims to increase the number of such organisations by 30%, through a single-service digital portal, community project incubators, and an AED 100 million (USD 27.2 million) support fund. The programme also complements the objectives of the social investment fund of the National Authority of Social Contribution – Ma'an, which leads multiple initiatives to support youth employment, social entrepreneurship and well-being programmes across the country.

(1) Individual sector emissions include emissions from power and water usage. The NDC 3.0 aims to deliver a 50% reduction in emissions from power and water driven through each of the sectors
(2) UAE Sustainable Finance Working Group (SFWG) principles for climate transition planning
(3) Climate-related Financial Risk Management Regulation issued by CBUAE



### Building a stronger society

The UAE continues to advance its social protection framework. The National Human Rights Institution (NHRI)[4], established in 2021, continues to promote and protect human rights in the UAE through channels such as legislation, partnerships and educational programmes. The institution launched its operational plan in 2025, which focuses on 34 human rights programmes, including a 'Legislation Lab' and a 'Knowledge Lab', as well as the formation of specialised committees to conduct field visits and deliver workshops in collaboration with key national entities.

Gender equality is an important aspect of social progress. Women hold 50% of seats in the Federal National Council[5] and the UAE rose five places in the WEF Gender Gap Report 2025 to 69th, ranking 1st in the region and 1st globally for female enrolment in education and representation in parliament[6]. Programmes such as Nafis, the UAE's National Program for Emirati Human Resources Development, and UAE Women's Leadership are continuing to advance female participation in key sectors.

One year after the announcement of the Mental Health Law[7], developments in the UAE's mental health landscape are showing a clear shift towards more integrated, accessible care. The Dubai Health Authority (DHA) adopted new standards aligning mental health services with global practices[8], while Emirates Health Services launched 15 specialised mental-health clinics across six emirates[9]. On the digital front, the 'Nafas' mental-health platform was launched to provide virtual therapy, 24/7 chat support and multilingual content for patients in Abu Dhabi[10].

Education and skills development remain national priorities. The national education strategy aims to embed sustainability and digital capability within curricula, while green-skills programmes prepare graduates for emerging roles in energy transition and circular economy sectors[11]. Similarly, initiatives such as the UAE's partnership with the International Renewable Energy Agency (IRENA) in the NewGen Renewable Energy Accelerator are helping to nurture a new generation of sustainability entrepreneurs and start-ups.

### Strengthening governance and fiscal resilience

The regulatory environment in the UAE continued to evolve at a pace in 2025, with the Central Bank of the UAE (CBUAE), the Capital Market Authority (CMA) and the Higher Shari'ah Authority issuing a series of new notices and thematic reviews. Regulators also intensified enforcement activity, with the CBUAE issuing public actions across multiple banks, exchange houses and insurance companies during the year. The year also saw heightened supervisory focus on financial crime prevention following the country's removal from the Financial Action Task Force (FATF) grey list in early 2024. At the same time, the UAE's financial sector is preparing for the FATF Mutual Evaluation scheduled for 2026, prompting closer scrutiny of governance, control, and risk management frameworks.

Against this backdrop, the corporate tax regime, fully implemented this year, strengthens the UAE's fiscal sustainability and economic diversification. In addition, the Abu Dhabi Securities Exchange (ADX) published new guidance for sustainability disclosures for listed companies in line with IFRS S1 and S2 standards[12], enhancing transparency and investor confidence, and reinforcing the UAE's reputation as a well-regulated and trusted jurisdiction.



"At ADCB, strong governance and collaboration turn responsibility into impact. I'm proud to contribute to a culture that values integrity, clarity and long-term value creation."

**Ahmed Rashed**
Company Secretariat

(4) Operational plan for National Human Rights Institution (NHRI)
(5) Federal National Council of the UAE
(6) Global Gender Gap Report
(7) Mental Health Law
(8) Dubai Health Authority (DHA) adopted standards on mental health services
(9) Mental health clinics launched by Emirates Health Services
(10) Nafas' mental health platform
(11) Green Education Partnership Roadmap
(12) ESG disclosure guidance for listed companies

# ADCB's integrated approach to sustainability

→ ADCB's sustainability strategy is based on a double materiality assessment informed by the requirements of the Global Reporting Initiative (GRI) and the IFRS Sustainability Reporting Standards. This strategy comprises four pillars (Climate, Employees, Governance, Customers & communities), and each pillar consists of four workstreams most material to the Bank.




For more information on ADCB's ESG priorities, please visit ADCB.com/ESG

## ESG as a key strategic differentiator

Sustainability is fully integrated into the Bank's overall corporate strategy, with the delivery of key milestones directly linked to the executive remuneration for the Group CEO and Group CFO. The annual ESG roadmap detailing the key milestones is approved by the Group Sustainability Committee and monthly progress is reported to the Core Strategy Steering Group (chaired by the Group CEO), providing senior-level oversight throughout the year. In addition, the Board-approved Group Risk Appetite Statement (RAS) includes sustainability targets, with progress reported at regular intervals to the Board Risk Committee (BRC) and the Risk Management Committee (RMC). This robust governance approach ensures sustainability is embedded into the Bank's core business strategy.

## ADCB 2025 ESG ratings

During the year, ADCB achieved leading positions across major environmental, social and governance (ESG) ratings including: S&P Global, MSCI, Sustainalytics and Bloomberg, underscoring the Bank's progress in environmental and social risk management, sustainable finance, human capital development, business ethics, data privacy, cybersecurity and consumer financial protection.

In 2025, ADCB maintained its MSCI rating of AA, a low-risk rating with Sustainalytics, scoring 14.6. ADCB's FTSE Russell ESG score was upgraded from 3.7 to 4.0 driven by a 100% score in Governance and an improvement in the Social score. Furthermore, S&P Global ESG rating improved from 38 to 59 out of 100, underpinned by strengths in areas such as data privacy and security, sustainable finance, business ethics and tax transparency. ADCB also achieved a significant increase in its Bloomberg score, from 2.73 in 2023 to 6.74 in 2025.

## ADCB awarded Best ESG Report in Middle East

On 25 September 2025, ADCB's 2024 ESG Report was recognised as a benchmark for excellence, winning the prestigious 'Best ESG and Sustainability Report – Large Cap' award at the Middle East Investor Relations Association (MEIRA) Conference. This underscores ADCB's commitment to best-in-class disclosures and transparent reporting practices, setting a high standard for sustainability disclosures in the region.

## Leading position in ESG ratings among banks in the region

**MSCI**

Joint 1st in UAE

| A | AA |
|---|---|
| 2023 | 2025 |

**Latest rating Oct'25: AA ("Industry Leader")**

| AAA | AA | A | BBB | BB | B | CCC |
|---|---|---|---|---|---|---|
| Leader | | Average | | | | Laggard |

**SUSTAINALYTICS**

1st in UAE and awarded 'Regional Top Rated' badge

| 31 "High risk" | 14.6 "Low risk" |
|---|---|
| 2022 | 2025 |

**Latest rating Sep'25: 14.6 ("Low Risk")**

| Negl. (0–10) | Low (10–20) | Medium (20–30) | High (30–40) | Severe (+40) |
|---|---|---|---|---|
| Best | | | | Worst |

**Bloomberg**

1st in UAE, 4th globally

| 2.73 | 6.74 |
|---|---|
| 2023 | 2025 |

**Latest rating Nov'25: 6.7**

10 — 0

**S&P Global**

1st in UAE

| 38 | 59 |
|---|---|
| 2022 | 2025 |

**Latest rating Dec'25: 59**

100 — 0

# ADCB's sustainability strategy

**Purpose** — Support the transition to an inclusive, net zero economy

| Strategic priorities | Climate | Customers and communities | Employees | Governance |
|---|---|---|---|---|
| **Ambition** | **Support the transition to a net zero economy and manage climate change risks** | **Provide inclusive and innovative financial services to drive sustainable economic growth** | **Create a thriving workplace that attracts and retains the most talented and committed people** | **Operate a responsible business with the highest ethical standards to preserve integrity and trust** |
| **Workstreams** | **1.1** Aligning portfolios and reducing financed emissions<br>**1.2** Environmental and social risk management (ESRM)<br>**1.3** Sustainable finance<br>**1.4** Operations and supply chain | **2.1** Customer satisfaction<br>**2.2** Financial inclusion<br>**2.3** Digital and innovative propositions<br>**2.4** Community investment | **3.1** Employee engagement and well-being<br>**3.2** Emiratisation<br>**3.3** Learning and development<br>**3.4** Equality, diversity and inclusion | **4.1** Corporate governance, compliance and code of conduct<br>**4.2** Risk management and cybersecurity<br>**4.3** Financial crime, anti-bribery and corruption<br>**4.4** Tax transparency |
| **Commitments** | – **Commit to lend, invest and facilitate AED 125 billion (USD 34 billion) by 2030** to sustainable activities<br>– **Launch new products and services** to support customers in their transition<br>– Commit to **net zero in own operations, and to reducing financed emissions** in line with UAE government net zero ambition | – **Enhance experience and create value for money** for customers, whilst improving access to financial products<br>– **Digital initiatives** to drive mobile banking penetration among new and existing customers | – Continue to improve **diversity and inclusion metrics**, and maintain best-in-class employee satisfaction<br>– **Enhance employee learning** through **high-quality content** and **dedicated training** | – **Drive best-in-class** governance in the region, and continue to enhance ethical banking practices<br>– **Maintain industry-leading** data privacy and information security |

SUSTAINABLE DEVELOPMENT GOALS

**Enablers**

ESG governance and policies

Targets, KPIs and rewards

Training and upskilling

Stakeholder management and communications

External partnerships and commitments

Reporting and disclosures

# Sustainability governance framework

ADCB employs a best practice governance framework, with full Board oversight and executive accountability, including executive remuneration linked to ESG KPIs.

**Board Executive Committee (BEC)** is the supervisory Board level committee, responsible for overseeing the Bank's direction as well as endorsing and monitoring progress on climate-related initiatives. The BEC is responsible for reviewing and approving the recommendations to the Board on the ESG strategy, business plan and targets.

The BEC is periodically updated on the implementation of the Sustainability strategy, any budget approvals for Sustainability initiatives, progress against the targets and any other activity as clearly defined in the terms of reference of the Group Sustainability Committee (GSC).

The BEC received the following key updates on sustainability in 2025:

- Quarterly updates on sustainability initiatives linked to the corporate strategy (including updates on climate initiatives)
- Annual update on progress against ADCB's sustainability strategy
- Awareness session on key ESG market trends and updates
- Updates on ESG strategic priorities in line with the corporate strategy
- Endorsement of climate targets

All sustainability initiatives are monitored by the Group Sustainability Committee (GSC), which is chaired by the Group Chief Financial Officer. The GSC provides regular updates to the Management Executive Committee (MEC) and to the Core Strategy Steering Group.

## 2025 key topics discussed at GSC

- 2025 sustainability roadmap
- Group Sustainability Committee Terms of Reference (ToR)
- Climate targets
- ESG-related policies
- UAE Climate Law
- Sustainable finance target progress
- ESG reports and ratings disclosures
- 'Year of Community' initiatives
- ADCB Group Sustainable Product Framework
- 2025 Green Bond Report
- Sustainability Risk Appetite Statements (RAS)
- Environmental Social and Risk Management (ESRM) monitoring and progress
- Participation in industry-wide climate initiatives

## Key ESG governance highlights

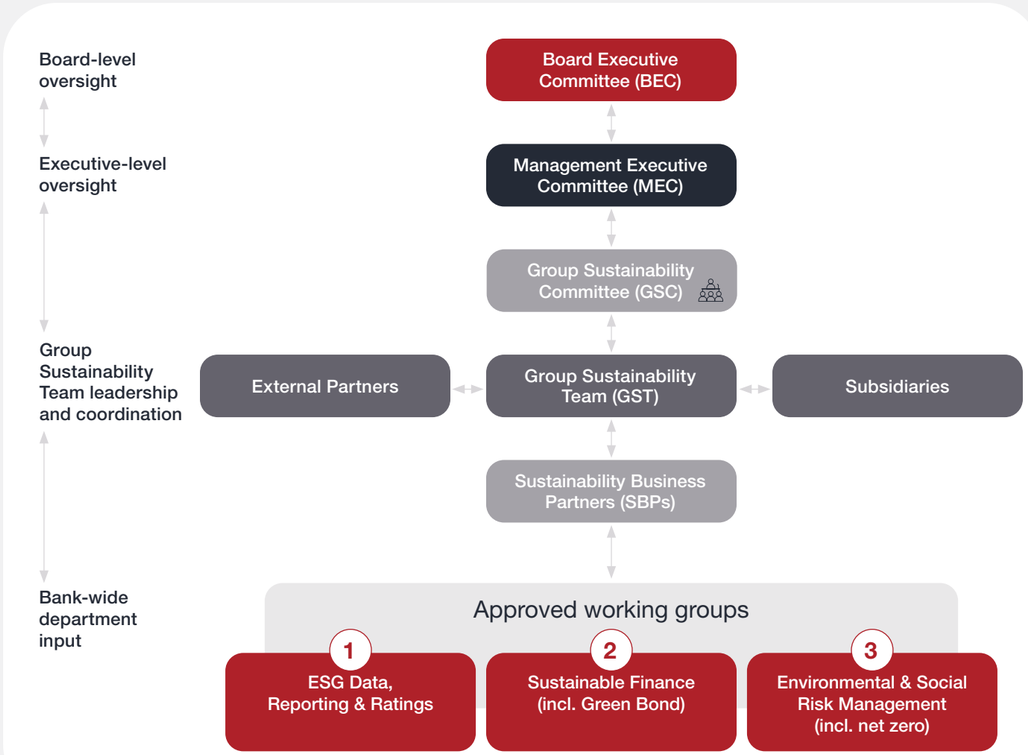
- GCEO, GCFO, and the Acting GCRO remuneration linked to ESG KPIs
- Appointed Sustainability Business Partners across all departments and subsidiaries
- Designated Group Sustainability Team reporting to Group CFO and integrated in the Finance team
- GSC Terms of Reference approved by the GCEO-led MEC
- Three approved working groups aligned with the sustainability priorities as per the corporate strategy
- Reporting of progress against key metrics aligned with the sustainability priorities

Meetings held by the Group Sustainability Committee in 2025

6

# ADCB Group Sustainability Governance Framework

The Bank has established a comprehensive governance framework to ensure coverage across the Group and three working groups directly focused on delivering the ESG priorities.




## Group Sustainability Committee members:

- Group Chief Financial Officer (Chair)
- Acting Group Chief Risk Officer
- Group Chief Compliance Officer
- Group General Counsel
- Group Chief Credit Officer
- Group Chief Operating Officer
- Group Chief Human Resources Officer
- Group Chief Corporate, Wealth, and Investment Banking Officer
- Group Head, Private Banking and Wealth Management
- Group Chief Retail Banking Officer
- Group Treasurer
- Executive Head, Sustainability (Secretary)

## Group Sustainability Committee invitees:

- Group Chief of Staff & Organisational Effectiveness
- Group Company Secretary
- Senior Head, Financial & Strategic Engagement
- Executive Head, Credit Risk Management

## Approved Working Groups

### 1 ESG Data, Reporting & Ratings

The ESG Data, Reporting, and Ratings Working Group is responsible for assessing the disclosure requirements to stakeholders such as regulators, the government, rating agencies and investors. It also manages end-to-end data capture, consolidation, and third-party assurance, as well as identifying and proposing performance improvements.

This working group leads the Bank's engagement with rating agencies as set out in the annual disclosure plan. It is also responsible for updating the basis of reporting, and developing capabilities and awareness in preparation for adoption of IFRS standards.

### 2 Sustainable Finance (incl. Green Bond)

The Sustainable Finance Working Group is tasked with reviewing and updating the ADCB Green Bond and Sustainable Product Frameworks, obtaining a second party opinion, approving the eligible green loan and sustainable finance portfolios, monitoring progress against ADCB's sustainable finance target, producing the allocation of green bond net proceeds, and ensuring ongoing compliance.

The Group also oversees impact reporting with third-party assurance, as well as the development of green bond documentation.

### 3 Environmental & Social Risk Management (incl. net zero)

The ESRM Working Group provides oversight of the ESRM framework, updates to the ESRM Policy and its implementation across the business. The Group monitors regulation, best practice and industry expectations to propose any modifications required to the framework.

This Working Group also includes oversight of ADCB's progress against climate targets and the implementation of key initiatives as part of the Bank's net zero transition plan.

### Executive Management remuneration, incentives and KPIs

Sustainability is embedded in the heart of ADCB's performance management framework, with Management Executive Committee's remuneration linked to ESG KPIs. These include:

- Sustainability strategy milestones (included in the GCEO and GCFO's KPIs)
- Compliance and risk metrics
- Emiratisation targets
- Digital index
- Customer Net Promoter Score (NPS)
- Organisational Health Index (OHI)
- Risk Appetite Statement (including Sustainability targets) linked to the GCEO and GCRO's remuneration

### Governance of subsidiaries

In 2025, the Group Sustainability Team (GST) reviewed the annual KPIs for ADCB Egypt's sustainability team to ensure alignment with the Group's strategic priorities. Collaboration focused on advancing key initiatives such as the annual ESG report, financed emissions reporting, setting targets to expand green finance offerings, and reducing resource consumption.

The Group Sustainability Team also worked with ADCB Kazakhstan (ADCBK) in advancing its ESG agenda, by supporting the development of an ESG governance framework and implementation of local ESRM policies.

Management of sustainability within Al Hilal Bank is led by the Group Sustainability Team, with guidance on reporting, regulatory requirements, training and strategic initiatives, such as Islamic Sustainable Finance.

### Sustainability Business Partners

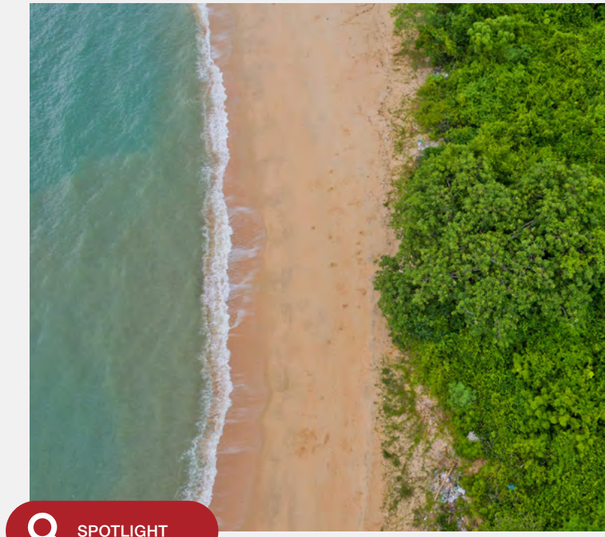
Sustainability Business Partners (SBPs) play a critical role in the success of the Group's sustainability strategy, coordinating activities related to the launch of key initiatives across each of the business departments and subsidiaries across ADCB Group.

ADCB has increased engagement around its ESG priorities by holding briefing sessions with SBPs after each Group Sustainability Committee meeting to raise awareness and disseminate key sustainability updates across the organisation.



"I consider ADCB my second home, an inspiring environment that nurtures growth, encourages continuous learning, and supports my journey toward lasting professional success."

**Manal Alhanaee**
Procurement - Support Specialist



SPOTLIGHT

## ADCB's climate targets

ADCB's climate strategy is anchored to the UAE's Net Zero by 2050 strategy and the Paris Agreement. In 2025, the Bank adopted its first set of sectoral financed emissions targets for the oil and gas extraction, and power generation sectors, which are the most material contributors to its financed emissions profile.

In the oil and gas sector, the Bank plans to reduce emissions intensity by 9% from 2023 levels. In the power generation sector, the Bank aims to reduce emission intensity by 10% from a 2023 baseline. These targets have been identified using realistic, region-specific decarbonisation pathways and are based on client commitments. This approach is consistent with ADCB's new strategy and financial targets, and is fully aligned with the UAE's policy framework and NDC 3.0 targets, ensuring that the Bank's climate ambition supports long-term growth and resilience.

ADCB has integrated the climate targets into the Board-approved Risk Appetite Statement and monitors progress against the climate targets as part of the enterprise risk management process. This approach ensures that portfolio alignment with the Bank's climate commitments is seamlessly integrated into the management of credit, market, and operational risks.

# Climate risk governance

Climate oversight sits within the Bank's broader approach to Environmental and Social (E&S) risk management and is integrated into the ESRM Framework. The key Board and Management-level Committees and Working Groups responsible for the management of climate risk in ADCB are described below.

**Board Risk Committee (BRC)** ensures a robust Environmental & Social Risk Management (ESRM) culture within the Group by delegating responsibilities for decision-making and controls to appropriate personnel, units and committees. BRC approves the Group's ESRM policy, including Environmental & Social (E&S) risk appetite.

The Board Risk Committee (BRC) received the following updates in 2025:

- Updates on the new Environmental and Social Risk Management (ESRM) policy
- Sustainability Risk Appetite Statements
- Results of climate stress test

**Risk Management Committee (RMC)** plays a critical role in overseeing Environmental and Social Risk Management within the Group. It is responsible for endorsing the Group's ESRM Policy, including the E&S risk appetite, prior to its submission for approval by the Board Risk Committee (BRC).

In addition, the RMC approves the E&S risk assessment methodology, models, and frameworks that underpin the Bank's approach to managing environmental and social risks. The Committee also reviews and approves E&S scenario analysis and stress-testing outcomes, as well as the integration of E&S risk considerations within the Internal Capital Adequacy Assessment Process (ICAAP).

**Group Sustainability Committee (GSC)** manages the sustainability strategy and works in close coordination with the RMC to receive updates on E&S risks and opportunities impacting the Bank's business resilience and long-term value creation. The GSC provides updates on progress on strategic initiatives to the Board Executive Committee (BEC) and to the Management Executive Committee (MEC). Updates on strategic initiatives are also provided to the Core Strategy Steering Group headed by the GCEO.

**The ESRM Working Group** is responsible for implementing the ESRM framework (policies, procedures, operating guidelines etc.), climate stress testing and scenario analysis, materiality assessment, and developing the Bank's transition plan, approach to net zero and financed emissions across the Group, including subsidiaries. A dedicated Climate Steering Committee with representatives from Corporate and Investment Banking Group (CIBG), Risk, Credit, Legal and Sustainability teams is responsible for monitoring progress against ADCB's portfolio decarbonisation targets and client engagement as part of the Bank's approach to climate transition.

For further information on our climate strategy and disclosures, please refer to pages 144-157 of the ADCB 2025 Integrated Report.



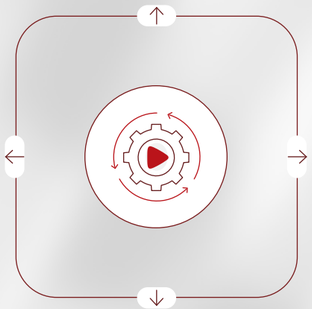
## ADCB Group environmental (including climate) & social risk governance framework

### Board Risk Committee (BRC)

BRC is responsible for endorsing the Group ESRM Policy, including E&S risk appetite, and further delegation of E&S risk oversight and management activities as required.

### Risk Management Committee (RMC)

RMC is responsible for approving the Group's ESRM Policy, risk appetite, scenario analysis and stress testing, as well as Internal Capital Adequacy Assessment Process (ICAAP).



### Group Sustainability Committee (GSC)

GSC, in close coordination with the RMC, is responsible for receiving updates on E&S risks and opportunities (including climate risks) from the ESRM Working Group.

### Environmental and Social Risk Management (ESRM) Working Group

ESRM Working Group is co-chaired by Risk and Sustainability with members from Credit, Corporate & Investment Banking, Private Banking & Wealth Management. The Group is responsible for implementing the ESRM framework, policies and procedures (including climate stress testing).

## Reporting and disclosures

ADCB is committed to transparent disclosure of ESG performance in line with global standards and evolving regulatory requirements, including the IFRS sustainability (S1) and climate-related (S2) requirements issued by the International Sustainability Standards Board (ISSB).

ADCB's disclosures are informed by the following reporting standards and guidelines:

**Capital Market Authority (CMA)**
Sustainability Disclosure Requirement

**Abu Dhabi Securities Exchange (ADX)**
ESG Disclosure Guidance for listed companies

**Central Bank of the UAE (CBUAE)**
'Principles for sustainability-related disclosures for reporting entities'

**Global Reporting Initiative (GRI)** Standards

**Sustainability Accounting Standards Board (SASB)** Industry Standards for the financial sector[1]

**IFRS Sustainability Disclosure Standards**

IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate-related Disclosure Standard (aligned to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations)

In addition, ADCB's Green Bond Report is aligned with the **International Capital Market Association (ICMA)** Green Bond Principles

## Sustainability policies and frameworks

The Bank has issued an updated Group Sustainability Policy covering the general principles and commitments linked to ADCB's sustainability strategy. This is supplemented with topic-specific and sectoral policies, operating procedures, and guidelines to support effective implementation across the organisation, including our subsidiaries.

**New policies or statements updated or published in 2025**

- ADCB Group Environmental and Social Risk Management
- ADCB Environmental Statement (covering operations)
- ADCB Group Responsible Marketing Statement
- ADCB Group Human Rights Position Statement
- ADCB Group Sustainable Product Framework

For further information on ADCB's sustainability policies and frameworks, please visit adcb.com/esg



"At ADCB, resilience is part of our culture. Each challenge drives us to reassess our practices, innovate and pursue continuous improvement, reinforcing our shared commitment to delivering excellence for our customers."

**Patricia Asewe**
Executive Manager - Operational Resilience

## External partnerships and commitments

ADCB collaborates with strategic partners to advance its sustainability strategy. It regularly monitors and evaluates the market to expand its network of external partnerships on ESG topics to match its strategic priorities.

**Key public commitments**

UNITED ARAB EMIRATES MINISTRY OF CLIMATE CHANGE & ENVIRONMENT

**Climate-Responsible Companies Pledge**

Signatory to the 'Climate-Responsible Companies Pledge' and committed to measure GHG emissions, develop and disclose plans to reduce emissions

اتحاد مصارف الإمارات
UAE BANKS FEDERATION

**AED 125 bn in Sustainable Finance by 2030**

Part of the commitment by UAE Banks Federation (UBF) of AED 1 trillion of sustainable finance by 2030

PRI Principles for Responsible Investment

**Principles for Responsible Investment**

ADCB Asset Management Limited (AAML) is committed to responsible investment, and is a signatory to the United Nations Principles for Responsible Investment (UNPRI)

## Partnerships and memberships

**Government-led initiatives**

- UAE Sustainable Finance Declaration – signatory
- Global Climate Finance Centre – knowledge partner
- Abu Dhabi Sustainability Group – member
- Abu Dhabi Corporate Social Responsibility (CSR) Committee – member
- UAE Majra (National CSR Fund) – Gold Impact Seal Winner
- Ma'an Authority of Social Contribution – strategic partnership

**Academia**

- Zayed University– mentoring students in sustainability projects
- Emirates Institute of Finance (EIF) – Executive Sustainability Leadership Programme
- University of Cambridge – Institute for Sustainable Leadership

**Industry-led initiatives**

- UN Principles for Responsible Investment (PRI) – signatory
- UBF Sustainable Finance Committee – member
- UAE Chief Sustainability Officers Network – member

**NGO-led initiative**

- Frontier25 (formerly UAE Independent Climate Change Accelerators – UICCA) – member

(1) Incorporated as part of IFRS Sustainability Disclosure Standards



*From left to right:*

"High-profile relationships demand focus, integrity, and hard work. I approach every client interaction with the goal of delivering solutions that build confidence and long-term success."

**Hamda Hassan**
Senior Relationship Manager - Excellency

"I'm proud to be part of a team where collaboration, trust, and high standards define our culture. We lead capital solutions that support global companies and create meaningful impact beyond borders."

**Ali Alansari Alameeri**
Associate Relationship Manager - International Corporate Banking

# Training and upskilling

The Bank regards training and development as an essential element in the successful execution of its Group sustainability strategy.

There are three levels of in-house training for employees:

**Foundational:** Introductory training at all levels to raise awareness of ESG. This includes ESG content within the Bank's induction programme and mandatory ESG e-learning for all employees.

**Role-specific:** Tailored training across all departments and Executive Management/Board-level aimed at building ESG knowledge as it relates to different roles.

**Advanced:** Specialist certificates or diploma courses with reputable universities or academies to provide employees with in-depth knowledge and skills on sustainability topics.

During 2025, the in-house learning programme was significantly expanded with the roll out of an ESG training prospectus across the Bank.

**Key courses in 2025 included role-specific training on:**

- Introduction to Sustainability
- UN Sustainable Development Goals
- ESG Data and Reporting
- Green and Sustainable Finance

In addition, there are specialist courses with the Emirates Institute of Finance (EIF), Cambridge Institute of Sustainability Leadership (CISL), Corporate Governance Institute and other similar institutes.



# Stakeholder engagement

Stakeholder engagement remains a key component of the Bank's success, driven by regular, proactive, and transparent communication. Working with stakeholders – including customers, investors, employees, government, and regulatory bodies – ADCB identifies and addresses key ESG topics that drive meaningful value creation for these groups.

Open dialogue with external parties continues to provide the Bank with a clear understanding of stakeholder expectations on a range of material issues and their impact.

**ESG-RELATED ENGAGEMENT WITH KEY STAKEHOLDERS IN 2025**

Corporate clients
12

Government and regulators
5

Investors
39

Industry associations
6

Universities and educational institutions
10

Non-governmental organisations (NGOs)
9

ESG rating agencies
8

## How we engage

| Stakeholder group | Examples of key ESG topics | Engagement | Response to stakeholders |
|---|---|---|---|
| **Customers** | Customer experience, ethical banking practices, fair pricing and product transparency, information security and data privacy | One-on-one meetings, customer surveys, newsletters, online and mobile banking, branch visits, social media, focus groups and customer contact centre | Enhanced service channels, improved product transparency |
| **Employees** | Health and well-being, training and skill development, employee engagement, code of conduct | Organisational Health Index, annual engagement surveys, internal communication through email and the intranet, and learning programmes | Implementation of feedback through training, wellness programmes and workplace improvements |
| **Investors** | Robust governance framework, Board independence and diversity, bank-wide policies, ESG disclosures, sustainable finance, and adoption of environmental commitments | Quarterly disclosures including earnings press releases, investor presentations, annual reports, analyst and investor calls, one-on-one and group investor meetings, investor conferences and roadshows | Strengthened disclosures, governance practices, and integration of ESG priorities in strategy |
| **Government and regulators** | Supporting the UAE's ambition to reach net zero by 2050, climate-risk assessment, helping to build a knowledge-based economy, Emiratisation and nurturing local talent, Responsible AI | Public disclosures (e.g., regulatory reporting), one-on-one meetings, consultations, forums and working groups | Alignment with national sustainability goals and compliance with evolving regulations |
| **Suppliers** | Sustainable procurement, supplier engagement, information security and data privacy, compliance with laws and regulations | Supplier registration, ESG vendor questionnaire, vendor code of conduct | Strengthened standards, ongoing monitoring |

# Materiality assessment

In 2025, we revalidated the results of the double materiality assessment completed in 2024 with the Group Sustainability Committee. The double materiality assessment is based on the requirements of the Global Reporting Initiative (GRI) Standards and the IFRS Sustainability Disclosure Standards.

**The assessment covered two dimensions:**

## Impact materiality

How ADCB's activities impact:

- environment
- society
- economy

## Financial materiality

How sustainability (S1) and climate-related (S2) risks and opportunities affect ADCB's:

- cash flows
- access to finance
- cost of capital

over the short, medium and long term

(1) Qualitative and quantitative data were used (where available) to inform the assessment of Impacts, Risks and Opportunities (IROs)

## Double materiality assessment process

| STAGE | KEY STEPS | OUTPUTS |
|---|---|---|
| 1 Identify potentially material sustainability topics | — Review ADCB's existing material topics against the latest global sustainability reporting standards, regulatory requirements and peer benchmarking | Long list of potentially material topics identified (initial assessment) |
| 2 Identify Impacts, Risks and Opportunities (IROs) and assess impact and financial materiality | **IMPACT MATERIALITY**<br>— Identify positive and negative impacts through the value chain (covering ADCB's supply chain, operations and products and services to customers)<br>— Assess the magnitude and likelihood of impacts[1]<br><br>**FINANCIAL MATERIALITY**<br>— Identify risks and opportunities that affect ADCB's financial prospects (cash flow, cost of capital and access to finance) over the short, medium and long term<br>— Assess the magnitude and likelihood of risks and opportunities[1] | Preliminary list of material topics identified through impact and financial materiality assessments |
| | Stakeholder engagement: invited feedback from internal and external stakeholders on the impacts, risks and opportunities identified through surveys and workshops<br>Internal stakeholders: 70 · Investors: 29 · Customers: 25 · Suppliers: 31 | |
| 3 Validate and finalise the list of material topics from impact and financial materiality assessments | — Finalise the assessment of IROs after incorporating stakeholder feedback<br>— Identify the list of material topics above the set scoring threshold (for both impact and financial materiality)<br>— Validate the material topics with the Group Sustainability Committee | Final list of material topics validated by Group Sustainability Committee |

# List of material topics for ADCB

| | Sustainability topic | Topic description | Impact materiality | Financial materiality: Risk | Financial materiality: Opportunity | Double materiality |
|---|---|---|---|---|---|---|
| Environmental | Aligning portfolios and reducing financed emissions | Integrating climate considerations into investment and lending decisions to reduce financed emissions and support the transition to a low-carbon economy | ○ | ● | ● | ● |
| Environmental | Sustainable finance | Providing products and services that drive positive environmental and social outcomes | ○ | | ● | ● |
| Environmental | Environmental and Social Risk Management (ESRM) | Identifying, assessing, and managing environmental and social risks within financing activities | ○ | ● | | ● |
| Environmental | Operations and supply chain | Minimising the environmental and social impacts of the Bank's operations (through offices, branches, use of IT and employee travel) and promoting sustainability practices across the supply chain | Not identified as material (impact and financial) | | | |
| Social | Customer satisfaction | Exceeding customer expectations through transparent financial products and services | ○ | | ● | ● |
| Social | Financial inclusion | Supporting the growth of micro, small and medium enterprises, expanding access to financial services for underserved and underbanked communities and promoting financial education amongst customers | ○ | | | |
| Social | Community investments | Providing impact-driven community initiatives and philanthropy | Not identified as material (impact and financial) | | | |
| Social | Employee engagement and well-being | Enhancing workplace culture by prioritising employee satisfaction, engagement, health, and well-being | ○ | | | |
| Social | Emiratisation | Empowering Emirati talent through targeted recruitment, development, and retention initiatives | ○ | | ● | ● |
| Social | Learning and development | Providing continuous education and upskilling opportunities to employees | ○ | | | |
| Social | Equality, diversity and inclusion | Promoting a diverse and inclusive recruitment and work culture | ○ | | | |
| Governance | Corporate governance, compliance and code of conduct | Adhering to strong governance structures and ethical business practices | ○ | | ● | ● |
| Governance | Risk management and cybersecurity | Strengthening risk management frameworks, cybersecurity measures and ensuring the privacy of customer information | ○ | ● | | ● |
| Governance | Financial crime, anti-bribery and corruption | Implementing controls and compliance measures to prevent financial crime, bribery, and corruption | ○ | ● | | ● |
| Governance | Tax transparency | Ensuring fair and transparent tax practices that comply with local and international regulations and standards | ○ | | | |

## Material topics for ADCB

1. Aligning portfolios and reducing financed emissions
2. Sustainable finance
3. Environmental and Social Risk Management (ESRM)
4. Customer satisfaction
5. Emiratisation
6. Corporate governance, compliance and code of conduct
7. Risk management and cybersecurity
8. Financial crime, anti-bribery and corruption

The topics identified as material through the double materiality exercise are aligned to ADCB's existing sustainability strategy. The Bank will continue to strengthen its strategic focus on these topics to guide future strategy and disclosures.

ADCB will also evaluate how the outcomes of the materiality assessment can be integrated into its ESG risk management processes.

○ Impact materiality
● Financial materiality
● Double materiality

# Key highlights of ADCB's performance on the double material topics in 2025

ADCB will continue its strategic focus on topics identified through the double materiality exercise to guide future strategy and disclosures.

The key highlights of the Bank's performance on each of the 8 double material topics in 2025 are presented below. For further details, please refer to the 2025 Integrated Report or visit ADCB.com/esg.

## Aligning portfolios and reducing financed emissions

**Why this matters**

Climate change poses financial and reputational risks to ADCB due to its exposure to high-emitting sectors. Managing financed emissions impacts regulatory compliance, stakeholder expectations, and long-term portfolio resilience.

**2025 milestones**

- Adopted specific targets for oil and gas, and power. In the oil and gas sector, the Bank plans to reduce physical intensity by 9% from 2023 levels. In the power generation sector, the Bank aims to reduce emission intensity across its financing portfolio by 10% from a 2023 baseline.
- Roll-out of client transition assessment framework to evaluate transition plans and reporting practices for clients in sectors aligned with our climate targets
- Initiated transition assessment and engagement with high-priority clients in the oil and gas, and power sectors

## Sustainable finance

**Why this matters**

Sustainable finance enables ADCB to support clients' transition to a low-carbon economy, driving new business opportunities and mitigating ESG-related risks. It also enhances the Bank's reputation and access to global capital markets.

**2025 milestones**

- Achieved AED 71.9 billion (USD 19.6 billion) in sustainable finance, exceeding the Bank's interim target of AED 50 billion (USD 14 billion)
- 1.2x year-on-year increase in Eligible Green Loan Portfolio and publication of 2025 Green Bond Report
- Updated the ADCB Group Sustainable Product Framework
- New Islamic Sustainable Wakala Deposit launched – an Islamic savings product that channels customer funds into ESG-eligible sukuks

## Environmental and Social Risk Management (ESRM)

**Why this matters**

Environmental and social (E&S) risks can lead to credit losses, regulatory penalties, and reputational harm. Integrating E&S risk management safeguards ADCB's financial stability and stakeholder trust.

**2025 milestones**

- Expansion of risk appetite metrics to include financed emissions
- Integration of ESG risks into operational risk, third-party risk assessment and liquidity risks
- High-priority clients identified for the oil and gas, and power sectors (linked to ADCB's climate targets) were also considered as part of climate stress testing
- Incorporated short-term scenario stress tests, liquidity stress tests and market sensitivity analysis into this year's climate stress test operating model
- ESG risk assessment and scorecard for credit counterparties moved from second line of defence to first line of defence

## Customer satisfaction

**Why this matters**

Customer satisfaction influences loyalty, market share, and regulatory standing. Poor service or unresolved complaints can result in financial loss and damage to ADCB's brand.

**2025 milestones**

- ADCB's NPS (bank-wide) of 80 remained above average in the UAE banking sector
- Rated the strongest banking brand in the UAE for the second consecutive year by Brand Finance in its global report that featured 500 banks
- 'Branch Efficiency Programme', a key initiative implemented in 2025, repositioned branches as advisory hubs supported by automation and digital transformation

## Emiratisation

**Why this matters**

Emiratisation aligns with national policy, enhances workforce stability, and supports social license to operate. Failing to meet Emiratisation targets could result in regulatory sanctions and reputational risk.

**2025 milestones**

- c.40% Emirati representation in the workforce
- 140,000+ training hours for Emiratis; average 68 hours per employee
- 698 Emirati promotions in 2025
- Nafis Award 2025 – Diamond Category for Exceptional Efforts in Emiratisation

## Governance and compliance

**Why this matters**

Strong governance and compliance prevent financial crime, regulatory breaches, and loss of investor confidence. Weak controls can expose ADCB to fines, litigation, and erosion of stakeholder trust.

**2025 milestones**

- Enhanced the Group's Conduct Risk Framework by further strengthening monitoring of conduct-related indicators and areas requiring targeted risk mitigation
- Strengthened the Bank's compliance oversight by expanding the tracking and analysis of key compliance and conduct risk indicators, supporting proactive issue identification and more effective risk governance
- Improved the product post-launch assessment by including deeper insight into product performance, customer outcomes, and behavioural risks with structured reporting to the Management Compliance Committee - New Product Approval (NPA) Committees.

## Risk management and cybersecurity

**Why this matters**

Increasing threats of financial loss, data breaches, and regulatory action require robust risk management and cybersecurity systems. These systems protect ADCB's assets, customers, and reputation in a rapidly evolving digital landscape.

**2025 milestones**

- Conducted enterprise-wide business continuity and cyber-resilience tests covering multiple scenarios
- Enhanced model risk management policy, with independent validation for all key models
- Mandatory data protection e-learning introduced

## Financial crime, anti-bribery and corruption

**Why this matters**

Failures in preventing financial crime and corruption can lead to regulatory fines, legal action, and reputational damage. Effective controls are essential to maintain trust and meet global compliance standards, protect ADCB's assets, customers, and reputation in a rapidly evolving digital landscape.

**2025 milestones**

- Independent validation for seven machine-learning models used in AML transaction monitoring
- Continued to strengthen AML/CFT framework through the embedded use of AI and machine learning, enhancing detection effectiveness and operational efficiency
- Continued to upgrade technology platforms to support advanced transaction monitoring, and AI-enabled alert management

# 06

# RISK MANAGEMENT

162 Risk review

# RISK REVIEW



**KEY HIGHLIGHTS**

- **Strengthened governance and culture:** reinforced risk culture and oversight across all lines of defence
- **Digital risk management refined:** AI governance and model risk controls embedded within the enterprise risk framework
- **Deployment of AI to support resilience:** expanded deployment of AI across fraud detection, cyber resilience and credit risk oversight
- **Integrated ESG and climate risk:** inaugural ICAAP[1] climate stress test conducted, strengthening governance of climate-related risks



→ ADCB maintains a disciplined and forward-looking approach to risk, recognising its fundamental role in ensuring the Bank's long-term organisational and financial resilience. Effective risk management underpins every aspect of ADCB's strategy and operations, while continuous monitoring of emerging and evolving risks enables early identification of challenges and decisive responses that sustain growth and stability.

## Comprehensive risk management framework

As a systemically important bank in the UAE, ADCB prioritises rigorous risk management, embedding best practice throughout its decision-making and operations at every level of the organisation. Proactive identification and assessment of emerging risks enable ADCB to safeguard its strategic objectives, adapt swiftly to changing conditions, and pursue sustainable growth.

ADCB articulates its risk tolerance through a comprehensive Risk Appetite Statement (RAS), which informs the Bank's overall approach to risk in pursuing its strategic objectives. In parallel, the Bank's Risk Appetite Framework provides a clear mechanism for the Board and Board Risk Committee (BRC) to define and communicate the level of risk the Bank is prepared to assume in achieving its annual business plans and long-term vision. It sets thresholds across all major risk types, aligned with regulatory requirements and stress scenarios, to guide strategic decision-making, business planning, and change initiatives. The framework outlines principal risks and the Bank's approach to identifying, measuring, monitoring, and mitigating material risks, ensuring accountability across all levels of the organisation.

In 2025, the Bank refined its principal risk profile to reflect the evolving nature of its operating environment and long-term priorities. 'Strategic risk' and 'People risk' were formally incorporated as principal risks, strengthening the alignment between risk oversight, strategic execution, and human resources planning.

The Bank undertakes a comprehensive annual review of its risk appetite, challenging assumptions before seeking discussion and endorsement from the Board Risk Committee (BRC) and subsequent approval by the Board. This disciplined approach ensures alignment of risk tolerance across all levels, from individual transactions and departmental activities to portfolio composition, as well as consistency in the application of risk frameworks, processes and procedures throughout the Group. This 'collective responsibility' model ensures that every employee plays an active role in identifying, managing and mitigating risks, supported by mandatory e-learning modules covering key risk topics.

The effectiveness of ADCB's approach is evident in sustained credit discipline and robust underwriting standards, which have enabled substantial loan growth while preserving strong asset quality, in line with the Bank's strategy to double net profit to AED 20 billion within five years.

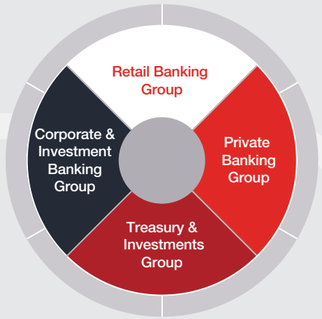
(1) ICAAP: Internal Capital Adequacy Assessment Process

# Comprehensive risk management framework

ADCB operates a 'three lines of defence' model that defines accountabilities and responsibilities across the organisation. This structure ensures clear ownership of risk, effective oversight and collaboration between the business, control and assurance functions.

## 1 First line of defence

The Bank's business lines, plus Technology and Operations, own the risks and are responsible for identifying, recording, reporting and managing them, and ensuring the right controls and assessments are in place to mitigate them



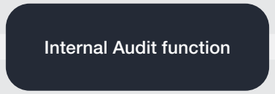

## 2 Second line of defence

The Bank's risk control and compliance oversight functions set the policy and guidelines for managing specific risk areas, provide advice and guidance in relation to the risk, and challenge the first line of defence on effective risk management and design




## 3 Third line of defence

The Bank's Internal Audit function provides independent and objective assurance of the adequacy of the design and operational effectiveness of the Group's risk management framework and control governance process




**Risk governance roles & responsibilities**

| | |
|---|---|
| **Board of Directors** | Establishes and promotes a strong control environment via the Board Risk Committee (BRC) |
| **Management Executive Committee** | Oversees implementation of risk frameworks and ensures alignment with business strategy |
| **Risk Management function** | Provides independent governance, compliance monitoring, and enterprise risk oversight |
| **Business line management** | Owns risk within business activities and ensures effective first-line controls |
| **Internal audit** | Provides independent assurance on the effectiveness of the overall risk management framework |

## Disciplined risk management approach

ADCB's governance model is anchored in rigorous oversight and a proactive risk culture. Regular meetings of the Board Risk Committee, Risk Management Committee, Model Risk Management Committee, and specialised working groups ensure that risk issues are reviewed comprehensively and addressed promptly. Monthly portfolio reviews assess performance against the Bank's risk appetite and promote early identification of trends or vulnerabilities.

In 2025, the Risk Management function focused on supporting ADCB's new five-year strategy while maintaining strong asset quality and full regulatory compliance. The function played a key role in integrating risk considerations into the Bank's digital technology programmes, embedding risk controls into AI and data initiatives, and reinforcing accountability across all business units. This included the establishment of an AI Risk Forum, a cross-functional governance body that oversees AI risk across the lifecycle, ensures responsible AI adoption aligned to global standards, and prepares the Bank for emerging regulatory obligations while reinforcing operational resilience.

A range of risk related meetings were undertaken in 2025 through the following:

- Board Risk Committee
- Risk Management Committee
- Model Risk Management Committee
- Data Steering Group
- Operational Risk Working Group
- Information Security Working Group
- Internal Shari'ah Supervisory Committee
- Fraud Risk Taskforce

## Strategic priorities and progress in 2025

Risk management priorities in 2025 reflected ADCB's strategic focus on sustainable, technology-enabled growth and regulatory alignment:

- **Enhanced credit risk framework**
  To support sustainable growth, the Bank enhanced its credit risk framework, further deploying advanced analytics and forward-looking metrics, including climate-related disclosures and enhanced scenario analysis. The risk appetite prioritises highly rated entities and sectors with stable cash flows, underpinning portfolio strength and resilience. This disciplined approach is supported by model validation, periodic stress testing and capital planning. While achieving significant loan growth in 2025, ADCB maintained a prudent balance across government related entities and other key sectors that are playing an important role in the UAE's economic diversification.

- **Digital risk management refined**
  ADCB has refined its approach to digital risk management by embedding AI governance and model risk controls within the enterprise risk framework. This structured approach strengthens compliance readiness and aligns with supervisory expectations for responsible innovation.

  Cybersecurity remains a top priority and the Bank has invested in advanced detection technologies, behavioural biometrics, and real-time monitoring to defend against threats including ransomware and deepfake-enabled fraud. Continuous threat intelligence feeds support ADCB's Security Operations Centre, while controls are validated through global certifications such as ISO 27001, PCI DSS, SWIFT CSCF, and UAE Information Assurance Standards.

# Operational resilience

In addition to the ‘three lines of defence’ model, ADCB has put in place a framework, backed by policies and risk-mitigation initiatives, for achieving operational resilience. This framework is designed to ensure the Bank withstands and recovers rapidly from any potential operational disruptions, whether caused by technology incidents, cyberattacks, natural disasters or geopolitical shocks. In 2025, ADCB continued to strengthen governance and oversight mechanisms, and update scenario analysis and stress testing capabilities. The framework also prioritises supply-chain and outsourcing resilience, reflecting the increasing importance of managing vendor and cloud-service dependencies. Significant resources continued to be deployed to further strengthen fraud and cyber resilience through advanced analytics, real-time monitoring and predictive detection, in line with regulatory expectations and global best practice.

### Operational risk management

- Comprehensive governance through risk governance committees at Board and management level
- Mature processes for risk identification, assessment & mitigation
- Unified incident reporting & escalation processes
- New product & change management governance

### Cybersecurity

- Preventive and detective measures
- Investment in advanced technologies
- Strategic crisis simulation for the executive team
- Regular cyber war gaming simulation
- Threat intelligence platform
- Cloud security review

### Business continuity

- Comprehensive business continuity processes
- Crisis management & crisis communication plans
- Training, awareness and continued enhancements

### Fraud prevention

- Fraud transformation & optimisation programme
- Enterprise fraud management system
- Machine learning, behavioural analysis and scoring models

### Data management

- Data governance policies & practices
- Data quality measures
- Data privacy policies and procedures

### Third-party

- Third-party risk assessments for all engagements
- Outsourcing risk management

## Integrated operational resilience framework

| | | |
|---|---|---|
| Operational risk | Training & awareness | Third-party |
| Incident management | Business continuity | Impact tolerance |
| Information, communications, technology | Crisis management | Outsourcing |
| | Resilience testing | |

Governance, oversight, policies & regulatory compliance

ADCB reinforced operational resilience by integrating enhanced fraud and cyber risk controls into the enterprise resilience framework, in alignment with Central Bank of the United Arab Emirates guidelines and global best practice. The Bank introduced preventive controls, expanded regional collaboration to combat synthetic identity and Authorised Push Payment (APP) fraud, and embedded resilience requirements across key outsourcing and cloud service providers.

## Third-party oversight

ADCB strengthened third-party and outsourcing risk management through stringent governance across vendor selection, contracting and continuous oversight, ensuring that technology partnerships operate within robust control frameworks. Enhanced due diligence now extends across the entire vendor ecosystem, incorporating data-driven monitoring and alignment with the Central Bank of the UAE’s operational resilience framework. This includes resilience testing of critical suppliers and new controls to address cloud reliance, cross-border data transfers and evolving regulatory and supervisory requirements.



“Integrity guides every investigation I lead. By safeguarding trust and upholding ADCB’s values, I contribute to a secure and confident banking experience for our customers.”

**Wadha Alketbi**
Senior Specialist - Fraud Investigation

SPOTLIGHT

## Responsible innovation: protecting ADCB in the digital era

Technological transformation is propelling growth and innovation across the Bank, and the Risk Management function is playing a key supporting role, ensuring the responsible adoption of artificial intelligence. As AI becomes increasingly embedded in decision-making, ADCB is focused on strengthening oversight, anticipating new exposures and implementing effective controls to mitigate potential risks.

In 2025, the Bank advanced its management of digital and AI-related risks by embedding them into the enterprise risk framework and mapping emerging AI risks, such as prompt injection, model bias and explainability gaps, into traditional risk categories. Within ADCB’s ‘responsible AI principles’, each model is subject to bias testing, validation, and independent oversight to ensure safe application.

The AI Risk Forum brings together a number of permanent members, including the Acting Group Chief Risk Officer and Chief AI Officer, with invited representatives from across the Bank, notably the key business sponsors of AI use cases. Its principal role is to provide structured oversight for all AI and machine learning systems, ensuring alignment with UAE and global regulatory standards, promoting fairness, transparency and accountability in AI applications across operations and customer interactions.

SPOTLIGHT

# Introduction of AI and automation in risk functions

ADCB continues to strengthen its defences against financial crime by integrating artificial intelligence and advanced analytics into its fraud management ecosystem. The Bank's Fraud Management function is working closely with the Data Science team to proactively detect money mule behaviour through real-time monitoring within the Enterprise Fraud Management System. Enhanced governance structures and escalation protocols ensure that emerging threats are addressed swiftly and consistently across business lines.

Internally developed AI agents and external tools are also being used for faster and effective responses to credit related queries, real-time anomaly detection, predictive credit scoring and strengthened know-your-customer (KYC) and anti-money laundering (AML) processes, significantly improving both speed and accuracy. These capabilities are embedded within ADCB's strategic planning and regulatory alignment frameworks, ensuring that enhancements in risk detection are fully compliant with supervisory expectations and aligned with the Bank's principles of responsible innovation.

## Navigating the geopolitical landscape

Geopolitical risk remains a key component of risk management, in the context of global macroeconomic uncertainty and political volatility in certain regions. ADCB maintains a comprehensive country risk framework that integrates internal metrics with external indicators such as credit default swap spreads, sovereign ratings and ESG indices. Country-level thresholds are regularly reviewed, with heightened scrutiny applied to regions experiencing political or economic instability.

International exposures are closely monitored to ensure alignment with strategic objectives and risk appetite. Adjustments to country limits require Board Risk Committee approval, maintaining robust oversight of cross-border risks.

## Managing ESG and climate-related risks

ADCB is aligned with the UAE's ambition to achieve net zero emissions by 2050 and continues to strengthen governance, disclosure and scenario analysis in line with evolving policy and regulatory expectations.

Environmental, Social and Governance (ESG) factors are fully integrated into the Bank's risk management approach, with ESG considerations embedded in credit assessments, portfolio monitoring and decision-making processes. Specifically, the Bank's Environmental and Social Risk Management (ESRM) Framework sets out how ESG risks are identified, assessed and mitigated across financing, investment and operational activities. ESG Key Performance Indicators (KPIs), including those of the Group Chief Executive Officer, Group Chief Financial Officer and Acting Group Chief Risk Officer ensure accountability for progress across the organisation.

Following the incorporation of climate stress testing into the Internal Capital Adequacy Assessment Process (ICAAP) in 2024, ADCB conducted its first quantitative ICAAP-related climate risk stress test in 2025, formally integrating climate considerations into capital planning. The exercise found minimal capital impact, reflecting the Bank's diversified portfolio and strong credit quality. The Risk Management function also supported the measurement and reporting of the Bank's carbon footprint, including Scope 3 financed emissions under the Partnership for Carbon Accounting Financials (PCAF) methodology, reflecting continued progress in managing climate-related risks.

## Reinforcing capabilities and culture

As risks grow in scale and complexity, ADCB continues to invest in technology, data infrastructure and people to sustain best practice in risk management. A new group oversight and subsidiary vertical is being introduced to provide enterprise-wide visibility, enabling real-time monitoring, data-driven insights and enhanced risk reporting across all functions.

To strengthen internal expertise, Group Risk Management has expanded leadership capacity, promoting experienced UAE nationals to senior positions across credit, market, operational and information security functions.

Cultivating a strong risk culture remains a top priority. Employees are introduced to the Bank's risk philosophy from onboarding and regularly participate in awareness campaigns on data privacy, cybersecurity and ethical conduct. Events such as International Fraud Awareness Week reinforce shared accountability for maintaining the highest standards of integrity and vigilance.

## Emerging risks

Looking ahead, ADCB recognises a dynamic risk landscape shaped by digital acceleration, geopolitical change and sustainability imperatives. Key emerging risks include:

- **AI and model risk:** governance challenges related to bias, explainability and regulatory scrutiny, requiring enhanced validation and independent oversight
- **Cyber and data security:** escalating risks of AI-driven fraud, ransomware and deepfake-enabled attacks, demanding continuous innovation in defence and detection
- **Climate transition risk:** impact on credit, market, operational and reputational risks, driven by decarbonisation and regulatory change
- **Regulatory and compliance pressure:** expanding supervisory requirements across digital assets, data protection and ESG standards
- **Third-party risk:** growing reliance on cloud and technology vendors, necessitating stronger contractual controls and monitoring
- **Fraud and financial crime:** rising sophistication of scams and identity theft, addressed through real-time detection, behavioural analytics and biometrics

### PRIORITIES FOR 2026

- Support sustainable growth through disciplined, forward-looking risk management underpinned by investment in talent, technology and predictive analytics
- Enhance AI and digital risk governance by advancing model validation frameworks, cybersecurity defences and data integrity controls to support responsible innovation
- Deepen integration of ESG and climate risks across all risk types, ensuring alignment with regulatory expectations and the Bank's sustainability objectives
- Strengthen third-party and operational resilience frameworks, reinforcing continuity and trust as the Bank scales its digital footprint
- Continue to embed a forward-looking risk culture, promoting proactive discussion and evaluation of emerging risks and potential scenarios to enhance the Bank's preparedness and resilience

## External risk scenarios

Macroeconomic risks are expected to remain prominent in 2026, with global and regional economic developments, inflationary pressures, and ongoing geopolitical tensions shaping the external risk landscape. In parallel, increasingly sophisticated cybersecurity risks, driven by the integration of artificial intelligence (AI) technologies, pose heightened challenges for the financial sector. ADCB is harnessing advanced technology, automation, and AI as strategic enablers of resilient risk management, ensuring that Group Risk Management continues to safeguard the Bank's growth and navigate an evolving risk landscape with efficiency and precision.

The Bank identifies and actively monitors a broad spectrum of external risks that could result in significant, unforeseen adverse outcomes or impact its ability to achieve strategic objectives. A summary of these external risks, along with their potential implications and mitigation strategies, is presented below.

| External risk | Definition and potential impact | Mitigation strategy |
|---|---|---|
| Macroeconomic conditions in the operating markets | Maintaining an appropriate balance between managing inflation within an acceptable range and addressing the impact of interest rates on global and regional economies remains a critical focus for 2026. Macroeconomic developments could influence growth trajectories within the banking sector and contribute to margin compression. The UAE continues to demonstrate resilience, supported by strong GDP growth, relatively stable oil prices, strong liquidity, and an ambitious diversification agenda. | ADCB conducts regular macroeconomic scenario analysis, incorporating base, optimistic, and pessimistic cases to assess potential impacts on growth, margins and liquidity.<br><br>Provision models are updated quarterly to reflect changes in inflation, interest rates, and other key macroeconomic indicators, ensuring timely adjustments to risk exposures.<br><br>Economic sector limits are reviewed at least annually, with input from the Chief Economist and external market intelligence, to ensure alignment with evolving market conditions and sector-specific risks.<br><br>Stress testing is performed to evaluate the Bank's resilience against adverse macroeconomic shocks, including oil price volatility and global economic downturns.<br><br>The Bank maintains a diversified portfolio and liquidity buffers to mitigate risks arising from margin compression or economic contraction.<br><br>Strategic decisions are informed by ongoing monitoring of UAE and global economic trends, supported by regular engagement with regulatory bodies and industry forums. |
| Geopolitical risk | Geopolitical tensions remain a significant risk in the region, arising from evolving political, economic, and security dynamics that can directly or indirectly impact the Bank's operating environment. These risks may manifest through changes in government policies, regional conflicts, trade negotiations, sanctions, or shifts in international relations, all of which have the potential to disrupt financial markets, supply chains, and cross-border transactions. In 2026, the Bank will continue to monitor geopolitical developments closely, including the outcomes of trade negotiations and any adjustments to trade tariff regimes, to proactively manage potential impacts on its business activities and strategic objectives. | The Bank proactively integrates geopolitical risk assessment into its strategic planning, credit decisions, and major business initiatives, ensuring that emerging risks are identified and addressed at the earliest stage.<br><br>Key geopolitical developments, such as regional conflicts, sanctions, trade negotiations, and regulatory changes are systematically monitored and factored into country-specific limits and portfolio allocations.<br><br>Quarterly portfolio analysis is conducted to evaluate exposures to jurisdictions and sectors most vulnerable to geopolitical events, enabling timely adjustments to risk appetite and business strategy.<br><br>Regular stress testing is performed to assess the potential impact of severe geopolitical scenarios on the Bank's financial position, liquidity, and operations.<br><br>The Bank leverages external intelligence, guidance from the Chief Economist, and engagement with regulatory and industry forums to inform risk mitigation actions.<br><br>Contingency plans and scenario analyses are maintained and updated to ensure operational continuity and resilience in the face of geopolitical disruptions. |



## External risk scenarios (continued)

| External risk | Definition and potential impact | Mitigation strategy |
|---|---|---|
| Regulatory and legal risks to our business model | New regulatory requirements have the potential to impact the Bank's business model and profitability, particularly due to the pace and complexity of regulatory change. While regulations are designed to enhance customer protection and promote fairness, the rapid introduction of new regulations can create challenges in timely implementation and compliance. Failure to adapt promptly may result in increased operational costs, reputational risk and the potential for falling short of strategic objectives, with adverse implications for earnings, liquidity, capital and shareholder confidence. This risk affects all business lines and is expected to remain elevated in 2026, driven by the frequent issuance of new regulations by the Central Bank of the UAE and ongoing thematic reviews. | ADCB adopts a proactive and structured approach to regulatory change management by coordinating the timely implementation of new requirements across all business units.<br><br>All new draft regulations and circulars are thoroughly analysed to assess their impact, with findings influencing regular control reviews and adjustments to capital and liquidity plans.<br><br>The Bank actively engages with regulators and serves as chair or member of several UAE Banks Federation forums, ensuring its perspectives are considered in policy development and advocating for phased implementation where appropriate.<br><br>Remediation plans for issues identified through thematic reviews are developed and endorsed by the Board Audit Committee (BAC), while progress on regulatory initiatives is closely tracked and reported to senior management and relevant Board committees.<br><br>Regular staff training, participation in industry forums, and benchmarking against best practices further support the Bank's commitment to effective and compliant regulatory change management. |
| Cyber threats | Malicious activities targeting the confidentiality, integrity, and availability of information systems, often executed through phishing, ransomware, brand abuse, and cyber fraud campaigns, remain a critical threat.<br><br>In 2025, these risks intensified as organised cybercrime and nation-state actors increasingly targeted financial institutions, accompanied by a surge in brand abuse and executive impersonation attempts.<br><br>In 2026, cyberattacks are expected to become increasingly sophisticated, leveraging artificial intelligence and automation. Geopolitical tensions are expected to intensify targeted cyber campaigns, while regulatory requirements are likely to rise under new UAE Cybersecurity Council mandates on quantum-ready encryption, cloud security, and third-party risk governance, necessitating significant investment in technology and compliance to maintain cyber resilience. | ADCB maintains strong Information Security and Risk Assessment frameworks to ensure strong governance and effective risk oversight, enabling precise prioritisation of mitigation measures.<br><br>The Bank's cyber defence posture is continuously advanced through enhanced threat intelligence capabilities, with active monitoring and tracking of a wide range of threat actors to pre-empt and neutralise potential campaigns targeting the Bank.<br><br>Ongoing monitoring for brand abuse and executive impersonation enables rapid detection and prompt removal of fraudulent profiles. The Bank proactively implements and expands prevention measures to block compromised accounts and dismantle money mule networks, thereby reducing exposure to cyber fraud.<br><br>Our Security Operations Center (SOC) is equipped with advanced detection technologies, automation, and analytics to ensure rapid and efficient incident response.<br><br>Cybersecurity awareness is embedded across the organisation through regular targeted training programmes, phishing simulations, and cyber drills, strengthening employee resilience and reducing susceptibility to social engineering attacks. |

## Principal risks

The Bank's principal risks are subject to frequent review and updates, particularly in light of a challenging and rapidly evolving environment. These reviews ensure that the full enterprise risk profile is accurately measured, closely monitored, and remains aligned with the Group's overarching strategy. In addition to the below table, further details are also available in the Corporate Governance and Sustainability Reports.

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Capital risk | Potential for:<br><br>(i) Insufficient level or composition of capital to support normal activities or stressed conditions.<br><br>(ii) Risk of loss arising from the Bank failing to maintain the level of capital required by prudential regulators and other key stakeholders to support operations and risk appetite. | ADCB adopts an active approach to capital management, maintaining sufficient buffers to support strategic objectives and preserve an investment-grade credit rating. The Bank is well-capitalised and conducts regular stress tests to ensure sufficient capital coverage. In December 2025, the Bank successfully completed a rights issue, with net proceeds directed toward accelerating organic growth and strengthening the Bank's capital base ahead of upcoming regulatory changes, including a requirement for higher capital buffers as a Domestic Systemically Important Bank (D-SIB).<br><br>ADCB manages capital utilisation and business growth within the risk-weighted asset (RWA) target ranges reflected in its business plans, which also emphasise earnings stability. Growth is pursued by targeting recurring economic profit commensurate with the risks assumed and the expected returns. Capital implications arising from ICAAP and stress test results are also integrated into the Bank's considerations, alongside the recovery plan. | **Accountable executives:**<br>— Group Chief Financial Officer<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>FPMC, BAC, BRC, Board |
| Compliance/ regulatory risk | Potential for impact and exposure to regulatory sanctions or loss from a failure to comply with regulatory requirements, laws or industry standards. | ADCB is committed to maintaining full compliance with applicable laws, regulations and industry standards, internal policies and sound corporate governance principles. Any identified breaches are addressed and remedied promptly. The Bank maintains zero tolerance for deliberate or negligent non-compliance. | **Accountable executives:**<br>— Group Chief Compliance Officer<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>MEC, BRC, BAC, Board |
| Conduct risk | Potential for detriment to retail customers, corporate clients, or market integrity arising from the inappropriate supply of financial services or from a failure by the Bank to abide by its Code of Conduct Policy and/or applicable laws and regulations, including insider trading and anti-bribery risk. | ADCB upholds the highest standards through its Code of Conduct and core values, ensuring that all business activities are conducted ethically and responsibly.<br><br>Employees are expected to demonstrate integrity and strive for excellence in both their work and outcomes. The Bank maintains zero tolerance for behaviours that fall short of these standards and treats any breach of its Code of Conduct with utmost seriousness. Clearly defined policies govern anti-bribery and corruption, anti-money laundering and insider trading.<br><br>ADCB is committed to providing a safe working environment where employees are protected from physical and psychological harm. The Bank enforces a zero tolerance policy toward practices or behaviours that could lead to harm in the workplace.<br><br>The Bank is equally committed to fair treatment of customers by operating with transparency, providing clear information on products and services, managing conflicts of interest related to these services, and preventing misselling.<br><br>A rigorous process is maintained to ensure that all products and services offered are suitable for customers. | **Accountable executives:**<br>— MEC members<br><br>**Accountable committees and forums:**<br>MEC, NCHRGC, BAC, Board |

Note:
BEC: Board Executive Committee; BRC: Board Risk Committee; BAC: Board Audit Committee; NCHRG: Board Nomination, Compensation, Human Resources and Governance Committee; MEC: Management Executive Committee; ALCO: Asset and Liabilities Committee; MCC: Management Credit Committee; MRMC: Model Risk Management Committee; FPMC: Financial Performance Management Committee; RMC: Risk Management Committee



## Principal risks (continued)

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Credit risk | Potential for financial loss due to the failure of a customer to meet the agreed obligations to pay the Bank. This also includes concentration risk (large exposure to specific client groups, sectors, or geographies) and decreases in credit quality. | ADCB manages credit exposures through a strong analytical framework, that emphasises cash flows analysis and considers the legal framework of the Bank and borrower.<br><br>Lending and investment decisions are guided by well-defined criteria and policies, ensuring engagement only with clients and issuers of strong creditworthiness. This ensures that facilities are appropriately secured, wherever feasible.<br><br>The Bank maintains a higher risk appetite in sectors where it possesses deep understanding, insights and the capability to manage and monitor exposures effectively.<br><br>Business growth remains relationship-driven rather than opportunistic. Collateral is obtained wherever possible to reduce unsecured lending. Large transactions exceeding specified thresholds are taken to the Board Executive Committee (BEC) or full Board for approval, in accordance with internal governance standards and regulatory requirements. | **Accountable executives:**<br>— Group Chief Credit Officer<br>— Group Heads for Retail Banking Group (RBG) and Corporate and Investment Banking Group (CIBG)<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>MCC, BAC, BEC, BRC, Board |
| Data privacy, data quality and data protection risk | Potential for customers, employees, corporates and related parties to lose control over their personal data, or to experience unintended outcomes and harm as a result of the Bank's processing of that data.<br><br>Data risk represents the potential for personal, sensitive, or business-critical information to be misused, compromised, or relied upon incorrectly due to failures in privacy compliance, data accuracy, or data protection controls. These risks may result in regulatory breaches, financial loss, operational disruption, impaired decision-making, and erosion of stakeholder trust if data is not appropriately governed, protected and maintained throughout its lifecycle. | ADCB is committed to ensuring that customer information remains authentic, appropriately classified, securely retained and managed in full compliance with legislative and business requirements. The Bank has no appetite for the deliberate misuse of customer information.<br><br>The Bank has no appetite for any compromise of processes, data quality or data integrity that could result in erroneous or incomplete data adversely impacting business decisions or undermining the integrity of management and regulatory reporting, potentially leading to financial loss. This includes any leakage of customer data outside the organisation.<br><br>The Bank actively mitigates these risks at all times, balancing the cost of maintaining a strong control environment against the assessed impact and likelihood of potential risks. | **Accountable executives:**<br>— Senior Head – Data Management<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>BRC, MEC, RMC and Data Steering Group |

## Principal risks (continued)

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Financial crime risk | Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating, but not limited to, international sanctions, anti-money laundering and anti-bribery and corruption. | ADCB maintains zero tolerance for breaches of laws and regulations related to financial crime, recognising that while incidents are unwanted, they cannot be entirely avoided. The Bank has no appetite for any fraud or corruption perpetrated by its employees. All allegations of suspected fraud or corruption are taken seriously, as set out in the Code of Conduct.<br><br>To support this stance, ADCB implements a comprehensive financial crime compliance framework that includes strong policies, procedures, and controls for anti-money laundering (AML), counter-terrorist financing, sanctions compliance, and anti-bribery and corruption. The Bank employs advanced transaction monitoring systems, conducts regular and enhanced customer due diligence where required, screens transactions and counterparties against relevant watchlists. Ongoing staff training and awareness programmes ensure employees remain vigilant and up-to-date with evolving typologies and regulatory expectations. The Bank also undertakes periodic risk assessments, internal audits and independent reviews to identify and address emerging risks and collaborates with regulatory authorities and industry bodies to share intelligence and best practices. Any identified issues are promptly remediated, with oversight from senior management and relevant Board committees. | **Accountable executives:**<br>— Group Chief Compliance Officer<br>— Acting Group Chief Risk Officer<br>— Head of Fraud & Investigations<br><br>**Accountable committees and forums:**<br>MEC, BRC, BAC, Board |
| Cybersecurity and technology risk | Potential for loss from a breach of confidentiality, integrity, or availability of the Bank's information systems and assets through cyber-attack, insider activity, error or control failure. This includes the risk of loss of confidential information plus the management and quality of data held within systems which may lead to financial losses. | ADCB maintains a minimal risk appetite regarding the availability of critical business systems, with service availability requirements clearly defined and agreed upon within each business area. There is zero tolerance for damage to assets resulting from malicious cyber-attacks, and this risk is addressed through strong internal processes and technology controls. The Bank's appetite remains low for IT system-related incidents arising from inadequate project management practices, excluding unforeseen issues prior to any 'go live'. ADCB ensures a secure environment for its people and assets by maintaining physical security measures that meet high standards, with no tolerance for failure of such controls.<br><br>To further strengthen its cyber and technology risk posture, ADCB employs advanced threat detection and response capabilities, including continuous monitoring of systems and networks, real-time analytics, and automation within its Security Operations Center (SOC). The Bank conducts regular vulnerability assessments, penetration testing, and scenario-based stress testing to identify and remediate potential weaknesses. Comprehensive data protection and privacy controls are embedded across all platforms, supported by ongoing employee training, awareness programmes, and phishing simulations to reduce susceptibility to social engineering attacks.<br><br>ADCB also maintains strong incident response and business continuity plans to ensure rapid recovery and minimal disruption in the event of a breach. Collaboration with industry partners and regulatory bodies enables the Bank to stay ahead of emerging threats and adopt best practices in cybersecurity and technology risk management. | **Accountable executives:**<br>— Chief Information Security Officer<br>— Senior Head – Cybersecurity Governance & Security Operations<br>— Head of Technology Services<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>Information Security Working Group, MEC, BRC, Board |

Note:
BEC: Board Executive Committee; BRC: Board Risk Committee; BAC: Board Audit Committee; NCHRG: Board Nomination, Compensation, Human Resources and Governance Committee; MEC: Management Executive Committee; ALCO: Asset and Liabilities Committee; MCC: Management Credit Committee; MRMC: Model Risk Management Committee; FPMC: Financial Performance Management Committee; RMC: Risk Management Committee



## Principal risks (continued)

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Liquidity and funding risk | Potential that the Bank will be unable to meet its payment obligations associated with its financial liabilities when they fall due and replenish funds when withdrawn. Funding risk refers to the possibility that the Bank will be unable to execute its business plans due to constraints in capital, liquidity or balance sheet structure. | ADCB actively manages its liquidity and funding base to ensure sufficient liquidity to meet obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or compromising the Bank's reputation.<br><br>The Bank maintains zero appetite for any loss of its investment-grade credit ratings and manages liquidity and funding within the parameters of Basel III, regulatory requirements, and its strategic objective of maintaining resilience under all circumstances. | **Accountable executives:**<br>— Group Treasurer<br>— Head of Treasury, Liquidity & Market Risk<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>ALCO, RMC, BRC, BEC, Board |
| Market risk | Potential that changes in market prices, such as interest rates, equity prices, foreign exchange rates, commodity prices and credit spreads (not related to credit standing) will affect the Bank's income, assets/ liabilities or the value of its holdings of financial instruments. | ADCB exercises strict control over its trading portfolio and activities to ensure that losses arising from market risk (financial or reputational) do not result in material damage to the Bank. The Bank's market risk appetite framework defines limits across 10 key categories, including interest rate risk, foreign exchange risk, equity exposure risk, commodity risk, volatility risk, counterparty risk and liquidity risk. Specific limits are established for trading book, investment book and banking book activities to ensure disciplined risk management. | **Accountable executives:**<br>— Group Treasurer<br>— Head of Market & Liquidity Risk<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>ALCO, RMC, BRC, Board |
| Model risk | Models invariably present model risk, which refers to the potential for adverse consequences arising from decisions based on incorrect or misused model outputs and reports.<br><br>Such risk can result in financial losses, flawed business or strategic decisions, and reputational damage to the Bank. | ADCB seeks to minimise the impact of model risk through a strong governance framework, which includes clear segregation of model development and validation functions, regular internal and external validations, and remediation activities tracked via the model inventory tool. In addition, ADCB, if required, maintains a provision overlay to account for inherent model risk arising from reliance on multiple models across areas such as market risk, credit risk, and provisioning. | **Accountable executives:**<br>— Head of Model Validation and Governance<br>— Head of Credit Risk Management<br>— Head of Treasury, Market & Liquidity Risk<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>MRMC, RMC, BRC, Board |

## Principal risks (continued)

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Operational risk | Potential for loss resulting from inadequate or failed internal processes, people, and systems, or the impact of external events. This includes fraud, technology, outsourcing and legal risk. | Operational risk management is embedded as a core discipline across the Bank, underpinning all products, activities, processes and systems. ADCB's framework ensures consistency and supports business objectives by fostering a proactive risk culture and continuously strengthening the control environment. Clear accountability and ownership for operational risk are established throughout the organisation, with defined roles and responsibilities at all levels.<br><br>The Bank employs a comprehensive suite of tools and processes, including risk and control self-assessments, incident management, loss data collection, and scenario analysis to identify, assess and mitigate operational risks. Regular monitoring of system stability, business continuity planning, and disaster recovery capabilities ensures uninterrupted service delivery and compliance with regulatory expectations. ADCB conducts periodic stress testing and scenario analysis to evaluate resilience against severe but plausible operational risk events.<br><br>Operational risk severity is classified across five levels; minor, low, moderate, major, and extreme with minor and low risks managed within the Bank's risk appetite, and major or extreme risks subject to enhanced oversight and mitigation. The Bank balances the cost of maintaining a strong control environment against the assessed impact and likelihood of operational risk events, ensuring resources are allocated efficiently. Continuous improvement is driven by lessons learned from incidents, internal audits, and external benchmarking, with regular reporting to senior management and to the Board Risk Committee (BRC) to maintain transparency and oversight. | **Accountable executives:**<br>— Business Heads<br>— Head of Operational Risk<br>— Head of Fraud & Investigations<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>MEC, BAC, BRC, RMC, Board |
| Reputational risk | Potential adverse effects can arise if the Bank's reputation is damaged due to factors such as unethical practices, breach of law, regulation, customer dissatisfaction, data privacy breaches and complaints or adverse publicity. | ADCB safeguards its reputation by ensuring that all business activities undergo thorough assessment, continuous monitoring and management under appropriate governance and oversight structures.<br><br>The Bank maintains a very low appetite for material legal cases against the Bank and, where appropriate, will adequately make provisions in a timely manner. | **Accountable executives:**<br>— MEC members<br><br>**Accountable committees and forums:**<br>BAC, BRC, Board |
| Sustainability risk | The potential adverse effects on the Bank and/or its financial position that can arise if the dimensions of sustainability (climate change, customers & communities, employees and governance) are not well managed to industry and global best practice standards. | ADCB adheres to international reporting standards and industry best practice to enable a proactive approach to managing ESG risks and opportunities, aligned with the UN Sustainable Development Goals (SDGs).<br><br>The Bank is committed to maximising its contribution to an inclusive, net zero economy to support the UAE's Net Zero by 2050 Strategic Initiative. | **Accountable executives:**<br>— MEC members<br><br>**Accountable committees and forums:**<br>Group Sustainability Committee, BEC, BRC, RMC, Board |

Note:
BEC: Board Executive Committee; BRC: Board Risk Committee; BAC: Board Audit Committee; NCHRG: Board Nomination, Compensation, Human Resources and Governance Committee; MEC: Management Executive Committee; ALCO: Asset and Liabilities Committee; MCC: Management Credit Committee; MRMC: Model Risk Management Committee; FPMC: Financial Performance Management Committee; RMC: Risk Management Committee



## Principal risks (continued)

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Islamic Banking risk | The potential adverse effects that can arise if the Bank is not fully in compliance with the rules and principles of Islamic Shari'ah as interpreted by the Internal Shari'ah Supervision Committee (ISSC) of ADCB, as well as the standards, notices and resolutions issued by the Higher Shari'ah Authority. This relates to the operation of the Islamic proposition and its products and services. | ADCB seeks to protect the Bank and its Islamic Banking customers from material damage by ensuring that any business activity is satisfactorily assessed and managed by the appropriate level of management and governance oversight in accordance with Islamic principles, regulations and ISSC guidance. The Bank maintains a low appetite for non-compliance with Shari'ah guidance and regulatory requirements. | **Accountable executives:**<br>— MEC members<br>— Head of Islamic Banking<br>— Head of Internal Shari'ah Control<br><br>**Accountable committees and forums:**<br>ISSC, BRC, RMC, Board |
| Anti-bribery and corruption risk | The potential exposure of an organisation to losses, sanctions, or reputational damage arising from offering, giving, requesting, or receiving anything of value (directly or indirectly) to improperly influence a decision, secure an unfair advantage, or abuse a position of trust. | ADCB is fully committed to operating to the highest standards of integrity and in full compliance with all applicable laws and regulations, including those related to anti-bribery and corruption. The Bank maintains a zero-tolerance approach to any intentional breach of these standards. ADCB manages this risk by avoidance of:<br>— Accepting or offering bribes in any form<br>— Receiving or giving gifts of cash or cash equivalents (stocks, bonds, loans). Internal thresholds set to cover other business situations (entertainment for example)<br>— Receiving or giving hidden discounts, commissions or kickbacks<br>— Facilitation payments made or received by employees, third-parties or associated persons<br>— Any falsification of books and records<br>— Paying, offering, or promising to provide or arranging, or authorising (directly or indirectly) through any other person or firm, the payment or transfer of anything of value to either a public official (foreign or local) or an employee of a local and/or international firm | **Accountable executives:**<br>— MEC members<br><br>**Accountable committees and forums:**<br>MEC, BAC, Board |
| Digital risk | Potential adverse effect on the achievement of business objectives due to unexpected and unwanted consequences arising from digital transformation. Digital risk includes the risks associated with the creation, delivery, and use of new digital technologies, processes, and services that are deployed to achieve operational efficiencies, scale new business models, or deliver new services to customers. | Combination of technology risk, compliance risk, third-party risk, automation risk, resiliency risk, and data privacy risk can lead to unwanted and, at times, unforeseen consequences that may undermine service quality and hinder the achievement of intended outcomes.<br><br>While leveraging technologies such as cloud solutions, automation and analytics to drive innovation and efficiency, ADCB prioritises data residency within the UAE and strictly adheres to all applicable regulations and data privacy laws. The Bank maintains a low tolerance for data breaches and unauthorised access to customer data, and ensures operational resilience to safeguard against disruptions. | **Accountable executives:**<br>— Chief Information Security Officer<br>— Acting Group Chief Risk Officer<br>— Chief Information Officer<br><br>**Accountable committees and forums:**<br>MEC, BEC, RMC, BRC, Board |

## Principal risks (continued)

| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| Fraud risk | The intentional act of deceiving another person/ entity to obtain money, property, or valuable documents through deceptive means which may result in an unlawful financial or personal gain or cause another to suffer a loss. This act may include the unlawful use of a false identity, stolen/falsified documents, fraudulent access to devices or other communicable or visual media which may also result in financial or personal loss. | ADCB maintains zero tolerance for fraud, however it is recognised that, in the normal course of business, there is a degree of fraud risk involved.<br><br>Any associated fraud risk is managed within clearly defined tolerance levels to achieve an optimal balance between risk mitigation and business objectives. The Bank is responsible for conducting thorough investigations into all types of internal and external fraud, including but not limited to lending fraud, document fraud, card fraud, customer transaction fraud, and internal staff fraud. Comprehensive controls, monitoring systems, and investigative procedures are in place to detect, prevent, and respond to fraudulent activities across all business lines.<br><br>Any ADCB employee found to have committed fraud is subject to disciplinary action, criminal proceedings and civil recovery. The Bank fully cooperates with law enforcement authorities to prosecute staff, customers and third-parties involved in fraudulent activities. | **Accountable executives:**<br>— Head of Fraud Risk Management<br>— Business Heads<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>MEC, RMC, BRC |
| Strategic risk | The potential for adverse effects on the Bank's ability to achieve its long-term objectives due to flawed strategic decisions, inadequate resource allocation, failure to respond to market changes, or ineffective execution of business plans. Strategic risk may arise from shifts in the competitive landscape, technological disruption, regulatory changes, or macroeconomic and geopolitical developments. | ADCB conducts regular strategic reviews and scenario planning to assess the impact of internal and external factors on its business model and objectives. Strategic initiatives are subject to rigorous evaluation, approval, and ongoing monitoring by senior management and the Board.<br><br>Key performance indicators and risk metrics are tracked to ensure alignment with the Bank's risk appetite and strategic goals. The Bank maintains flexibility to adapt its strategy in response to emerging risks, market opportunities, and regulatory developments, supported by strong governance and oversight structures. | **Accountable executives:**<br>— MEC Members<br><br>**Accountable committees and forums:**<br>RMC, BEC, BRC, MEC, Core Steering Group, Board |

Note:
BEC: Board Executive Committee; BRC: Board Risk Committee; BAC: Board Audit Committee; NCHRG: Board Nomination, Compensation, Human Resources and Governance Committee; MEC: Management Executive Committee; ALCO: Asset and Liabilities Committee; MCC: Management Credit Committee; MRMC: Model Risk Management Committee; FPMC: Financial Performance Management Committee; RMC: Risk Management Committee



## Principal risks (continued)

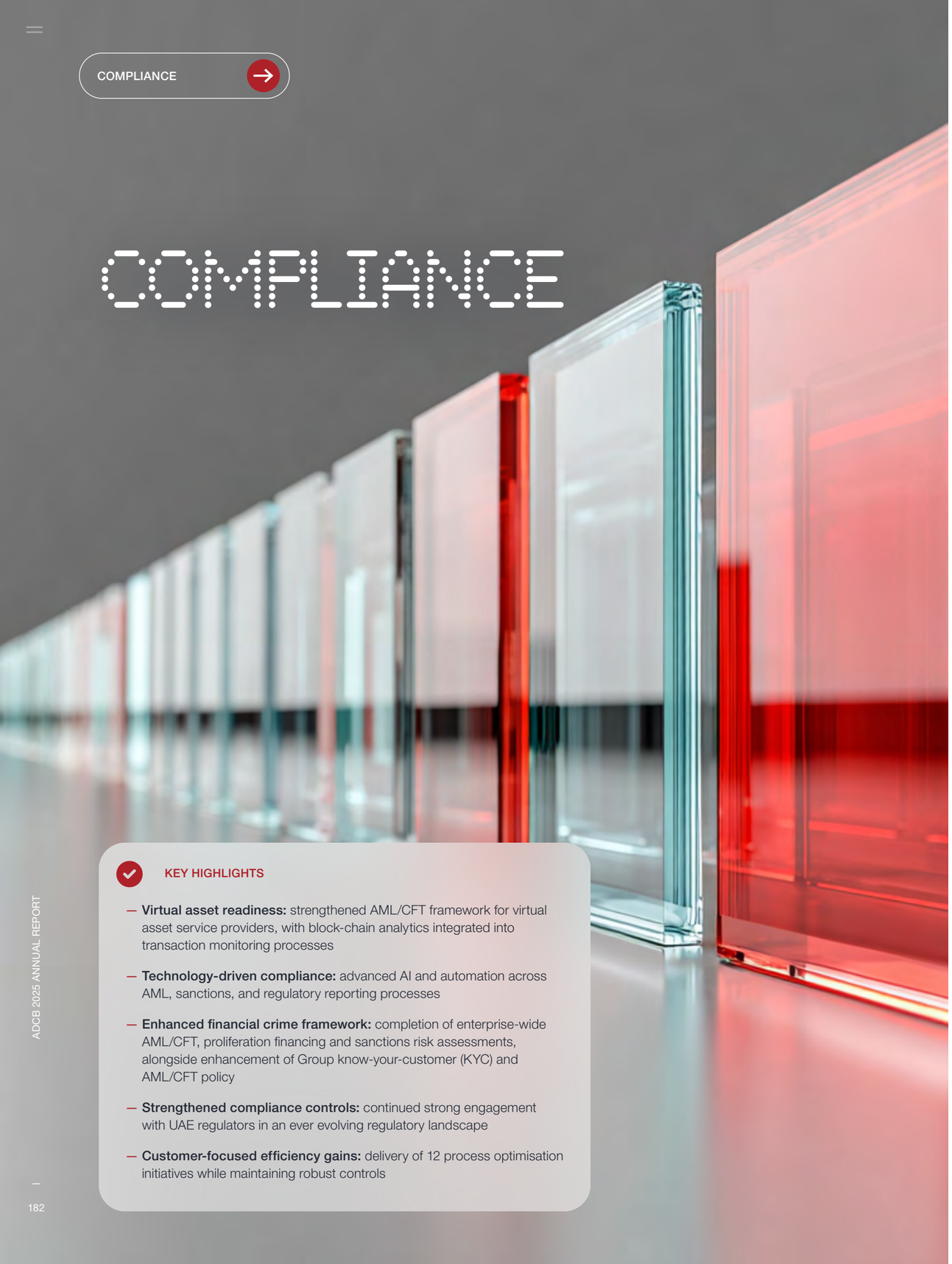
| Principal risk | Definition | Approach | Oversight |
|---|---|---|---|
| People risk | Potential for loss or adverse impact arising from inadequate or failed human capital management, including talent acquisition, retention, succession planning, employee conduct, health and safety, or workforce engagement. People risk may also result from skills gap, cultural misalignment, or non-compliance with employment regulations. | ADCB implements comprehensive human capital strategies, including strong recruitment, onboarding, and talent development programmes.<br><br>Succession planning and leadership development are prioritised to ensure business continuity. The Bank fosters a culture of integrity, diversity, and inclusion, supported by regular employee engagement surveys and well-being initiatives.<br><br>Policies and procedures are in place to address conduct risk, health and safety, and regulatory compliance.<br><br>Ongoing training and performance management ensure that employees are equipped to meet evolving business needs and uphold the Bank's values. | **Accountable executives:**<br>— Group Chief Executive Officer<br>— Group Chief Human Resources Officer<br>— Acting Group Chief Risk Officer<br><br>**Accountable committees and forums:**<br>MEC, RMC, BRC, BEC |

# COMPLIANCE

182 Compliance



# COMPLIANCE



**KEY HIGHLIGHTS**

- **Virtual asset readiness:** strengthened AML/CFT framework for virtual asset service providers, with block-chain analytics integrated into transaction monitoring processes
- **Technology-driven compliance:** advanced AI and automation across AML, sanctions, and regulatory reporting processes
- **Enhanced financial crime framework:** completion of enterprise-wide AML/CFT, proliferation financing and sanctions risk assessments, alongside enhancement of Group know-your-customer (KYC) and AML/CFT policy
- **Strengthened compliance controls:** continued strong engagement with UAE regulators in an ever evolving regulatory landscape
- **Customer-focused efficiency gains:** delivery of 12 process optimisation initiatives while maintaining robust controls



→ Compliance is an independent function at ADCB, responsible for ensuring the Bank complies with applicable regulations, rules and market standards. The function ensures adherence to all regulatory requirements, including anti-money laundering (AML), combatting the financing of terrorism (CFT), sanctions and proliferation financing. Compliance implements best practice in policies, procedures, systems, controls, training, monitoring and reporting, designed to prevent and detect financial crime and any compliance breach that may occur in the normal course of business.

Process optimisation initiatives launched

12

AML machine learning models in use

7

Hours of compliance training

30,000+

ADCB's Compliance function continues to play a crucial role in the Bank's accelerated growth, actively managing and monitoring risks, and ensuring adherence to applicable regulations, rules and market standards. This role is carried out in a proactive and highly collaborative manner within a sophisticated UAE regulatory landscape that reflects the country's commitment to financial integrity and a strong global reputation.

Compliance operates within the Bank's 'three lines of defence' risk management model. Together with the Risk Management function, Compliance forms the second line of defence, which is independent from the business and accountable for overseeing and challenging the first line of defence, the business units, on the effective management of their risks, and providing advice as needed. The Group Chief Compliance Officer reports directly to the Group Chief Executive Officer and has direct access to the Board, through the Board Audit Committee.

The Bank places a strong emphasis on maintaining constructive and transparent relationships with supervisory bodies in all jurisdictions where it operates, including the Central Bank of the UAE (CBUAE), the Capital Market Authority (CMA)[1], the Financial Services Regulatory Authority (FSRA) in Abu Dhabi Global Market (ADGM) and Abu Dhabi Securities Exchange (ADX). The Compliance team maintains proactive engagement with regulators and participates in sectoral consultations on new regulatory developments.

## Maintaining a future-ready compliance framework

The regulatory environment in the UAE continued to evolve at pace in 2025, with the CBUAE, CMA and the Higher Shari'ah Authority issuing a series of new notices and thematic reviews. Regulators also intensified enforcement activity, issuing several public actions across banks, exchange houses and insurance companies during the year.

(1) Effective 1 January 2026, the Securities and Commodities Authority (SCA) was renamed as the Capital Market Authority (CMA)

# Initiatives to strengthen the compliance framework

ADCB continues to enhance its Financial Crime Compliance framework through advanced technology, process optimisation and strengthened policies. Significant achievements in 2025 included:

- **AML/CFT and sanctions enterprise-wide risk assessment (EWRA):** ADCB completed its annual AML/CFT and sanctions EWRA using its fully automated solution, continuing to improve efficiency and consistency across business line evaluations
- **Transaction monitoring risk assessment (TMRA):** the Bank incorporated dedicated detection models for correspondent banking money laundering and trade-based money laundering, enhancing risk sensitivity and overall effectiveness
- **Virtual asset risk management framework:** ADCB implemented an AML/CFT risk management framework for virtual asset service providers (VASPs), including onboarding standards, monitoring procedures and blockchain analytics. The Bank also established client money accounts for VASPs subject to the CBUAE's case-by-case approval and positioning ADCB as an early mover in this capability
- **Proliferation financing detection:** the Bank strengthened its ability to detect proliferation financing risks through enhanced training and awareness programmes, resulting in stronger risk mitigation and improved regulatory reporting

ADCB also strengthened conduct and governance controls for employees with access to material non-public information, including updated Chinese walls, personal trading clearance, and conflict-of-interest procedures

Supervisory focus on financial crime prevention increased following the UAE's successful upgrade by the Financial Action Task Force (FATF) in early 2024, marking the country's removal from the grey list and recognition of its strengthened compliance framework. Preparations for the next FATF mutual evaluation in 2026 remain a major focus for the financial sector, with expected assessment of effectiveness in areas such as beneficial ownership, transparency, virtual asset oversight, and enforcement of AML/CFT laws.

In this context of rapid regulatory change, the Compliance function continues to strengthen efficiency, oversight and regulatory effectiveness through the use of digital tools, enhanced workflows and AI-enabled solutions. These initiatives are improving productivity, data quality and risk monitoring across the compliance framework, while supporting timely, consistent and accountable regulatory outcomes.

In 2025, the Compliance function further strengthened the Bank's control environment by enhancing oversight through regular Management Compliance Committee meetings and comprehensive Board reporting, with a focus on key areas such as corporate governance and conduct risk. The team effectively coordinated regulatory examinations and thematic reviews, ensuring timely reporting and full remediation of findings. Additionally, Compliance played a pivotal role in advancing ESG initiatives and aligning marketing policies with consumer protection standards, while actively participating to promote financial integrity and industry-wide alignment with global best practices. Compliance actively participated in shaping 'The National Strategy for Financial Inclusion in the UAE' and received an award from the Central Bank of UAE in recognition of its commitment and contribution. Compliance team was also awarded with Certificate of Appreciation by the UAE's National Drug Enforcement Authority appreciating their efforts in enhancing national security and protecting the UAE community.

## Supporting growth and the customer experience

Compliance supported key expansion projects, including the launch of the Bank's new digital trading platform. The team also provided strategic advisory on licences, regulatory engagements and new product approvals, completing the review of 47 new or amended products and services during the year.

A major focus in 2025 was simplifying processes to enhance customer experience while maintaining robust controls. Compliance participated in 12 process optimisation initiatives that reduced turnaround times for customer onboarding and loan disbursements. This was enabled by efficient sequencing of checks and close coordination with the operations team and business units.

Continuous training and upskilling reinforced a compliance culture across the employee base. In 2025, ADCB employees[1] completed 30,000+ hours of compliance training across business and support functions, reinforcing awareness, accountability and the Bank's strong culture of compliance.

## Leveraging AI and automation for compliance excellence

The Compliance function continues to focus on enhancing operational efficiency through digital tools, revised workflows and the introduction of AI-enabled solutions, resulting in higher productivity and improved oversight across all activities.

In 2025, ADCB validated seven AML machine learning models used for customer risk assessment, sanctions screening and transaction monitoring. All models were assessed as fit for purpose and compliant with regulatory standards. The dynamic customer risk assessment model, first deployed in 2023, was expanded to automate event-driven reviews, enabling faster decision-making and improved visibility across the customer lifecycle.



"My achievements are deliberate moves in a long-term vision of impact, purpose and leadership."

**Salma Almarzooqi**
Manager - Regulatory Liaison

A customer behavioural segmentation model was implemented as part of the financial crime strategy, leveraging transactional activity and behavioural patterns to improve the accuracy and effectiveness of AML monitoring.

The Compliance function played an active role in the development of 'Enterprise Knowledge', testing and refining this core AI-driven tool, which transforms how employees access and apply regulatory information. The platform serves as a single source of truth for regulatory guidance, supporting faster, consistent and accountable decision-making across the organisation.

Compliance also drove automation in reporting and monitoring, including for processes related to the Foreign Account Tax Compliance Act and the Common Reporting Standard. This helped to improve data accuracy, strengthen efficiency, reduce the need for manual review and enhance the quality of information submitted to regulators. In addition, regulatory dashboards were introduced to consolidate and visualise key compliance metrics for senior management and the Board.

The Bank is developing advanced use cases for AI-driven sanctions adjudication and regulatory intelligence agents, which will enhance alert quality, streamline screening and strengthen the overall compliance framework from 2026 onwards.

### PRIORITIES FOR 2026

- Accelerating responsible use of AI across Compliance
- Building efficiencies through digitisation, automation and process optimisation
- Deepening focus on conduct and market integrity
- Expanding advanced technology use in AML/CFT
- Reinforcing sanctions compliance through automation and intelligence
- Strengthening governance, engagement and regulatory confidence
- Embedding technology enabled risk based compliance

(1) Figure refers to ADCB UAE only

# GOVERNANCE

188 Governance




# Table of contents










## Corporate Governance


190 Statement from the Chairman of the Board

192 Key activities in 2025

198 Group Corporate Governance Framework


## ADCB Board governance


**204** Board of Directors

**210** Director's independence

**212** Board appointment, induction, training and industry experience

**216** Responsibilities of the Board

**220** Board effectiveness and evaluation

**222** Board remuneration

**224** ADCB Directors' and related party shareholdings

**225** Board oversight of conflict of interest and related party transactions

**228** Subsidiary governance and Group structure oversight

**230** Diversity and inclusion across the Group


## ADCB Board & Board Committees' agenda


**232** Board and Board Committees' agenda

**236** Board meetings and time allocation

**238** ADCB Board Committees (BEC, BRC, NCHRGC, BAC)

**246** Annual BAC Report

**248** Relationship between the BAC and the external auditor


## ADCB Management Executive Committee (MEC)


**252** Responsibilities of MEC and management committees

**254** Executive Management and delegation of authority

**264** Employee remuneration and reward


## Shareholder engagement


**268** Shareholder engagement and disclosures

**269** Share price performance and trading volume

**270** Shareholder ownership structure

**271** General Assembly meetings


## Islamic Banking governance


**272** Islamic banking governance framework

**274** Annual Report of the Internal Shari'ah Supervision Committee of ADCB Islamic Banking Division


## Al Hilal Bank (AHB) governance


**276** AHB Corporate Governance Framework

**277** AHB Board of Directors

**281** AHB Executive Management

**286** AHB Board and Board Committees' agenda

**287** AHB Board meetings and time allocation

**288** AHB Board Committees (BRC, BAC, NCHRGC)

**291** Annual Report of the Internal Shari'ah Supervision Committee of Al Hilal Bank


Certain disclosures and numbers have been reclassified and rearranged from prior year to conform to the current year's presentation.

2025 ADCB Corporate Governance Report was signed off by the Group Chief Compliance Officer, Group Chief Risk Officer, Group Chief Internal Auditor, Group Chief Financial Officer and Board Member.





Best practice corporate governance remains central to ADCB's long-term growth, as the UAE economy continues to evolve amid significant technological advancement and regulatory change.

**Khaldoon Khalifa Al Mubarak**
Chairman of the Board

In 2025, ADCB continued to strengthen its governance framework, reinforcing oversight structures and refreshing the Bank's risk appetite to support delivery of its five-year strategy and artificial intelligence (AI) transformation programme. A strong risk and compliance culture remained a priority across all lines of defence, supporting consistent and disciplined decision-making. In parallel, the Bank applied AI and automation across key control functions to support more effective monitoring, detection and regulatory oversight.

During the year, the Bank enhanced its principal risk framework through the formal inclusion of 'strategy' and 'people' risks, reflecting the importance of effective strategic execution and maintaining a resilient, skilled workforce as well as ADCB's stature as a major UAE financial institution.

The Bank further upgraded its cyber-security, operational resilience and third-party risk capabilities, reflecting the growing complexity of the operating environment and the increasing importance of technology-related dependencies. As AI becomes more embedded in the organisation, the Board oversaw further development of the Bank's responsible AI governance framework to ensure secure, transparent and well-controlled adoption.

ADCB continues to place a strong emphasis on financial-crime risk management and compliance, supported by continued investment in systems, controls and oversight to address the evolving risks associated with anti-money-laundering (AML), combatting the financing of terrorism (CFT), proliferation financing and sanctions. This reflects the Bank's commitment to regulatory compliance, market integrity and the protection of the financial system.

Sustainability remains an important element of the Bank's approach to growth and to supporting the UAE's ambitions for a diversified, net zero economy. In 2025, the Bank completed the full integration of climate considerations into its risk management framework and conducted its first quantitative climate-risk stress test under the Internal Capital Adequacy Assessment Process (ICAAP). During the year, ADCB achieved leading positions across major environmental, social and governance (ESG) indices, including the S&P Global Corporate Sustainability Assessment, MSCI, Sustainalytics and Bloomberg ESG Ratings, underscoring the Bank's progress in environmental and social risk management, business ethics, data security and transparent disclosure.

> As AI becomes more embedded in the organisation, the Board oversaw further development of the Bank's responsible AI governance framework to ensure secure, transparent and well-controlled adoption.

ADCB values its close working relationship with regulators, whose guidance supports the Bank's commitment to high standards of governance as a domestic systemically important bank (DSIB). I would like to express appreciation for the leadership of the Central Bank of the UAE and its continued initiatives to ensure financial stability and support the development of a resilient and competitive banking sector.

Finally, I would like to extend my sincerest gratitude to all my colleagues on the Board, ADCB's Executive Management, and the Bank's dedicated employees. I look forward to continuing our collaboration with all ADCB's stakeholders as we continue to build a leading financial institution that plays an important role in supporting sustainable economic development.

# Key activities in 2025




## Technology driven compliance

In 2025, the Bank expanded the use of artificial intelligence and automation to strengthen monitoring, detection and decision support across core control functions. Artificial intelligence (AI) was applied to enhance fraud detection processes, cyber risk monitoring and early warning indicators for credit oversight. In financial crime compliance, seven anti money laundering (AML) machine learning models covering customer risk assessment, sanctions screening and transaction monitoring were independently validated and rolled out, while the dynamic customer risk assessment model was expanded to automate event driven reviews. A behavioural segmentation model further strengthened the accuracy of AML monitoring.

Automation was also introduced across regulatory reporting, including processes related to Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard. The Bank also made strong progress on the development of Enterprise Knowledge, an AI-enabled platform that provides a single source of regulatory information for employees.

## Responsible AI governance framework

ADCB announced the launch of a strategic transformation, embedding AI at the core of its business model. This is supported by a governance framework to ensure responsible and secure deployment. The Bank has mobilised dedicated leadership and delivery capacity to drive this transformation forward. A Chief AI Officer leads a specialised AI team focused on execution across all lines of business. Three management-level governance forums have been established with representation from the executive leadership team:

- **AI Risk Forum:** reviews AI use cases against the Bank's AI risk principles and ensures they are trustworthy
- **AI Demand Management:** evaluates and prioritises proposed use cases before approval
- **AI Value Assurance:** validates financial impact, progress and delivery against approved business cases

### AI Governance Framework

**AI task force**

Quarterly Business Review (QBR) | AI Risk Forum | AI Demand Management | AI Value Assurance | Additional alignment with data platform governance

**AI squads to support business and support functions**

| Business functions[1] | | Support functions | | | |
|---|---|---|---|---|---|
| CIBG | RBG | Risk | Compliance | Audit | Legal |
| Treasury | Private Banking | Credit | Operations | HR | Finance |

### AI-enabled governance supporting oversight, decision-making and compliance culture

**Enterprise Knowledge:** Enhancing the compliance culture

The launch of ADCB's 'Enterprise Knowledge' marks a major step in empowering employees through the responsible use of AI. Powered by a secure voice-enabled generative AI model hosted within ADCB's internal network, the platform provides instant access to thousands of internal policies and procedures, as well as external regulatory documents issued by UAE authorities. Operating in English and Arabic, Enterprise Knowledge strengthens accountability, enhances the Bank's compliance culture and supports confident, well-informed decision-making across the organisation.

**Credit Companion:** Enabling rapid data-driven credit processes

ADCB has introduced 'Credit Companion', a generative AI assistant designed to support efficient credit processes. The tool analyses, structures and summarises complex deal documentation, extracting key risks, financial indicators and decision-relevant insights, and responding to targeted, case-specific queries. Operating securely within the Bank's internal environment, Credit Companion functions as a real-time digital assistant enabling consistent and data-driven credit decision-making.

**Board Observer:** Intelligence for strategic decision-making

'Board Observer', a generative AI-powered assistant, is supporting executive and board-level decision-making and governance oversight. Operating securely within the Bank's internal environment, the system complements and facilitates in-room discussion by providing leadership with instant access to insights based on previous discussions as well as relevant external information. Board Observer strengthens institutional memory and supports efficient, well-informed decision-making.

(1) CIBG: Corporate and Investment Banking Group; RBG: Retail Banking Group

## Virtual-asset risk management framework

The Bank is positioning itself in regulated virtual-asset activity by focusing on best-practice compliance. This has included the introduction of a dedicated AML/combatting the financing of terrorism (CFT) framework for virtual-asset service providers (VASPs), setting clear requirements for onboarding, monitoring and governance. Blockchain analytics have been integrated into transaction-monitoring processes to enhance visibility of virtual-asset flows. In addition, client-money accounts for VASPs were established for the first time, subject to case-by-case approval by the Central Bank of the UAE, positioning ADCB as an early mover in this capability.

## Continued focus on financial crime

ADCB completed the annual enterprise-wide AML, CFT and sanctions risk assessment using a fully automated solution, improving consistency and efficiency across business lines. The Bank also strengthened its Group KYC and AML/CFT policies to reinforce governance standards.

Proliferation-financing risk detection was enhanced through additional training and enhanced reporting processes. The transaction monitoring risk assessment was refined with new detection models for correspondent-banking and trade-based money laundering, supporting greater risk sensitivity.

## Enhanced conduct governance

The Bank enhanced conduct governance through updated controls relating to conflicts of interest, information-barrier requirements and personal-trading activity and clearance procedures for employees with access to material non-public information. These measures reinforced the Bank's internal control environment and supported consistent adherence to regulatory and ethical standards.

## Enhanced risk management framework

ADCB defines its risk tolerance through a comprehensive Risk Appetite Statement (RAS) and supporting Risk Appetite Framework, which guide the Board and Board Risk Committee (BRC) in setting clear thresholds across all major risk types. These parameters inform strategic decision-making, business planning and change initiatives, ensuring risks are identified, measured, monitored and mitigated consistently across the Group. The Bank conducts an annual review of its risk appetite, challenging key assumptions before seeking BRC endorsement and Board approval. In 2025, the Bank enhanced its Principal Risk Framework through the formal inclusion of 'strategic' and 'people' risks, reflecting the importance of effective strategic execution and maintaining a resilient, skilled workforce as well as ADCB's stature as a major UAE financial institution. The identification of principal risks promotes effective oversight of factors that may influence the Bank's performance and long-term objectives.

**Principal risks**

- Capital risk
- Compliance/ regulatory risk
- Conduct risk
- Credit risk
- Data privacy/quality and protection risk
- Financial crime risk
- Cybersecurity and technology risk
- Liquidity and funding risk
- Market risk
- Model risk
- Operational risk
- Reputational risk
- Sustainability risk
- Islamic banking risk
- Anti-bribery and corruption risk
- Digital risk
- Fraud risk
- Strategic
- People

## AI and automation in risk functions

ADCB continues to strengthen its financial crime defences by integrating AI and advanced analytics into its fraud management ecosystem. Working closely with the Data Science team, the Fraud Management function uses real-time monitoring in the Enterprise Fraud Management System to proactively identify money-mule activity, supported by enhanced governance and escalation protocols. Internally developed AI agents and external tools also enable faster credit-related responses, real-time anomaly detection, predictive credit scoring, and stronger KYC/AML processes, significantly improving speed and accuracy.



These capabilities are embedded within ADCB's strategic planning and regulatory frameworks, ensuring risk-detection enhancements remain fully compliant and aligned with the Bank's principles of responsible innovation.

## Continued upgrade of cyber-risk capabilities

Cyber security and cyber resilience remain a top priority for the Bank, with investments spanning advanced detection technologies, behavioural biometrics, real-time cyber monitoring and expanded ransomware defence controls to support earlier identification of threats and effective response. Continuous threat intelligence feeds support ADCB's Security Operations Centre and provide timely insights into emerging risks.

The Bank validated its cyber controls against global standards, including ISO 27001, PCI DSS, SWIFT CSCF and UAE Information Assurance, confirming the robustness of its cybersecurity environment and alignment with international best practice.

## Ensuring operational resilience and effective management of third-party risk

The Bank strengthened operational resilience through enhanced scenario analysis and stress-testing capabilities, including updates to resilience plans across critical functions. Additional testing was conducted during the year, incorporating fraud and cyber-related scenarios to support preparedness for a wider range of potential operational disruptions. Preventive controls were introduced and regional collaboration was expanded to combat emerging threats such as synthetic identity and Authorised Push Payment (APP) fraud.

Oversight of third-party and outsourcing arrangements was reinforced through stringent governance across vendor selection, contracting, ensuring technology partnerships operate within robust control frameworks. New controls were introduced to address cloud reliance, cross-border data transfers and the resilience of critical service providers, reflecting the increasing importance of technology-related dependencies. These measures were aligned with requirements under the Central Bank of the UAE's operational resilience framework.

## Strengthening risk management through ESG and climate consideration

Environmental, Social and Governance (ESG) factors are fully integrated into the Bank's risk management approach, with ESG considerations embedded in credit assessments, portfolio monitoring and decision-making processes. Following the incorporation of climate stress testing into the Internal Capital Adequacy Assessment Process (ICAAP) in 2024, the Bank conducted its first quantitative ICAAP-related climate risk stress test in 2025, incorporating both transition and physical-risk scenarios into capital planning. The exercise found minimal capital impact, reflecting the Bank's diversified portfolio and strong credit quality.

Climate considerations were embedded into portfolio analysis and credit risk assessment processes, supported by continued development of financed-emissions measurement using the Partnership for Carbon Accounting Financials (PCAF) methodology. These measures strengthened the Bank's ability to assess climate-related exposures and align risk decisions with emerging regulatory and sustainability expectations.

## Industry-leading ESG performance

ADCB reinforced its position as one of the top-ranked banks in the UAE by major international ESG ratings. In 2025, the Bank achieved leading positions across S&P Global Corporate Sustainability Assessment, MSCI, Sustainalytics and Bloomberg ESG ratings. The combined ESG assessments reflect consistent performance across multiple ESG topics relevant for the sector, underpinned by strengths in areas such as data privacy and security, sustainable finance, business ethics and tax transparency.

## Customer experience oversight and strategic focus

In 2024, ADCB formally elevated the Customer Experience Forum (CX Forum) to a Management Executive level committee, reaffirming the strategic importance of service excellence across the Group. Chaired by the Group Chief Executive Officer, the Committee meets quarterly to bring together leaders from across the Bank to review performance and advance service excellence, ensuring customer outcomes are prioritised at the highest levels of decision-making. In 2025, the Committee continued to reinforce its focus on enhancing customer service standards, ensuring that customer experience remained central to strategic execution and operational governance across the Group.

## Emiratisation

ADCB continued to demonstrate leadership in national talent development throughout 2025, maintaining 100% Emiratisation across all banking roles in its Al Ain operations, a first-of-its-kind milestone in the UAE banking sector. The Bank strengthened its talent pipeline by recruiting 238 UAE nationals during the year, bringing total Emirati headcount to 2,054 which constitutes approximately 40% of the employee base.

Emiratis also account for 40% of the Management Executive Committee members, with 41% of Emirati employees in critical roles, underscoring their contributions across high impact functions and strategic decision-making. ADCB's achievements were recognised with the prestigious Nafis Diamond Award for exceptional progress in Emiratisation, reflecting the Bank's strong commitment to developing national talent and supporting the UAE's long term human capital agenda.

## Succession governance

The Bank mitigates people-related risks through a structured succession management framework that identifies critical roles, assesses leadership competencies, and maintains strong internal talent pipelines to ensure continuity at all levels. Successor readiness is strengthened through targeted development pathways, including leadership academies, coaching, and mentoring programmes. Key risk indicators, such as the proportion of roles without identified successors and the completion rates of performance reviews, are embedded within the Bank's governance framework and are monitored regularly against defined targets to identify gaps, track progress, and maintain effective oversight.

In addition, the Bank mitigates people-related risks through mandatory and role-specific e-learning modules that cover all key compliance domains.

**Emirati representation in employee base**

c.40%

**Emiratisation of banking roles in Al Ain operations**

100%

## Supporting diversity and inclusion

ADCB continues to promote diversity and inclusion by expanding workplace policies to reinforce non-discrimination, ethical conduct and equal opportunity. Oversight mechanisms support transparency and access to grievance processes through strengthened reporting channels.

Women represent 46% of the workforce and hold key leadership roles, including positions on the Management Executive Committee. In addition, the Tamooha programme continues to provide flexible employment opportunities for Emirati women, supported by family-friendly policies and expanded flexible-working arrangements.

## A resilient organisational culture anchored in shared purpose

The 2025 Organisational Health Index (OHI) results reaffirm the Bank's strong foundations, with ADCB positioned in the top quartile of companies globally, and well above the median for global industry peers and among the top three banks in the Middle East.

The OHI survey, conducted by a leading global consultancy firm to assess an organisation's ability to achieve sustained performance improvement, found that the Bank scored highly across key dimensions, including direction and leadership, accountability, a customer-centric mindset, innovation and learning. The results demonstrate a healthy culture, sustained employee engagement and the effectiveness of the Bank's leadership and organisational practices.

## Promoting social impact

As part of the UAE's 'Year of Community' in 2025, ADCB strengthened its partnership with Abu Dhabi's Authority of Social Contribution, or 'Ma'an', which mobilises resources and delivers programmes to address priority social needs and enhance community wellbeing. The Bank is collaborating on priority initiatives that support volunteering, social entrepreneurship and broader community development.

ADCB supports Athar Plus, Abu Dhabi's first purpose-driven hub for accelerating social impact, through its 2025 community contribution plan, and was recognised with the Athar Plus Social Impact Award for its sustained commitment to creating positive societal outcomes.



# Group Corporate Governance Framework

ADCB regards robust corporate governance as fundamental to sustaining long-term financial performance and operational resilience. It reinforces the Group's standing as a trusted institution in the financial sector and enables effective value creation for all stakeholders.

ADCB maintains a strong Group Corporate Governance Framework that complies with the requirements of the Central Bank of the United Arab Emirates (CBUAE), the Capital Market Authority[1] (CMA) and the Abu Dhabi Securities Exchange (ADX), proactively responding to an evolving regulatory landscape. The framework is built on four guiding principles: fairness, accountability, responsibility, and transparency of disclosures. These principles define how the Board, its Committees and Executive Management oversee strategy, risk management, and stakeholder relationships across the Group.

The governance structure defines clear roles, responsibilities, and delegated authorities. The Board, composed of experienced professionals, maintains a disciplined and systematic approach to governance through regular reviews of the governance framework to reflect regulatory developments, business priorities and market dynamics. Executive Management implements strategy, upholds operational excellence and promotes a high-performance culture across the organisation.

Governance practices form a key enabler of ADCB's ambitions embodied in the five-year strategy launched in January 2025. The framework ensures prudent oversight of risk, compliance and sustainability, strengthening the Bank's adaptability in a changing environment. With ADCB announcing a comprehensive artificial intelligence (AI) transformation programme in October 2025, the Bank is adopting a robust governance structure for innovation and deployment of AI, which guides the responsible use of advanced technologies while maintaining transparency and stakeholder confidence.

ADCB's culture is anchored in its core values of integrity, care, ambition, respect and discipline. These values shape behaviour, guide decision-making, and strengthen stakeholder engagement, supporting the Bank's objective to create long-term value and contribute to the UAE's sustainable economic development.

## Corporate governance compliance: adapting to regulatory amendments

ADCB remains committed to proactively responding to regulatory changes and strengthening its corporate governance framework to drive sustainable growth, uphold its reputation as a pioneering financial institution, and safeguard stakeholder interests.

The Board Audit Committee (BAC) provides oversight and monitors compliance of new regulatory requirements, and implementation of associated action plans, ensuring the corporate governance compliance processes remain comprehensive and efficient.

### 2025 key corporate governance initiatives

**Integration of AI into governance processes**

ADCB introduced AI-enabled tools, including Board Observer, to enhance board effectiveness by providing secure, real-time access to verified information and supporting informed decision-making

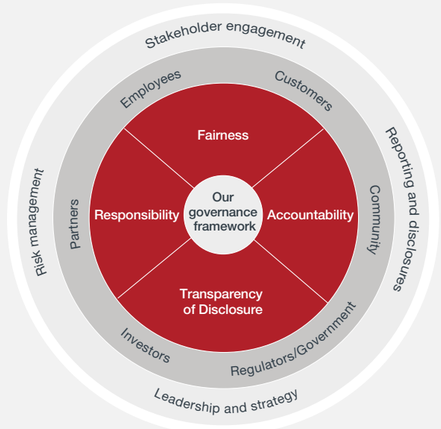
**Strengthening governance framework**

The Bank continued to refine its governance structure in line with regulatory developments, reinforcing clear roles and responsibilities across the three lines of defence and ensuring consistent application of controls

**Enhancement of Board oversight and information flow**

Established AI-driven regulatory dashboards to provide the Board with real-time visibility of compliance metrics and governance performance

### The Group's Corporate Governance Framework and the guiding principles



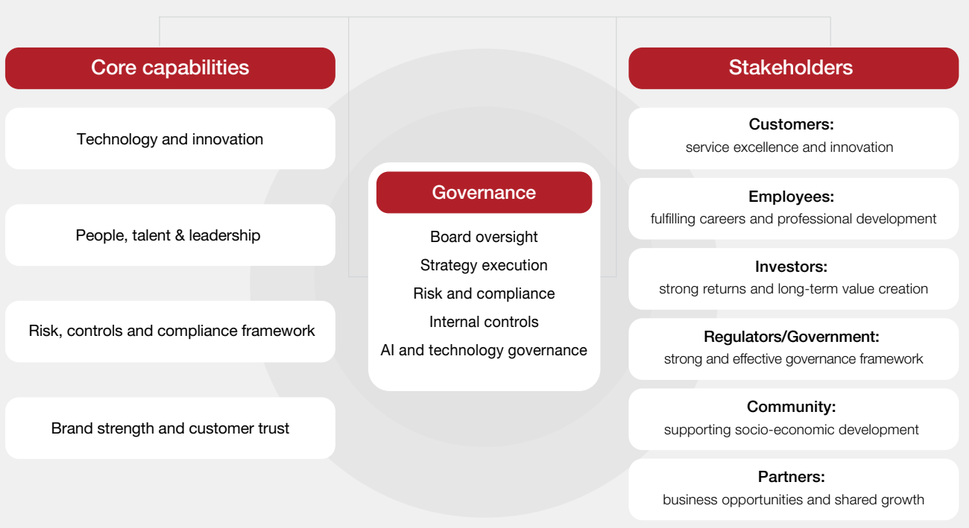

**Responsibility**
promoted by the clear distribution and delegation of authority

**Accountability**
in the relationships between the Bank's Executive Management and the Board; between the Board and shareholders and other stakeholders

**Fairness**
in the treatment of all stakeholders

**Transparency of disclosures**
to enable stakeholders to assess the Group's strategy and financial performance and condition

### ADCB creates value for stakeholders by combining strong capabilities, effective governance and disciplined execution




(1) Effective 1 January 2026, the UAE transitioned from the Securities and Commodities Authority (SCA) to the new Capital Market Authority (CMA)

# Governance structure




A strong governance structure requires rigorous awareness of the regulatory environment, vigilant oversight, and a culture of accountability led from the top. At ADCB, this structure is anchored by a highly experienced Board, supported by Board Committees with clearly defined mandates that provide effective oversight and informed guidance.

The Management Executive Committee (MEC), consisting of the Bank's most senior executives, plays a pivotal role in implementing the Board-approved strategy and objectives. Guided by the Group Chief Executive Officer (GCEO), the MEC ensures that responsibilities are clearly defined across the Bank's diverse management forums and committees, promoting a cohesive and transparent governance structure.

- **The Acting Group Chief Risk Officer** reports directly to the Board Risk Committee (BRC) and reports administratively to the GCEO
- **The Group Chief Internal Auditor** reports directly to the Board Audit Committee (BAC) and reports administratively to the GCEO
- **The Group Chief Compliance Officer** reports directly to the GCEO and has direct access to the BAC and to the Board
- **The Group Company Secretary** reports directly to the Board and administratively to the Group Chief Compliance Officer
- **The Acting Head of Islamic Banking** has a direct reporting line to the Management Executive Committee (MEC) and reports administratively to the Group Chief Retail Banking Officer

For more information, please refer to 'Board Committees' and 'Management Executive Committee' sections of this report.

# Governance structure (continued)

## 1 Board of Directors

Chaired by H.E. Khaldoon Khalifa Al Mubarak

The Board sets the Group's overall direction and maintains a robust framework of delegated authorities and controls. It defines the Group's purpose, values, and strategic goals, ensuring operational soundness, financial stability and protection of stakeholder interests. The Board also provides oversight and guidance to Executive Management, fostering a culture of responsibility and accountability.

### Board Executive Committee (BEC)

Chaired by Saeed Mohamed Hamad Al Mazrouei

The BEC oversees the development and execution of strategic objectives, including the Group's business initiatives, AI, digital transformation and sustainability agenda. It also reviews and approves material credit commitments, supporting the Bank's long-term growth.

### Board Risk Committee (BRC)

Chaired by Fatima Al Nuaimi

The BRC oversees the Bank's Risk Management Framework, establishes the Group's risk appetite and strategy, and monitors capital adequacy. It manages key risk areas including credit, liquidity, market, operational, information security and Shari'ah compliance, as well as third-party, data and fraud risks, ensuring robust risk governance across the Group.

### Board Nomination, Compensation, HR, & Governance Committee (NCHRGC)

Chaired by H.E. Hussain J. AlNowais

The NCHRGC oversees remuneration policies, Board appointments, and performance evaluations. It ensures effective succession planning, guides HR strategy with a focus on Emiratisation, and develops the Group Corporate Governance Framework in line with regulatory and international best practice, reinforcing the Bank's culture and core values.

### Board Audit Committee (BAC)

Chaired by Carlos Obeid

The BAC oversees the integrity of the Group's financial reporting, including accounting policies and practices. It also provides oversight of the Internal Audit Framework, Compliance and Shari'ah Audit governance. The Committee monitors adherence to legal, regulatory and internal policy requirements, including consumer protection and recommends the appointment of the external auditor while maintaining an objective and transparent audit relationship.

## 2 Management Executive Committee (MEC)

Chaired by GCEO Ala'a Eraiqat

The Board delegates day-to-day management to the Management Executive Committee (MEC), chaired by the Group Chief Executive Officer (GCEO). The MEC is accountable for the Group's commercial, operational, risk and financial management, ensuring effective execution of strategy and policies in line with the Board's direction.

## 3 Our people

Our people are entrusted with upholding the Group's core values and standards of professional conduct in their interactions with customers, business partners, and the broader community. They are committed to protecting ADCB's business interests and ensuring that the Bank maintains its reputation for integrity and compliance with all applicable legal and regulatory requirements.



# Board information

The ADCB Board consists of 11 Non-Executive Directors in compliance with the CBUAE regulations prohibiting the inclusion of Executive Directors on the boards of financial institutions. The Directors maintain independent status, except for Khalid Deemas Alsuwaidi, Aysha Al Hallami and Khaled H. Alkhoori, who are classified as non-independent due to their tenures exceeding 12 years.

The composition and chair of the Board's committees are reviewed periodically, with membership rotated as required to maintain the appropriate balance of skills, experience and knowledge required for effective oversight.

The Board oversees four standing committees, with each assigned specific responsibilities and authorities as delegated by the Board of Directors. Almost all Directors serve on at least one standing Board Committee. The Board and its Committees convened 44 times[1], with Directors regularly receiving comprehensive updates on the Bank's activities and developments. When necessary, members of the MEC were invited to Board and Committee meetings to address specific matters, while ensuring compliance with regulatory restrictions covering Executive Management attendance at key meetings.

## Board gender diversity

The Board plays a central role in fostering a strong, inclusive culture that reflects ADCB's values and long-term ambitions. The Bank recognises that diverse perspectives strengthen decision-making, innovation, and is committed to advancing gender diversity at the leadership level. As at 31 December 2025, women represented approximately 20% of the Board, in line with the Bank's diversity objectives as well as regulatory requirements. ADCB will continue to expand female representation by ensuring that at least 20% of candidates for directorship are women and that at least one woman serves on the Board.

### Board information in numbers

Board members
11

Number of Board and committee meetings[1]
44

Female Directors
c.20%

Non-Executive Directors
100%

(1) Includes 4 strategy sessions held by BEC

# Board of Directors



## H.E. Khaldoon Khalifa Al Mubarak

Chairman

*Independent Non-Executive Director*

H.E. Khaldoon Khalifa Al Mubarak was appointed Chairman of the ADCB Board of Directors in 2020.

He is the Managing Director and Group Chief Executive Officer of Mubadala Investment Company PJSC (Mubadala) since 2002, responsible for aligning Mubadala with Abu Dhabi's economic diversification efforts. Beginning his career at the Abu Dhabi National Oil Company (ADNOC), H.E. Al Mubarak held a number of positions at Tawazun Economic Council, formerly known as UAE Offsets Group, before assuming his current portfolio of responsibilities.

H.E. Al Mubarak holds a number of UAE Government and Abu Dhabi Government responsibilities, including; member of the Abu Dhabi Executive Council since 2004; member of Abu Dhabi's Supreme Council for Financial and Economic Affairs since 2020; the Presidential Special Envoy to China since 2018; and Chairman of the Abu Dhabi Executive Affairs Authority since 2006, the specialised government agency that provides strategic policy advice to His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates.

H.E. Al Mubarak is also a member of J.P. Morgan International Council. He co-founded the US-UAE Business Council and the UAE-France Strategic Dialogue and serves as Co-chair of the Abu Dhabi-Singapore Joint Forum. He was instrumental in establishing New York University Abu Dhabi (NYU) and serves on the NYU Board of Trustees. In addition, he is a member of Tsinghua University's School of Economics and Management Advisory Board.

H.E. Al Mubarak graduated with a degree in Economics and Finance from Tufts University, USA.

**External appointments:**

- Abu Dhabi Executive Council, Member (2004), UAE
- Manchester City Football Club, Chairman (2008), UK
- City Football Group Limited, Chairman (2013), UK
- The Supreme Council for Financial & Economic Affairs, Member (2020), UAE
- Abu Dhabi Advanced Technology Research Council, Member (2020), UAE
- Group 42 Holding Limited, Member (2020), UAE
- Abu Dhabi National Oil Company, Member (2021), UAE
- Abu Dhabi Investment Council Company PJSC, Chairman (2022), UAE
- Artificial Intelligence and Advanced Technology Council (AIATC), Founding Member and Secretary General of the council (2024), UAE
- MGX, Vice Chairman (2024), UAE
- Mohammed bin Zayed Water Initiative, Vice Chair (2024), UAE
- Mohamed bin Zayed University of Artificial Intelligence, Chair of Board of Trustees (2025), UAE



## H.E. Hussain J. AlNowais

Chair NCHRGC

Vice-Chairman

*Independent Non-Executive Director*

H.E. Hussain J. AlNowais joined the ADCB Board of Directors in 2019.

In his capacity as the founder and Chairman of AlNowais Investments, H.E. AlNowais' leadership has been instrumental in driving the company's growth and establishing it as a key player in regional and international markets. Similarly, as the Chairman of AMEA Power, he has been at the forefront of developing sustainable energy solutions across Africa, the Middle East and Asia.

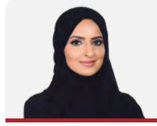
His previous experience as Chairman of Waha Capital, a leading investment company, and Khalifa Fund for Enterprise Development, a government initiative to support SMEs, equipped H.E. AlNowais with a deep understanding of both private sector dynamics and public policy objectives. Furthermore, as previous Chairman of Senaat General Holding Corporation, the industrial holding company for the Abu Dhabi Government's industrial assets, H.E. AlNowais gained extensive experience in privatisation and listing of corporations.

This combined broad experience enables H.E. AlNowais to bring valuable insights to the ADCB Board, ranging from the energy transition to capital markets development.

H.E. AlNowais has a Bachelor's degree in Business Finance from Lewis & Clark College in the USA. He has also completed executive management programmes at both INSEAD in France and London Business School in the UK.

**External appointments:**

- Al Nowais Investments LLC, Chairman (1979),UAE
- World Economic Forum Community of Chairpersons, Member (1982)
- Rotana Hotels and Real Estate Investment, Member (1992), UAE
- AMEA Power LLC, Chairman (2016), UAE
- Family Business Council-Gulf, Member (2016)
- Al Fanar Philanthropy Impact Investment, Board trustee and investor (2021)
- Asia Business Council, Member



## Aysha Al Hallami

BEC BAC

*Non-Executive Director*

Aysha Al Hallami joined the ADCB Board of Directors in April 2013, bringing extensive experience in finance and asset management.

As Deputy Director in the Core Portfolio Department at the Abu Dhabi Investment Authority (ADIA), she contributes deep investment expertise and strategic insight to the Board. Her strong background in finance and business supports sound financial analysis and decision-making. Aysha's experience and leadership are instrumental in supporting the Bank's long-term growth and sustainability in an increasingly complex regulatory environment.

Aysha is a CFA Charter holder. She earned a bachelor's degree in business sciences, Finance from Zayed University in the UAE, followed by a master's degree in finance and Banking from Cass Business School (now Bayes Business School) at City University in the UK. She has also completed a General Management programme and a Private Equity and Venture Capital programme, both at Harvard Business School in the USA.

**External appointments:**

- Abu Dhabi National Takaful Company PSC, Member (2023), UAE



## Saeed Mohamed Hamad Al Mazrouei

Chair BEC NCHRGC

*Independent Non-Executive Director*

Saeed Mohamed Hamad Al Mazrouei joined the ADCB Board of Directors in 2019.

He is the Managing Director and CEO of Abu Dhabi Investment Council (ADIC), where he oversees one of the Emirate's leading sovereign wealth funds, bringing valuable insight into global investment dynamics and the macroeconomic environment.

Previously, Saeed served as Deputy CEO of Mubadala's Direct Investments platform, supporting capital allocation and strategic investment execution. Prior to that, he was Deputy Chief Financial Officer at Mubadala, overseeing group-wide finance functions, treasury activities, and supporting acquisitive transactions and asset monetisations.

Earlier in his career, Saeed was seconded from Mubadala to spearhead the launch of the Debt Management Office (DMO) within the Abu Dhabi Department of Finance, where he led transactions exceeding USD 30 billion, including sovereign debt issuances and support funding for banking and real estate entities.

Saeed holds a Bachelor's degree in Finance from Suffolk University in Boston, a Master's degree in International Securities Investments and Banking from the University of Reading in the UK, and a Master's degree in National Security and Strategic Studies from the National Defense College in the UAE.

**External appointments:**

- Abu Dhabi Retirement Pension & Benefits Fund, Member (2019), UAE
- Moeve (formerly CEPSA), Member (2019), Spain
- Edge Group, Member (2022), UAE
- Mubadala Capital, Member, UAE

BEC Board Executive Committee BRC Board Risk Committee BAC Board Audit Committee

NCHRGC Board Nomination, Compensation, HR & Governance Committee

# Board of Directors



## Carlos Obeid

Chair BAC BEC NCHRGC

*Independent Non-Executive Director*

Carlos Obeid joined the ADCB Board of Directors in 2019 and has extensive experience in finance, investment management and strategic leadership.

As the Chief Financial Officer of Mubadala, Carlos plays a crucial role in managing the organisation's financial strategy and operations, including treasury, financial planning, and governance. This experience enables him to bring important perspectives into global investment trends, risk management strategies, and financial best practice to the ADCB Board. His expertise in overseeing complex financial operations and driving financial performance is particularly valuable in guiding the Bank's strategy, balance sheet management and enhancing its competitive edge.

Prior to his current role, Carlos worked with the UAE Offset Programme Bureau, where he led various initiatives in privatisation, utilities, and financial services. He also serves on the boards of a number of organisations operating in various industries and geographies. This combined experience has equipped him with a deep understanding of both public and private sector dynamics, as well as the evolving domestic and international regulatory environment across multiple sectors.

Carlos obtained a Bachelor of Science in Electrical Engineering from the American University of Beirut, Lebanon, followed by a Master of Business Administration from INSEAD in Fontainebleau, France.

**External appointments:**

- Global Foundries Inc, Member (2012), USA
- Mubadala Capital, Member (2021), UAE
- Abu Dhabi Investment Council Company PJSC, Member (2022), UAE



## Sheikh Zayed Bin Suroor Al Nahyan

*Independent Non-Executive Director*

Sheikh Zayed Bin Suroor Al Nahyan joined the ADCB Board of Directors in 2021.

With a background in finance, Sheikh Zayed gained valuable experience at two renowned institutions; the National Bank of Abu Dhabi and Morgan Stanley. This exposure to both regional and international markets equipped him with a comprehensive understanding of banking operations, investment strategies and risk management.

Sheikh Zayed's educational background reflects a well-rounded approach to business growth. His dual expertise in business management and technology enables him to offer insightful perspectives into the Bank's strategic investments in digital and AI transformation as the financial industry continues to evolve rapidly to changes in customer behaviour.

In addition to his role at ADCB, Sheikh Zayed previously served as a Non-Executive Director at Al Ain Ahlia Insurance Company, which broadened his exposure to the financial services sector and enhanced his ability to contribute to ADCB's governance and strategic direction. Sheikh Zayed graduated with a Bachelor's degree in Business Management from the University of Sussex, UK, and with a Master's degree in Computer Science, University College London, UK.

**External appointments:**

- No current external directorships



## Khalid Deemas Alsuwaidi

BAC

*Non-Executive Director*

Khalid Deemas Alsuwaidi has been a member of the ADCB Board of Directors since March 2009, and brings three decades of experience in banking, investment, and emerging industries. With a deep understanding of the UAE's financial landscape and broader regional markets, he has consistently focused on driving strategic growth and operational excellence at the Bank.

Over the years, Khalid has held senior positions at leading financial institutions, including the National Bank of Abu Dhabi and First Gulf Bank. His extensive expertise in banking operations, strategic planning, and corporate governance has equipped him with a comprehensive perspective on industry challenges and opportunities. As the current Group Chief Executive Officer of Das Holding, Khalid has extended his leadership into key sectors of the UAE economy, including real estate, transport, hospitality and healthcare.

Khalid's expertise in business development, strategic management, and governance enables him to identify and capitalise on market trends.

Khalid holds Bachelor's degree in Computer Information Systems (Bethune-Cookman University, USA) and Master's degree in Business Administration, with a minor in Management Information Systems and Strategic Planning, from Widener University, USA.

**External appointments:**

- Abu Dhabi National Takaful Company PSC, Vice-Chairman (2008), UAE
- Emirates Strategic Investment Company LLC (ESIC), Vice-Chairman (2019), UAE
- Sky News Arabia, Member (2021), UAE



## Khaled H. Alkhoori

BEC BRC

*Non-Executive Director*

Khaled H. Alkhoori was appointed to ADCB's Board of Directors in 2012 and brings extensive experience across a number of key economic sectors in the UAE.

Khaled is the Managing Director and Board Member of Al Ain Holding, with strategic oversight of the company's real estate development, hospitality, asset management and investment businesses. He is instrumental in driving the company's growth, enhancing operational efficiency and delivering sustainable stakeholder value.

Khaled has also served as Chairman of Orient House for Development & Construction since 2006 and has held leadership roles in both the public and private sectors spanning diverse areas, including engineering, banking and investments. He was formerly a board member of Abu Dhabi National Hotels, Chairman of ADNH Compass Middle East and board member of Abu Dhabi Marine for Real Estate Investment.

Khaled has a Master's degree in Civil Engineering, and a Bachelor of Science in Civil Engineering, both from Northeastern University, USA.

**External appointments:**

- Orient House for Development & Construction, Chairman (2006), UAE

BEC Board Executive Committee BRC Board Risk Committee BAC Board Audit Committee

NCHRGC Board Nomination, Compensation, HR & Governance Committee

# Board of Directors



## Fatima Al Nuaimi

Chair BRC BEC NCHRGC

*Independent Non-Executive Director*

Fatima Al Nuaimi joined the ADCB Board of Directors in 2022.

As the Co-Head of Mubadala Capital Solutions, Fatima oversees the platform's permanent capital strategy, separately managed accounts and the Abu Dhabi Catalyst Partners business. Through this experience, she brings a comprehensive understanding of capital deployment and portfolio management in private markets globally.

Her career at Mubadala Capital, which began in 2011, has been marked by significant achievements in direct private equity and fund investments. Her expertise extends to leading high-profile transactions, including the acquisition of K-MAC, the second-largest Taco Bell franchisee in North America and Mubadala's USD 2.5 billion partnership with Silverlake.

Fatima's appointment to the Board aligns with ADCB's strategy to incorporate diverse perspectives and expertise in its governance structure. Her experience in investment management and private equity enables her to make a valuable contribution to the Bank's strategic decision-making processes, particularly in areas of capital allocation, risk management and long-term investment.

Fatima holds a Bachelor's degree in Business Administration from the Higher Colleges of Technology in the UAE, graduating magna cum laude. She has also completed two financial certifications; Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA).

**External appointments:**

- K-MAC Enterprises, Member (2021), USA
- Al Masar Investments LLC, Member (2023), UAE



## Sheikh Sultan Bin Suroor Al Dhaheri

BRC BAC

*Independent Non-Executive Director*

Sheikh Sultan Bin Suroor Al Dhaheri was reappointed to the ADCB Board of Directors in 2022, following a previous tenure on the Board from 2009 to 2019.

With over a decade of experience in senior business leadership positions, Sheikh Sultan has cultivated a deep understanding of commercial dynamics in the UAE and beyond. His expertise spans various sectors, including maritime trade, hospitality and investment management, enabling him to offer significant insights to guide the Bank's strategic initiatives.

Through his diverse experience, Sheikh Sultan has a unique vantage point on international commerce and the domestic economy, which has proven valuable in guiding the growth and development of ADCB.

Sheikh Sultan earned a Master's degree in Strategic Management at the University of Wales, UK, and has completed the Emerging Leaders Programme at Harvard Kennedy School, USA.

**External appointments:**

- National Corporation for Tourism and Hotels, Member (2009), UAE
- Abu Dhabi Maritime and Mercantile International Co, Chairman (2012), UAE
- Al Dhaana Holding LLC, Chairman (2012), UAE



## H.E. Dr. Ahmed Mubarak Al Mazrouei

*Independent Non-Executive Director*

H.E. Dr. Ahmed Mubarak Al Mazrouei joined the ADCB Board of Directors in 2024.

H.E. Al Mazrouei is Chairman of the Office of Strategic Affairs for the President of the UAE, member of the Abu Dhabi Executive Council, and Chairman of the Abu Dhabi Executive Office.

In his capacity as Chairman of the Private Department of the President and a member of the Supreme Council for Financial and Economic Affairs, Board Member of ADNOC and ADIA, H.E. Al Mazrouei oversees crucial operations at the highest level of government and plays an important role in shaping the Emirate's strategic direction and policy implementation.

H.E. Al Mazrouei's distinguished career in the public sector also includes several senior leadership roles. These include serving as Secretary General of the Executive Council, Chairman of the Department of Health – Abu Dhabi, Chairman of Abu Dhabi's Civil Service Department and Chairman of Abu Dhabi Water and Electricity Authority.

He was also the first Chairman of the Federal Authority for Nuclear Regulation, which oversees the UAE's nuclear power programme, as well as Chairman of Abu Dhabi Health Services Company (SEHA), Abu Dhabi Health Insurance Company (DAMAN) and Etihad Aviation Group Company.

H.E. Al Mazrouei graduated as a Doctor of Medicine (MD) from the College of Medicine and Health Sciences, UAE University, and is also an alumnus of the Executive Leadership Programme at Harvard University, USA.

**External appointments:**

- Abu Dhabi Executive Council, Member (2004), UAE
- Private Department of the President, Chairman (2016), UAE
- Abu Dhabi National Oil Company (ADNOC), Member (2020), UAE
- Supreme Council for Financial and Economic Affairs, Member (2020), UAE
- Modon Holding, Member (2023), UAE
- Abu Dhabi Executive Office, Chairman (2023), UAE
- Abu Dhabi Investment Authority (ADIA). Member (2024), UAE
- Abu Dhabi Holding Company (ADQ). Member (2024), UAE
- Office of Strategic Affairs for the President, Chairman (2024), UAE
- Advanced Technology Research Council (ATRC), Member (2024), UAE
- Erth Zayed Philanthropies, Board of Trustees Member (2024), UAE
- Ras Al Hikma Urban Development Company, Chairman (2024), Egypt
- XRG, Member (2024), UAE

BEC Board Executive Committee
BRC Board Risk Committee
BAC Board Audit Committee
NCHRGC Board Nomination, Compensation, HR & Governance Committee

# Director’s independence

Director independence is fundamental to effective governance and to ensuring decisions are made in the best interests of ADCB and its stakeholders. The Central Bank of the United Arab Emirates (CBUAE) sets clear independence criteria for board members under its Corporate Governance Regulations and Standards for Banks. These criteria are designed to preserve objectivity and uphold the highest standards of integrity, accountability and fiduciary responsibility.

## The CBUAE Independence Criteria are as follows

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

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

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

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

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

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

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

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

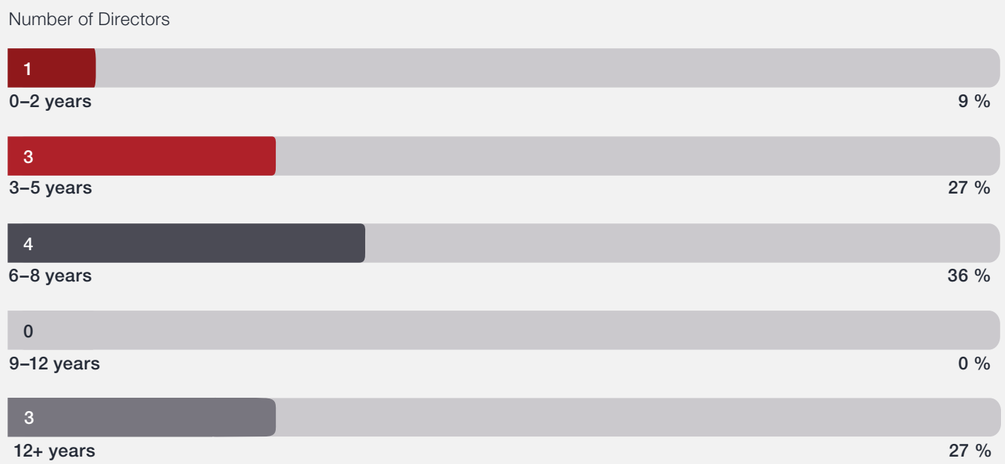
The provisions from items b. to h. do not apply to Board Members appointed by a Government shareholder, as per the CBUAE Corporate Governance Regulations.

The Government of Abu Dhabi entity, Mubadala Investment Company PJSC (Mubadala), owned 60.69% of the Bank’s share capital as at 31 December 2025.

As an ADX-listed entity regulated by the CBUAE, ADCB determines the independence of its Board Members in accordance with the criteria outlined by the CBUAE.

As at 31 December 2025, the Board Members satisfied the prescribed CBUAE Independence Criteria, with the exception of Khalid Deemas Alsuwaidi, Khaled H. Alkhoori and Aysha Al Hallami, who are classified as non-independent due to their tenure exceeding 12 consecutive years on the ADCB Board.

**Length of Board tenure**[1] (as at 31 December 2025)




| | |
|---|---|
| **0–2 years** | H.E. Dr. Ahmed Mubarak Al Mazrouei (2024) |
| **3–5 years** | Fatima Al Nuaimi (2022)<br>Sheikh Sultan Bin Suroor Al Dhaheri (2022)<br>Sheikh Zayed Bin Suroor Al Nahyan (2021) |
| **6–8 years** | H.E. Khaldoon Khalifa Al Mubarak (2020)<br>H.E. Hussain J. AlNowais (2019)<br>Saeed Mohamed Hamad Al Mazrouei (2019)<br>Carlos Obeid (2019) |
| **9–12 years** | Nil |
| **12+ years** | Aysha Al Hallami (2013)<br>Khaled H. Alkhoori (2012)<br>Khalid Deemas Alsuwaidi (2009) |

Note: Figures may not add up due to rounding differences

(1) According to the CBUAE’s corporate governance regulation and standards, a board director is categorised as non-independent when the length of tenure exceeds 12 years

# Board appointment, induction, training and industry experience

## Appointment and re-election

ADCB recognises that an effective Board is essential to the Bank's success and its ability to act in the best interests of all stakeholders. In line with ADCB's Articles of Association and the CBUAE's Corporate Governance Regulations, all Directors are required to seek re-election by shareholders every three years.

If a Board seat becomes vacant, the Board may appoint an individual, typically nominated through the Nomination, Compensation, HR and Governance Committee (NCHRGC) process, to fill the vacancy for a period not exceeding 30 days.

The appointment shall be presented to the General Assembly at its first meeting for approval (or appointment of substitutes), and the newly appointed member will serve the remainder of the predecessor's term.

As at 31 December 2025, ADCB's majority shareholder, Mubadala Investment Company PJSC, held 60.69% of the Bank's share capital granting it the right to appoint six Directors in proportion to its shareholding, and exercise voting rights over an additional 6.14% during Board elections.

The selection and appointment process for Directors is set out in ADCB's Directors' Selection Policy, which outlines the fit-and-proper criteria and requirements for appointment in accordance with regulatory standards. As required by the CBUAE Corporate Governance Regulations, each Director must receive CBUAE approval as a proposed candidate before appointment or election at the General Assembly.

## Board induction

ADCB provides a comprehensive induction programme for all newly appointed or elected Directors. Each Director receives a formal, tailored introduction designed to help them perform effectively and develop a thorough understanding of the Bank's business.

The programme typically includes meetings with other Directors and Executive Management, as well as briefings from Senior Managers across key business areas and operations. New Directors are also offered opportunities to visit branches and departments to engage with subject matter experts. They receive detailed guidance on their duties, the Bank's policies and procedures, and applicable legal and regulatory requirements. Following the initial induction, Directors continue to enhance their knowledge of the Bank through ongoing meetings and engagements, as appropriate.

## Board composition in 2025

The Bank's Board of Directors was duly appointed/re-elected by shareholders at the Annual General Assembly (AGA) held on 27 February 2025.

In accordance with the Bank's Articles of Association and in its capacity as the controlling shareholder, Mubadala Investment Company PJSC (through its wholly owned subsidiary One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC) appointed six board members for a term of three years. These appointments, which were reviewed and approved by the NCHRGC, received the CBUAE's No-Objection, and were as follows:

- H.E. Khaldoon Khalifa Al Mubarak
- H.E. Dr. Ahmed Mubarak Al Mazrouei
- Carlos Obeid
- Saeed Mohamed Hamad Al Mazrouei
- Khalid Deemas Alsuwaidi
- Fatima Al Nuaimi

For the remaining Board positions, the nomination period for candidates was open from 17 to 26 December 2024. Several applications were received and five candidates approved by the NCHRGC, obtained the CBUAE's No-Objection and were subsequently elected by acclamation at the AGA:

- Sheikh Zayed Bin Suroor Al Nahyan
- Sheikh Sultan Bin Suroor Al Dhaheri
- Aysha Al Hallami
- H.E. Hussain J. AlNowais
- Khaled H. Alkhoori

## Board skills, experience, professional advice and training

The expertise and competencies of Directors are assessed through a structured mapping exercise, which is updated as needed to ensure the Board's collective skills and experience remain aligned with the Bank's strategy and operating environment.

The Board brings a broad range of experience, covering finance, audit, accounting, risk management, governance, strategic planning, ESG, and information technology. The Board allocates appropriate time, budget, and resources to ongoing training and development and draws on external expertise when required.

An annual review of training ensures that Directors continue to acquire and strengthen the knowledge and skills relevant to their responsibilities. The Board also engages regularly with Executive Management on specialised topics, ensuring continuous alignment on strategic and regulatory priorities.

The Board has direct access to the advice and expertise of the Group Company Secretary, who supports the Directors in fulfilling their fiduciary duties. Additionally, Directors may seek independent external professional advice at the Bank's expense on any matter they deem necessary to effectively execute their duties.

The 2024 skills evaluation cycle conducted in 2025 featured a strengthened methodology with deeper individual skillset assessments, enhanced collective suitability mapping aligned to CBUAE Fit & Proper expectations and expanded coverage of emerging areas such as ESG, AI, cybersecurity, and Islamic finance, providing the Board with a more comprehensive and forward looking assessment.

### In 2025, Directors participated in a number of training and deep dive sessions

**Training sessions**

- Sanctions
- IFRS9 impairment treatment
- Sustainability and climate targets
- Operational resilience
- UAE legal and regulatory developments
- Funds transfer pricing
- Regulatory compliance covering key regulations issued since 2022
- Islamic banking and Shari'ah principles
- Higher Shari'ah Authority (HSA) standards and regulations

**Deep dives**

- Treasury strategy update
- Digital update
- Organisational effectiveness programme
- Artificial intelligence (AI) strategy update
- Strategic capital planning and management
- Corporate and Investment Banking Group (CIBG) strategy update

### Industry experience of the Board of Directors

| Item | Agreement index (%) | Directors (Agree/Strongly Agree) out of 11 |
|---|---|---|
| **Individual Board Member skillset (C1: Core Competencies)** | | |
| Understanding of banking and financial services | 82 | 9 |
| Knowledge of risk management principles and practices | 82 | 9 |
| Familiarity with corporate governance frameworks and best practices | 73 | 8 |
| Understanding of the regulatory environment | 82 | 9 |
| Knowledge of strategic planning and performance monitoring | 82 | 9 |
| Familiarity with sustainability and ESG matters | 82 | 9 |
| Experience/understanding of digital transformation and emerging technologies | 82 | 9 |
| Awareness of cyber security risk management | 82 | 9 |
| Familiarity with AML/CFT obligations | 82 | 9 |
| Understanding of outsourcing arrangements and associated risks | 82 | 9 |
| Knowledge of Islamic finance and Shari'ah compliance | 73 | 8 |
| **Board engagement & interaction** | | |
| Awareness of group structure and interdependencies | 82 | 9 |
| Satisfied with time commitment for Board/Committee responsibilities | 82 | 9 |
| Active participation in Board discussions and decision-making | 73 | 8 |
| Access to training and development opportunities | 82 | 9 |
| Provided with tools and information to make informed decisions | 73 | 8 |
| Supported in disclosing and managing conflicts of interest | 82 | 9 |
| Appropriate interaction with Chairperson and Committee Chairs | 82 | 9 |
| Satisfied with oversight of long-term strategy and risk appetite | 82 | 9 |
| **Collective suitability of the Board** | | |
| Collectively adequate knowledge of banking and financial services | 82 | 9 |
| Sufficient expertise in risk management and internal controls | 82 | 9 |
| Strong understanding of corporate governance and regulatory compliance | 82 | 9 |
| Well-informed about the Bank's strategic direction and performance | 82 | 9 |
| Necessary knowledge to oversee ESG and sustainability matters | 73 | 8 |
| Collectively aware of emerging risks, including cyber and digital transformation | 82 | 9 |
| Understanding of AML/CFT risks and obligations | 73 | 8 |
| Familiarity with outsourcing arrangements and associated risks | 82 | 9 |
| Clear understanding of Group-level risks and interdependencies | 82 | 9 |
| Includes members with knowledge of Islamic finance and Shari'ah compliance | 82 | 9 |

# Responsibilities of the Board

The Board serves as the Bank's primary decision-making body, with ultimate responsibility for defining the Group's strategic direction and ensuring sound governance, operational strength, and financial stability. It sets long-term objectives, approves strategy, and oversees implementation to safeguard sustainable value in the interests of shareholders, customers, employees, regulators, and the wider community. The Board preserves the integrity of financial reporting, establishes effective internal controls, and monitors overall business performance.

The Board fosters a culture of integrity, accountability, and prudent risk management through the Group Corporate Governance Framework, ensuring that all activities align with the Bank's purpose, values, and regulatory obligations. By actively engaging with Executive Management, the Board maintains strategic alignment across the Group and upholds its role as steward of long-term success.

## Board responsibilities

- **Strategy and management:** Setting the Bank's long-term objectives and commercial strategy, and monitoring Management's performance. Overseeing the Bank's AI transformation strategy, ensuring responsible adoption of AI to enhance growth, operational efficiency and customer experience
- **Structure and capital:** Approving changes to the capital structure, dividend policy, capital adequacy assessment process, capital and liquidity plans, and management and control structures
- **Financial reporting, planning, and controls:** Approving financial results, annual reports and accounts, dividends, business plans, budgets (including funding plans) and forecasts, and any significant changes in accounting policies or practices. Overseeing credit and liquidity policies, and the remuneration, appointment or removal of the external auditor and other material accounting policies
- **Internal controls:** Ensuring the establishment, implementation, and monitoring of an adequate and effective system of internal controls through prudent oversight and guidance
- **Risk management:** Setting the Bank's risk strategy and appetite, monitoring material risks, approving risk management policies, and promoting a strong risk-aware culture
- **Compliance, AML/CFT and sanctions:** Overseeing the implementation of an effective compliance programme, including anti-money laundering, countering the financing of terrorism, and sanctions compliance, while promoting a strong compliance culture, reinforcing the three lines of defence model and ensuring the Group operates in accordance with applicable legislation
- **Sustainability:** Overseeing and approving the Bank's sustainability strategy to ensure that environmental, social, and governance (ESG) risks and opportunities are managed effectively, strengthening resilience and supporting the transition to a net zero economy
- **Major transactions:** Approving major capital investments and projects, including acquisitions, mergers, disposals and material contracts outside the ordinary course of business
- **Board Committees and appointments:** Establishing committees to support the Board in conducting its responsibilities, approving their terms of reference and composition, and conducting annual evaluations of the effectiveness of the Board, its Committees and individual Directors
- **Succession planning:** Appointing or removing, and overseeing succession planning for, key members of Senior Management to ensure business continuity and leadership strength
- **Executive Management performance:** Establishing a fit and proper process for the selection and assessment of Executive Management and monitoring performance to ensure alignment with strategic objectives, risk appetite, and the Bank's values. The Board also ensures that the MEC collectively possesses the skills and expertise required to lead the Group effectively
- **Remuneration framework:** Setting remuneration policies for Directors and Executive Management, and approving incentive and reward schemes consistent with long-term strategic objectives, prudent risk-taking and financial soundness
- **Delegation of authority:** Approving clear policies and procedures for the delegation of authority to the Executive Management, monitoring duties and responsibilities delegated to the Board Committees, Management Committees, and the Executive Management
- **Governance:** Ensuring effective control of the Group, while respecting the independent legal and governance responsibilities of each subsidiary in the Group, and providing independent oversight of the Corporate Governance Framework whilst maintaining a strong control culture
- **Shari'ah governance:** Establishing, reviewing and approving a sound and effective Shari'ah Governance Framework to ensure effective and independent Shari'ah oversight, in line with the requirements of the CBUAE requirements and the UAE's Higher Shari'ah Authority (HSA), promoting a culture of Shari'ah compliance and understanding of Islamic finance

## Board oversight of risk management

Effective risk management is a core element of the Group's Risk Governance Framework. The Board holds overall responsibility for setting the Group's risk appetite and ensuring that all risks are managed effectively within approved parameters.

The Board promotes an open risk dialogue with Executive Management and maintains close engagement with its Committees to ensure robust oversight and adequate resources for risk management systems.

The BRC supports the Board in fulfilling these duties in relation to risk management through managing, overseeing, monitoring, and reviewing all material risks. The BRC advises the Board on the Group's risk appetite, tolerance, and strategy, taking into account long-term objectives, risk exposures, and the capacity to manage risk effectively. It also works with Executive Management to develop and implement risk strategies across sectors, regions and client segments.

The BRC meets regularly to assess the effectiveness of the Group's risk management and internal control systems, reviewing identified risks and the progress of mitigation actions. Outcomes and recommendations are reported to the Board, which approves any revisions to the Group Risk Governance Framework.

Further responsibilities of the BRC include:

- Reviewing the results of stress tests conducted by the Bank and stress-testing methodology
- Ensuring that the Group's risk governance approach is supported by prudent risk-taking at all levels
- Ensuring that the Group has appropriate operational risk management strategies, policies, and processes to identify, assess, evaluate, monitor, report, control, or mitigate operational risk on a timely basis
- Ensuring timely disclosure to the CBUAE of any significant deviation from the Board-approved operation risk appetite statement, policies, or procedures, as well as any material operational risks that have not been adequately addressed

The duties and responsibilities of the BRC are facilitated by various Group Management Committees, including the Management Risk Committee and the Assets and Liabilities Committee.

Together with Executive Management, the Board recognises the importance of maintaining a workplace culture aligned with ADCB's purpose, values and strategy. It continues to strengthen a culture of compliance by fostering an environment where employees at all levels are empowered to challenge improper behaviour, raise concerns, and contribute to continuous improvement. This commitment is supported by key policies, including the Code of Conduct, Employee Grievance and Whistleblowing Policies.

### Board responsibilities



## ADCB's 'three lines of defence' model

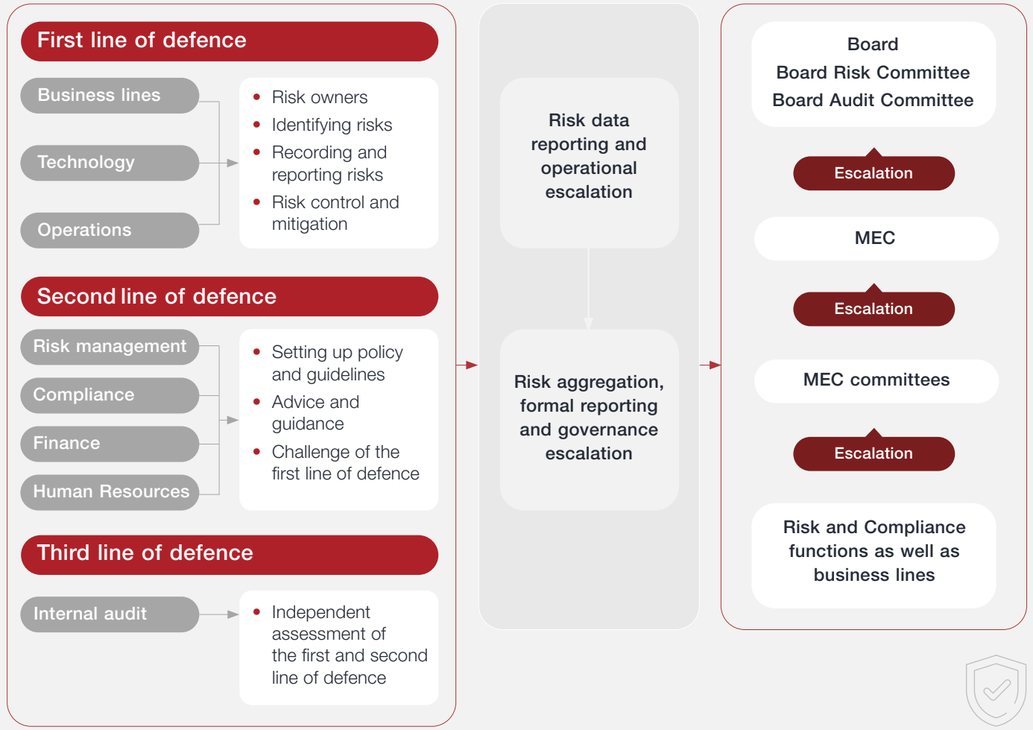
As part of the Group Risk Governance Framework, the Bank has an activity-based three lines of defence model. This determines accountabilities and responsibilities for risk management across the Group. It forms the basis of the Bank's approach to risk management by clarifying responsibilities, encouraging collaboration, and enabling efficient coordination of risk and control activities, while maintaining adequate independence.

The first line of defence comprises the units, departments, or business functions that perform day-to-day operational activities. They hold primary responsibility for managing risk and controls, and are accountable for identifying and reporting existing and emerging risks within their areas of responsibility, in line with the Bank's risk appetite. These functions are expected to apply risk management policies, consider relevant risk factors in decision-making and maintain effective internal controls within their operations.

The Risk Management and Compliance Departments form the second line of defence. They are responsible for developing risk management models, monitoring and reporting processes, and overseeing the Bank's overall risk framework. These functions provide expertise, advice, review, and independent challenge to the first line of defence to ensure that risk decisions and actions remain appropriate and within the Risk Appetite Statement (RAS). The Acting Group Chief Risk Officer and the Group Chief Compliance Officer hold Bank-wide accountability for oversight within their respective areas, including the impact of conduct outcomes and providing effective guidance and challenge to the first line of defence.

The third line of defence is implemented by internal audit. The Internal Audit Department provides independent review and reporting to management and non-executive risk and audit committees as to whether the Bank's risk management, governance, and internal control processes are designed and operate effectively.

**Three lines of defence**




## Board oversight of financial reporting and internal controls

The Board is responsible for overseeing the integrity of ADCB's financial reporting and disclosures, and ensures that the Bank's independent Risk, Compliance, and Internal Audit functions operate effectively within a robust internal control framework. The Board retains ultimate accountability for the accuracy and completeness of the Group's financial statements and annual report.

The BAC supports the Board by overseeing the financial reporting and disclosure processes, including the monitoring of accounting policies, principles and judgements. In 2025, the Committee evaluated the objectivity and effectiveness of these processes and confirmed the Group's adherence to the regulatory requirements of the CBUAE and Capital Market Authority.

The BAC assists the Board in maintaining an effective internal control environment by approving the annual Internal Audit Plan and monitoring the performance of the Internal Audit Department. It also reviews actions taken to address identified control deficiencies. The Internal Audit Department reports directly to the BAC, a structure that reinforces its independence and enhances the effectiveness of the Group's control and assurance processes.

The Group Chief Compliance Officer has direct access to the BAC and to the Board, covering regulatory compliance, anti–money laundering, combating the financing of terrorism, sanctions, and counter-proliferation financing.

To drive continuous improvement, the BAC conducts an annual effectiveness review of the Compliance Department through Internal Audit, and commissions an independent external assessment at least once every five years, in line with the CBUAE Internal Controls, Compliance and Internal Audit Regulations.

The BAC oversees the implementation of the Whistleblowing Policy, which provides internal and external stakeholders, a safe, anonymous channel to submit any concerns on potential irregularities in the Bank's activities. The BAC ensures that proper arrangements are available to allow anonymous independent and fair investigation of any irregularities, with protection in place to safeguard whistleblowers from any adverse consequences resulting from their reports. Through these controls, the BAC maintains a culture of transparency, integrity, and accountability within the ADCB Group.

## Summary of monitoring and controls for insider trading activities

### 1. Controls and monitoring mechanisms

ADCB has implemented robust controls to prevent market abuse and conflicts of interest. These controls include:

**Blackout periods:**

- Regular blackout periods commence 15 days before each quarter-end and expire upon the publication of financial results
- Special blackout periods are applied during specific corporate events involving Material Non-Public Information (MNPI)

**Monitoring trading activity:**

- The Compliance Department actively monitors the trading activities of ADCB insiders in ADCB shares on a quarterly basis
- Any trades executed during blackout periods are immediately flagged and reported to Senior Management and the Board Audit Committee (BAC)

### 2. Reporting and oversight

The Compliance Department ensures that all insiders trading activities in ADCB shares are reviewed and reported to Senior Management and the BAC for information and further action, if required. This process ensures transparency and adherence to regulatory requirements.

**In 2025, the Board and Board Committees, received a total of 78 internal control reports**

# Board effectiveness and evaluation

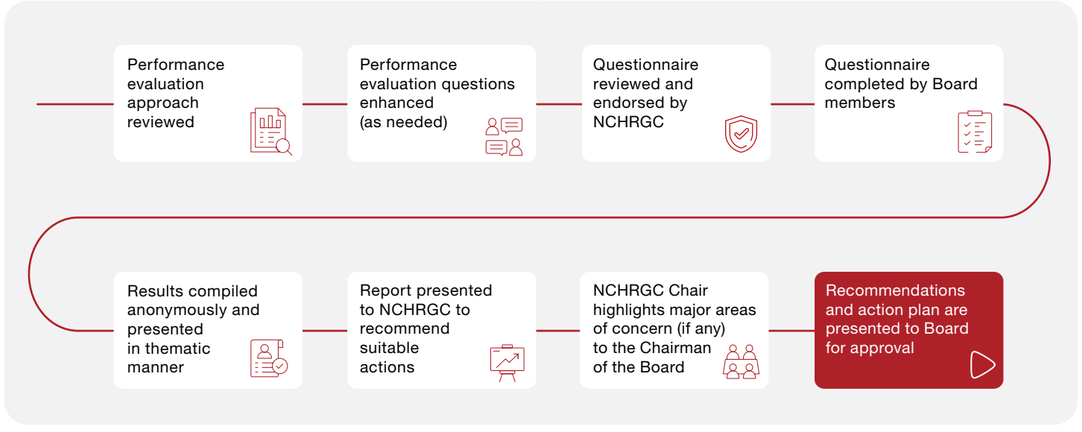
The Board undertakes a formal and rigorous annual evaluation to assess its collective performance, the individual contributions of Directors, and the effectiveness of Board Committees in fulfilling their respective mandates. This evaluation process, guided by the Director's Performance Evaluation Policy, is essential to sustaining and enhancing the Board's expertise and effectiveness. By actively participating in the design, assessment and review of the process, the Board aims to identify achievements and areas for improvement. This structured and transparent evaluation approach reinforces trust among Directors, enhances alignment with Executive Management, and promotes confidence with the Bank's stakeholders.

The evaluation includes a specific review of the responsibilities and performance of the Chairman and the Chairs of each Board Committee, assessing the efficiency of meeting conduct, the facilitation of effective debate and decision-making and the external representation of the Bank to the public, regulators and other counterparties.

The Board Committees are evaluated on effectiveness in fulfilling their responsibilities, diligence, and responsiveness to the Board. Additionally, each Committee conducts an annual self-evaluation, to assess its ability to carry out the responsibilities set out in its terms of reference.

To ensure a robust and independent assessment of the Board's performance, an external consultant is appointed in the third year of the Board term to conduct an independent evaluation. The results are presented to the Nomination, Compensation, HR and Governance Committee (NCHRGC) as an actionable plan, with the Committee actively monitoring progress to support effective implementation. Following its review, the Chair of the NCHRGC briefs the Board of Directors on the outcomes. The Board Secretariat provides support to Directors and the NCHRGC throughout the evaluation process.

During 2025, an internal board evaluation assessment for the prior year was undertaken in line with the CBUAE and CMA applicable corporate governance regulations. The Board was satisfied with the results of the evaluation and the NCHRGC endorsed an action plan to address the recommendations that were adopted.




# The internal Board evaluation

## Executive summary

In line with the Directors' Performance Evaluation Policy, in 2025, the Board conducted its annual self-assessment for the prior year, facilitated by the NCHRGC with support from the Board Secretariat.

The evaluation, conducted through a questionnaire, aimed to confirm the Board's effectiveness and ensure alignment with the size, complexity and risk profile of the ADCB Group. The comprehensive questionnaire covered Board performance, Committee effectiveness, Secretariat support, individual competencies, and collective suitability in line with CBUAE Fit and Proper Guidelines. Responses were collected anonymously and analysed in aggregate to ensure objectivity and confidentiality.

## Evaluation scope

- Governance structure and decision-making processes
- Board strategy and stakeholder engagement
- Risk management and strategic oversight
- Board Committees' effectiveness
- Interaction with Executive Management
- Succession planning and Director development
- ESG and sustainability oversight
- Cybersecurity and emerging risk awareness
- Board Secretariat support
- Individual and collective Board competencies

## Evaluation methodology

The Board evaluation was carried out through a detailed questionnaire shared with all Directors and members of Executive Management. The survey was designed to capture both quantitative ratings and qualitative feedback, ensuring a balanced and objective assessment.

**Structure:** The questionnaire included 86 questions in total, 83 closed-ended questions using a five-point agreement scale (from Strongly Disagree to Strongly Agree, plus Not Applicable) and 3 open-ended questions for comments and recommendations.

**Coverage:** It addressed five main areas:

1. The Board as a whole
2. Board Committees
3. Board Secretariat support
4. Individual Directors' skills and engagement
5. Collective suitability of the Board

**Feedback approach:** Participants were encouraged to provide candid input and share suggestions for improvement.
Open-ended questions allowed Directors to highlight priorities for development and training.

**Confidentiality:** All responses were collected anonymously and consolidated into an aggregated report to maintain transparency and objectivity.

## Summary of results:

The results of the internal Board evaluation indicate that the Board and its committees are performing effectively, with responses reflecting an overall positive assessment alongside areas identified for further consideration.

# Board remuneration

## Board remuneration strategy and policy

ADCB's Board remuneration strategy reflects Directors' responsibilities and time commitments while aligning with industry standards and regulatory requirements. The core principle is to ensure remuneration is transparent, fair and commensurate with the Bank's strategic and operational objectives.

In accordance with the CBUAE Corporate Governance Regulations, the CMA Governance Guide and ADCB's Board Compensation Policy, Directors receive only fixed remuneration, with no incentive-based or performance-linked compensation. ADCB's Board remuneration consists of two components:

1. **Board remuneration:** annual fixed compensation for service on the Board, allocated based on role and responsibilities, with higher weightage for the Chairman, Vice-Chairman and committee chairs
2. **Sitting fees:** fixed amounts for participation in Board committees

The Nomination, Compensation, HR and Governance Committee (NCHRGC) is responsible for recommending the total Board remuneration to the Board, which, if endorsed, is submitted for approval by shareholders at the Annual General Assembly (AGA).

Remuneration is determined through a structured, benchmarked approach that considers peer practices and relevant internal and external factors, while remaining within a fixed compensation framework. No performance-based or incentive-linked pay is permitted.

The NCHRGC reviews Board remuneration annually and may propose adjustments within the fixed framework, subject to Board and shareholder approval. Non-monetary benefits such as Directors' liability insurance or healthcare may be provided, and Directors are reimbursed for costs directly related to their duties.

## Board remuneration paid in 2025 for 2024

The total Board remuneration, paid in 2025, for the year ended 31 December 2024 amounted to AED 35,600,000. ADCB's Directors were not recommended for any additional allowances, salaries or fees, bonuses, long-term or other incentive schemes. Additionally, Directors do not receive any pension benefits from ADCB.

## 2025 proposed Board remuneration

The total proposed Board remuneration for the year ending 31 December 2025, to be paid in 2026, is approximately AED 40 million, subject to final approval by shareholders at the AGA to be held in 2026.

## Board remuneration paid in 2025 for 2024

All figures are in AED

| | Remuneration | Sitting fees | Total |
|---|---|---|---|
| H.E. Khaldoon Khalifa Al Mubarak<br>*Board Chairman* | 4,047,879 | – | 4,047,879 |
| H.E. Hussain J. AlNowais<br>*Board Vice-Chairman* | 3,541,895 | 80,000 | 3,621,895 |
| Aysha Al Hallami | 3,218,064 | 390,000 | 3,608,064 |
| Saeed Mohamed Hamad Al Mazrouei | 3,319,261 | 360,000 | 3,679,261 |
| Carlos Obeid | 3,218,064 | 390,000 | 3,608,064 |
| Khalid Deemas Alsuwaidi | 2,724,095 | 60,000 | 2,784,095 |
| Sheikh Zayed Bin Suroor Al Nahyan | 2,724,095 | – | 2,724,095 |
| Khaled H. Alkhoori | 3,218,064 | 310,000 | 3,528,064 |
| Fatima Al Nuaimi | 2,724,095 | 120,000 | 2,844,095 |
| Sheikh Sultan Bin Suroor Al Dhaheri | 2,724,095 | 60,000 | 2,784,095 |
| H.E. Dr. Ahmed Mubarak Al Mazrouei | 1,258,811 | – | 1,258,811 |
| H.E. Amr Al Menhali[1] | 1,013,911 | 97,671 | 1,111,582 |
| **Total** | **33,732,329** | **1,867,671** | **35,600,000** |

(1) Remuneration for H.E. Amr Al Menhali is pro-rated from 1 January 2024 until his resignation on 24 April 2024

# ADCB Directors' and related party shareholdings[1]

| Name | Kinship (if applicable) | As at 31 Dec 2025 | As at 31 Dec 2024 | Change in shareholding |
|---|---|---|---|---|
| H.E. Khaldoon Khalifa Al Mubarak | N/A | 501,354 | 463,828 | 37,526 |
| H.E. Hussain J. AlNowais | N/A | 645,077 | 0 | 645,077 |
| Amna Hussain AlNowais | Daughter of H.E. Hussain J. AlNowais | 887,642 | 820,508 | 67,134 |
| Ali Hussain AlNowais | Son of H.E. Hussain J. AlNowais | 749,021 | 692,028 | 56,993 |
| Mohamed Hussain AlNowais | Son of H.E. Hussain J. AlNowais | 749,021 | 692,028 | 56,993 |
| H.E. Dr. Ahmed Mubarak Al Mazrouei | N/A | 1 | 1 | 0 |
| Khalid Deemas Alsuwaidi | N/A | 71,102 | 63,637 | 7,465 |
| Sheikh Zayed Bin Suroor Al Nahyan | N/A | 2,069,347 | 1,914,456 | 154,891 |
| Aysha Al Hallami | N/A | 0 | 0 | 0 |
| H.E. Ahmed Sultan Al Hallami | Father of Aysha Al Hallami | 845,762 | 845,762 | 0 |
| Khaled H. Alkhoori | N/A | 2,250,902 | 2,082,422 | 168,480 |
| Carlos Obeid | N/A | 0 | 0 | 0 |
| Arij Azzam | Wife of Carlos Obeid | 125,632 | 91,544 | 34,088 |
| Saeed Mohamed Hamad Al Mazrouei | N/A | 0 | 0 | 0 |
| Fatima Al Nuaimi | N/A | 0 | 0 | 0 |
| Sheikh Sultan Bin Suroor Al Dhaheri | N/A | 7,267,015 | 5,537,993 | 1,729,022 |

(1) The Bank does not award any shares to any of its Directors



# Board oversight of conflict of interest & related party transactions

## Conflict of interest

The Board of Directors has established and maintains a comprehensive framework to identify and manage conflicts of interest across the organisation, including among the Bank's employees and Directors. This framework implements effective controls designed to prevent any adverse impact on the Group, its shareholders and other stakeholders.

## Employee conflict of interest

Employees must adhere to a Code of Conduct and Board-approved Conflict of Interest Policy, which require them to avoid conflicts of interest involving the Bank, its customers, suppliers and other counterparties. If an employee's outside interests conflict with the Group, they must promptly inform their line manager. In such cases, the transaction or account management must be assigned to another employee. Certain transactions may also require prior approval from Group Compliance. Employees are required to periodically disclose personal interests, including dealings with third-parties related to the Group.

## Director conflict of interest

The Board has implemented a Directors' Conflict of Interest Policy to ensure that any actual, potential, or perceived conflicts involving Directors are managed in the best interests of the Group and its stakeholders. Directors are expected to avoid any activities that could create a conflict of interest, and they must promptly disclose any such matters to the Board and the Group Company Secretary. Directors are required to disclose their interests and relationships on appointment and provide updates on a quarterly basis. Any transaction in which a Director or related party may have a potential interest is subject to rigorous review and requires Board approval. Directors with such an interest must abstain from participating in discussions or voting on the matter.

The Board Secretariat maintains a register of Directors' conflicts of interests and related party transactions, capturing all declarations of interests made by Directors, along with the relevant detail.

The NCHRGC reviews entries to the Register of Conflicts of Interests on a quarterly basis.

## Definition of related party

Related party includes the parent and its related entities, directors and senior management of ADCB and their related entities, associates, joint ventures, funds under management and the Government of Abu Dhabi (ultimate controlling party and its related entities).

Mubadala holds 60.69% of the Bank's issued and fully paid-up share capital. As the Government of Abu Dhabi owns 100% of Mubadala, it is considered as the ultimate controlling shareholder. Therefore, all other entities controlled or associated with the Government of Abu Dhabi are deemed as related parties of the Group.

## Related party transactions

| (AED'000) | Ultimate controlling party and its related parties | Directors | Directors' related parties | Senior management and their related parties | Associates, joint ventures and funds under management | Total |
|---|---|---|---|---|---|---|
| **Balances as at 31 December 2025** | | | | | | |
| Financial assets | 99,976,476 | 246,009 | 3,439,357 | 46,753 | 3,445,483 | **107,154,078** |
| Financial liabilities | 108,051,728 | 64,017 | 490,717 | 36,210 | 1,639,545 | **110,282,217** |
| Capital notes | 6,000,000 | – | – | – | – | **6,000,000** |
| Contingent liabilities | 41,508,260 | 3,155 | 66,346 | 3,237 | 61,257 | **41,642,255** |
| **Transactions for the year ended 31 December 2025** | | | | | | |
| Interest income and other income | 5,690,789 | 14,293 | 197,946 | 1,906 | (237,122) | **5,667,811** |
| Interest expense and other expenses | 4,176,880 | 1,043 | 11,510 | 383 | 20,733 | **4,210,549** |
| Coupons paid on capital notes | 421,417 | – | – | – | – | **421,417** |

Note: Figures may not add up due to rounding differences
During 2025, ADCB has not entered into any related party transactions that would require shareholders' approval at the Annual General Assembly

## Related party transactions

ADCB has implemented a comprehensive Related Party Transactions Policy that sets out procedures for identifying, evaluating, monitoring, and reporting the Group's exposures to related parties. In the ordinary course of business, the Group conducts transactions with various entities, including the major shareholder, related entities, associates, joint ventures, funds under management, directors, executive management, and entities related to the Government of Abu Dhabi. These transactions are carried out on an arm's-length basis at agreed interest and commission rates, and in accordance with relevant laws and regulations.

All Directors must disclose their related parties, transactions, and potential conflicts upon appointment and thereafter on a quarterly basis. The Board Secretariat maintains a register of Directors' conflicts of interest and related party transactions. The declarations are reviewed quarterly by the NCHRGC.

Based on written declarations of interests submitted by each Director, the Board ensures that any external commitments do not conflict with the Director's duties and responsibilities. Where conflicts may arise, the Board remains sufficiently informed, with policies and procedures in place to mitigate any associated risks.



| (AED'000) | Ultimate controlling party and its related parties | Directors | Directors' related parties | Senior management and their related parties | Associates, joint ventures and funds under management | Total |
|---|---|---|---|---|---|---|
| **Balances as at 31 December 2024** | | | | | | |
| Financial assets | 105,422,428 | 235,541 | 3,902,337 | 31,542 | 3,727,909 | **113,319,757** |
| Financial liabilities | 114,416,264 | 106,401 | 828,611 | 59,797 | 1,243,971 | **116,655,044** |
| Capital notes | 6,000,000 | – | – | – | – | **6,000,000** |
| Contingent liabilities | 33,101,595 | 3,142 | 43,996 | 3,879 | 185,623 | **33,338,235** |
| **Transactions for the year ended 31 December 2024** | | | | | | |
| Interest income and other income | 5,328,334 | 18,021 | 240,191 | 1,245 | 89,043 | **5,676,834** |
| Interest expense and other expenses | 4,966,717 | 3,486 | 18,992 | 789 | 51,328 | **5,041,312** |
| Coupons paid on capital notes | 465,283 | – | – | – | – | **465,283** |

Note: Figures may not add up due to rounding differences
During 2024, ADCB has not entered into any related party transactions that would require shareholders' approval at the Annual General Assembly

## Major shareholder and its related parties

Transactions between ADCB and its majority shareholder and subsidiaries are disclosed above.

## Associates, joint ventures and funds under management

The Group may provide banking services to its associates, joint ventures and funds under management in the ordinary course of business, from time to time. However, such banking services rendered are always conducted on an arm's length basis.

## Directors and their related parties

To ensure transparency and prevent conflicts of interest, the Bank has implemented robust controls for managing related party transactions involving Directors or their related parties. These controls require Directors to refrain from participating in discussions of, or voting on, transactions in which they have an interest, thereby promoting a transparent and impartial decision-making process.

# Subsidiary governance and Group structure oversight

ADCB Group has implemented a disciplined corporate governance framework across all subsidiaries and foreign branches to ensure effective oversight and the consistent application of sound governance principles, while respecting the independence of each legal entity in accordance with applicable regulatory requirements across relevant jurisdictions.

As part of this framework, the Group has established the Group Foreign Branches and Subsidiaries Oversight Committee, a management-level committee that supports the Management Executive Committee (MEC) in discharging its delegated responsibilities relating to the oversight of foreign branches and foreign subsidiaries. The Committee provides structured and coordinated oversight of strategic alignment, corporate governance, risk management, compliance, financial performance, resource allocation, and control environments across the Group's foreign operations.

The Committee oversees that the activities and strategic decisions of foreign branches and subsidiaries are aligned with the Group's overall strategy, including Environmental, Social and Governance (ESG), digital and artificial intelligence strategies, and that appropriate governance frameworks, policies, and internal controls are established and maintained in compliance with applicable local regulatory requirements, and, to the extent possible, UAE regulatory standards.

In addition, the Group has adopted a balanced approach through its Inter-Group Activities Policy, which complements the Committee's oversight by promoting consistency in governance practices, information sharing, and inter-Group coordination. The Policy aims to ensure that subsidiaries retain sufficient autonomy to meet their local regulatory obligations while maintaining effective inter-Group relationships and transparency.

A fundamental aspect of the Group Corporate Governance Framework is the clear delineation of duties and responsibilities between the Group and subsidiary boards. While the Group, through its governance structures and oversight mechanisms, sets expectations as a major or sole shareholder, each subsidiary board remains responsible for discharging its fiduciary duties in the best interests of the respective subsidiary. The oversight exercised by the Group does not replace or override the responsibilities and authorities of subsidiary boards.

ADCB Group employees appointed as directors of subsidiaries do not receive remuneration for such directorships.



**The below table lists subsidiaries of ADCB Group as at 31 December 2025**

| Subsidiary | Ownership interest | Incorporation | | | Principal activities |
|---|---|---|---|---|---|
| | | Year | Country | | |
| ITMAM For Outsourcing Services LLC | 100% | 2025 | Egypt | | Back office support for the Group |
| Touchpoints Data Services LLC S.P.C. | 100% | 2025 | UAE | | Data classification & analysis services, marketing consultancy and studies |
| Abu Dhabi Commercial Engineering Services LLC – Dubai | 100% | 2025 | UAE | | Engineering services |
| ADCB LTIP SPV Limited | Controlling Interest | 2025 | UAE | | Trust activities |
| Meedaf Investment Limited (formerly Meedaf Investment – Sole Proprietorship LLC) | 100% | 2023 | UAE | | Enterprise and service support |
| Al Hur 1 Holding Limited | 100% | 2022 | UAE | | Real estate investment activities |
| Al Hur 2 Holding Limited | 100% | 2022 | UAE | | Real estate investment activities |
| ADCB Asset Management Limited | 100% | 2018 | UAE | | Wealth management and private banking |
| ITMAM Services LLC | 100% | 2013 | UAE | | Transaction processing and back-office support for the Group |
| Al Hilal Leasing LLP[1] | 100% | 2011 | Kazakhstan | | Shari'ah compliant leasing operations |
| ADCB Islamic Bank JSC *(formerly Al Hilal Islamic Bank JSC)* | 100% | 2010 | Kazakhstan | | Islamic banking activities |
| ITMAM Services FZ LLC | 100% | 2010 | UAE | | Transaction processing and back-office support for the Group |
| ADCB Finance (Cayman) Limited | 100% | 2008 | Cayman Islands | | Treasury financing activities |
| ADCB Markets (Cayman) Limited | 100% | 2008 | Cayman Islands | | Treasury related activities |
| Abu Dhabi Commercial Engineering Services LLC | 100% | 2007 | UAE | | Engineering services |
| Al Hilal Bank PJSC | 100% | 2007 | UAE | | Islamic banking activities |
| Kinetic Infrastructure Development LLC | 100% | 2006 | UAE | | Financial investments |
| Abu Dhabi Commercial Property Development LLC[2] | 100% | 2006 | UAE | | Property development |
| Al Wifaq Investment Properties PrJSC | 90.08% | 2006 | UAE | | Investment in real estate properties and rental income |
| ADCB Securities LLC | 100% | 2005 | UAE | | Agent in trading of financial instruments and stocks |
| Abu Dhabi Commercial Bank – Egypt SAE *(formerly Union National Bank – Egypt SAE)* | 99.91% | 1981 | Egypt | | Commercial banking services |

(1) Under liquidation
(2) Dormant

# Diversity and inclusion across the Group

## Gender diversity and inclusion across Group subsidiaries

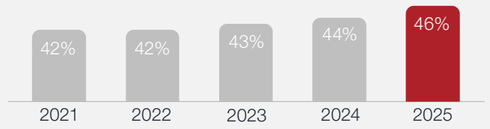
ADCB places high value on diversity and inclusion across the organisation and is committed to ensuring fairness, respect and equality for all employees, regardless of race, religion, gender, or age.

The Group's employee base comprises over 80 nationalities with women representing 46% of employees, reflecting ADCB's aim to nurture an inclusive culture of mutual respect, where diversity is embraced and all individuals feel valued and empowered to achieve their career ambitions.

## Gender diversity on the Boards of Group subsidiaries

ADCB is committed to supporting gender diversity across the respective boards of Group subsidiaries in all operating jurisdictions, ensuring that each Board has a balanced mix of diverse perspectives, knowledge, skills, and experience to support and guide the organisation's strategic growth and operational objectives.

**Percentage of female employees in the workforce[1]**
(46% females among new recruits in 2025)




| Subsidiary Board[2] | Total Directors | Female Directors | Female representation |
|---|---|---|---|
| Al Hilal Bank PJSC | 7 | 1 | 14% |
| Abu Dhabi Commercial Bank – Egypt SAE | 8 | 2 | 25% |
| Al Wifaq Investment Properties PrJSC | 5 | 1 | 20% |
| ITMAM Services LLC | 4 | 2 | 50% |
| ITMAM Services FZ LLC | 1 | 1 | 100% |
| ADCB Asset Management Limited | 2 | 1 | 50% |
| ADCB Markets (Cayman) Limited | 1 | 1 | 100% |
| ADCB Finance (Cayman) Limited | 1 | 1 | 100% |
| Al Hur 1 Holding Limited | 1 | 1 | 100% |
| Al Hur 2 Holding Limited | 1 | 1 | 100% |
| ITMAM for Outsourcing Services - Egypt | 1 | 1 | 100% |
| **Overall** | **32** | **13** | **41%** |
| **Boards of UAE subsidiaries** | **21** | **8** | **38%** |
| **Boards of international subsidiaries** | **11** | **5** | **45%** |

(1) Includes ADCB UAE and Al Hilal Bank UAE
(2) The table lists only ADCB Group subsidiaries that have female representation on the board of directors





SPOTLIGHT

# Board recognition on Emirati Women's Day

Female UAE nationals make a significant contribution to the Group, representing approximately 80% of its UAE national workforce. Their presence across business areas and career levels reflects the Bank's commitment to developing national talent and strengthening gender diversity across the organisation. This focus is overseen at Board level and forms an integral part of the Group's long-term human capital strategy.

In 2025, Board members Aysha Al Hallami and Fatima Al Nuaimi acknowledged the contribution of female UAE national employees in a message shared on Emirati Women's Day. Their note expressed appreciation for the commitment of these colleagues and reaffirmed the Board's continued support for their development.

Dear Colleagues,

We proudly join the nation in celebrating Emirati Women's Day 2025 under the theme 'Hand in Hand, We Celebrate the 50' commemorating the remarkable journey of the General Women's Union since the establishment five decades ago, under the leadership of the visionary H.H. Sheikha Fatima bint Mubarak, 'Mother of the Nation', and honouring the enduring legacy and pioneering role of Emirati women in driving progress and prosperity across vital sectors of our economy. Their steadfast contributions and impact have been instrumental in shaping the nation's development and advancement over the years.

Today at Abu Dhabi Commercial Bank, we take great pride in the distinguished role of our Emirati female workforce, whose impact extends across diverse business sectors and who constitute nearly 80% of our national workforce, with over 1,600 talented professionals. We reaffirm our commitment to supporting and empowering Emirati female talent, underscoring their integral role in shaping a brighter, more prosperous future for generations to come.

Warm regards,

**Aysha Al Hallami**
Board Member

**Fatima Al Nuaimi**
Board Member

# Board and Board Committees' agenda

During 2025, the Board maintained a strong focus on steering ADCB's strategic direction and ensuring robust governance across all areas of the Bank's operations. Throughout the year, the Board and its committees engaged in regular and comprehensive discussions on matters critical to ADCB's long-term success, including business performance, long-term planning, strategy, sustainability, digital transformation, AI initiatives, risk appetite and management succession planning, and human resources.

| Topics | Sub-topics | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Strategy** | Strategy milestone dashboard | ● | | | | ● | | ● | | | | ● | ● |
| | AI Strategy and market narrative | | | | | | | ● | | ● | ● | | |
| | Digital assets | | | | | | | | | ● | | | |
| | Abu Dhabi Global Market (ADGM) strategy | | | | | | | | | ● | | | |
| | Sustainability and climate targets | | | | | | | | ● | | | | |
| **Detailed business, operational & other reviews** | Group Chief Executive Officer update | ● | | ● | ● | | | ● | | ● | ● | | ● |
| **Business updates** | Credit metric update | | | ● | | ● | ● | | | ● | ● | | ● |
| | Retail Banking | | | | | | ● | | | | | | |
| | Corporate & Investment Banking | | | | | ● | | | | | | | |
| | Meedaf | | | | | | | | | ● | | | |
| | Treasury | | ● | | | ● | ● | | | | ● | | ● |
| | Al Hilal Bank | | | | | | | | | | ● | | |
| | ADCB Kazakhstan | | | | | | | | | | ● | | |
| | ADCB Egypt | | | | | | | | | | ● | | |
| **Financial** | Financial results and competitor analysis | ● | | ● | ● | ● | | ● | | ● | ● | | |
| | Strategic capital planning and management including stress testing | ● | ● | | | | | | ● | ● | ● | | |
| | Budget | | | | | | | | | | | | ● |
| **Risk** | Risk report | ● | | ● | ● | ● | ● | ● | | | ● | ● | ● |
| | Emerging key risks | ● | | | | ● | ● | | | | ● | ● | |
| | Data management | ● | | | | ● | ● | | | | | | |
| | Capital, liquidity metrics and trends | ● | ● | | | | ● | | | | ● | | |
| | Risk appetite metrics | ● | | | | ● | ● | | | | ● | ● | |
| | Risk governance framework including data management, operational resilience, cybersecurity, business continuity management | ● | ● | | | ● | ● | | | | ● | ● | |

# Board and Board Committees' agenda

| Topics | Sub-topics | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Governance** | Subsidiary governance framework | ● | | | | | | | | ● | ● | | |
| | Organisational effectiveness | | | | | ● | | | | | | | |
| | Policies and terms of reference | ● | | ● | | ● | ● | | | ● | ● | ● | ● |
| | Board evaluation and Board composition exercise | ● | | | | | | | | ● | | | |
| | AGA and resolutions | ● | | | | | | | | ● | | | |
| | Quarterly review of the insider's list | ● | | | ● | | | ● | | | ● | | |
| | Appointment and succession | ● | | | | | | | | ● | | | |
| | Performance management | ● | | ● | | | | | | | | | |
| | IFRS 9 governance framework | ● | | | ● | | | ● | | | | | |
| | Shari'ah governance update | ● | | | | ● | ● | | | | ● | | ● |
| | Overview of profit equalisation | | | | | | ● | | | | | | ● |
| | Fraud overview | ● | | | | | | | | | ● | | |
| **Regulatory and compliance** | UAE Central Bank notices | ● | | | | | | ● | | | ● | | |
| | Regulatory examination updates | ● | | ● | ● | | ● | ● | | ● | ● | | ● |
| | Compliance update | ● | | ● | ● | | ● | ● | | ● | ● | | ● |
| **Internal audit and technology** | Internal audit updates including audit plan & strategy progress update, declaration of independence, and Internal Shari'ah audit | ● | | ● | ● | | ● | ● | | ● | ● | | ● |
| | Information security update | | | | | | | | | | ● | | |
| | Efficiency digitisation and innovation update and trends | | | | | | | ● | | | | | |
| **Human resources** | HR update including purpose, values, engagement and the variable pay structure | ● | ● | ● | | | | | | ● | | | |
| | Emiratisation update | ● | | | | ● | ● | | | ● | | | |
| **External audit** | Review of external auditor's report on internal control over financial reporting and management letter | | | | | | ● | | | | | | |
| | Meeting with the external auditor | | | | ● | | | ● | | | ● | | |
| | Evaluation of statutory auditors, reappointment, and proposed fees | | | ● | | | | | | | | | |

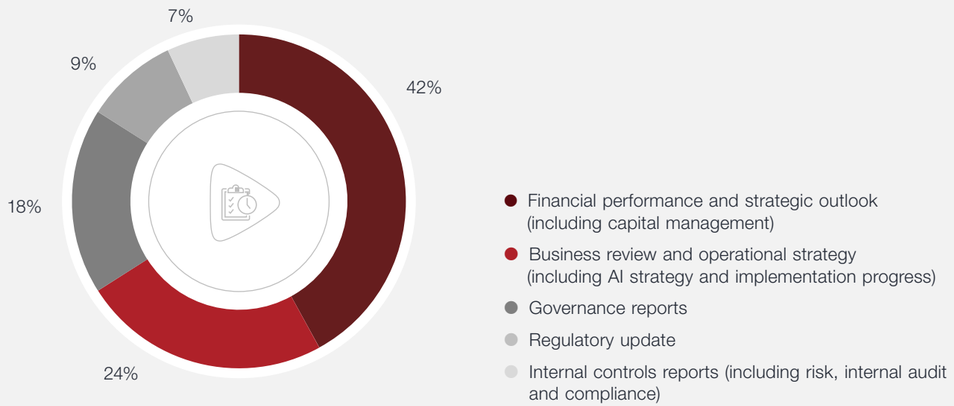
# Board meetings and time allocation

## 2025 Board of Directors meetings

| Date of Board meeting | Number of Director attendees | Number of Director attendees by proxy | Names of absent Directors (all attended except) | Number of Board resolutions passed |
|---|---|---|---|---|
| 27 January 2025 | 10/11 | N/A | H.E. Hussain J. AlNowais | 7 |
| 24 March 2025 | 10/11 | N/A | Sheikh Zayed Bin Suroor Al Nahyan | 1 |
| 29 April 2025 | 10/11 | N/A | Saeed Mohamed Hamad Al Mazrouei | 2 |
| 14 July 2025 | 9/11 | N/A | H.E. Hussain J. AlNowais<br>Sheikh Zayed Bin Suroor Al Nahyan | 2 |
| 8 September 2025 | 11/11 | N/A | – | 6 |
| 27 October 2025 | 11/11 | N/A | – | 2 |
| 12 December 2025 | 11/11 | N/A | – | 2 |

**Total number of Board circular resolutions for the year 2025 is 41, comprising 84 decisions/cases**

### Time allocation for 2025 Board meetings




# 2025 Board Executive Committee Offsite

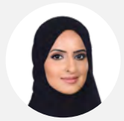


# Board Executive Committee (BEC)

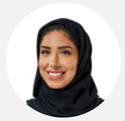
## Committee members (As at 31 December 2025)



**Saeed Mohamed Hamad Al Mazrouei**
Chair



**Aysha Al Hallami**



**Fatima Al Nuaimi**



**Carlos Obeid**



**Khaled H. Alkhoori**

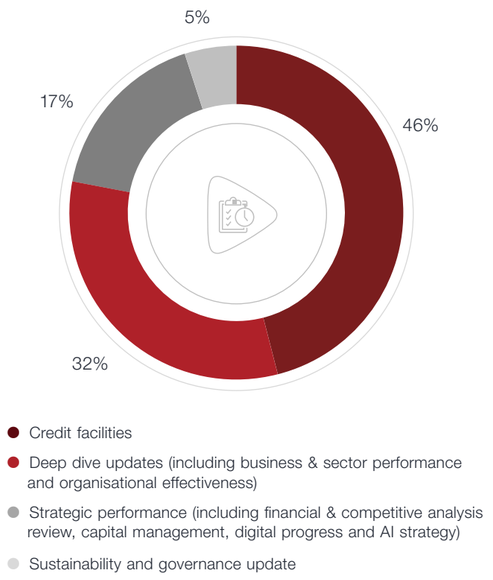
## Committee remit

The primary responsibility of the BEC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- Development and execution of the Group's business plan in line with the Board's approved strategy
- The Group's ESG strategy and strategic priorities
- Material aspects of the Group's business activities, including AI-related transformation programme
- Reviewing and approving credit commitments
- Guidance on proposals for acquisitions, disposals, joint ventures, and other value creation opportunities, including establishment, closure or exit of any international operations
- The annual budget for the Group, including for each business line and operating division

## 2025 BEC meetings[1] and time allocation

| Date of BEC meeting | Number of attendees | Names of absent members |
|---|---|---|
| 31 Jan 2025 | 5/5 | – |
| 28 Feb 2025 | 5/5 | – |
| 6 Mar 2025 | 5/5 | – |
| 14 Mar 2025 | 5/5 | – |
| 18 Apr 2025 | 5/5 | – |
| 16 May 2025 | 5/5 | – |
| 30 May 2025 | 5/5 | – |
| 4 Jul 2025 | 3/5 | Saeed Mohamed Hamad Al Mazrouei<br>Fatima Al Nuaimi |
| 11 Jul 2025 | 4/5 | Carlos Obeid |
| 25 Aug 2025 | 5/5 | – |
| 29 Aug 2025 | 5/5 | – |
| 26 Sept 2025 | 5/5 | – |
| 17 Oct 2025 | 4/5 | Saeed Mohamed Hamad Al Mazrouei |
| 12 Dec 2025 | 4/5 | Aysha Al Hallami |




(1) In addition to the scheduled BEC meetings, four strategy sessions were held throughout 2025

## Statement from the BEC Chair

Dear Stakeholders,

In 2025, the Board Executive Committee (BEC) convened 14 times to execute its duties and responsibilities as prescribed in its Terms of Reference as delegated by the Board. The BEC also held four strategy sessions focused on assessing the Group's financial performance and progress in executing its strategy. Additionally, the BEC received specialised training on the CBUAE Financial Infrastructure Transformation (including Digital Dirham and Stable Coin initiatives), developments in Islamic finance, the new Bankruptcy Law, sustainability and climate targets as well as information technology and digitisation trends.

Throughout the year, the BEC provided strategic oversight to the MEC, ensuring alignment with the Bank's growth objectives. The BEC is focused on credit approvals, driving asset expansion, and advancing digital innovation, underpinned by robust risk management.

In 2025, the BEC evaluated and endorsed the Bank's capital increase through a rights issue to support organic growth, meet evolving regulatory capital requirements as a domestic systemically important bank, and ensure the Bank remains well positioned to achieve sustainable value creation.

The Committee also focused on the Bank's digital transformation, including the continued adoption of AI as a driver of growth, operational efficiency and enhanced customer experience. Early AI use cases were implemented, while progress against the digital roadmap continued to be monitored through defined KPIs. During the year, the Bank also launched a comprehensive AI transformation strategy, supported by a clear governance framework and a roadmap to embed AI responsibly across all businesses and processes.

The BEC reviewed progress on the Bank's sustainability strategy and the setting of sectoral financed emission targets for oil and gas, and power sectors. ADCB's best-practice approach to sustainability, supported by strong disclosures, continues to be reflected in industry-leading ESG ratings. In line with the UAE's Year of Community, ADCB also strengthened its partnership with Ma'an to deliver impactful social programmes.

The BEC also held several deep dive sessions, providing the Committee with a comprehensive understanding of ADCB's performance and strategic priorities.

Key deep dive topics included:

- Group financial targets and performance against budget to ensure strategic alignment
- Credit proposals and portfolio profitability
- Monitoring the quality and the performance of the credit portfolio
- Treasury strategy to strengthen market leadership through diversified portfolios, expanded investments and innovative products
- Expanding Corporate and Investment Banking through commercial opportunities and advancing securitisation
- Enhancing organisational effectiveness through best in-class service and operational efficiencies
- Digital and AI transformation anchored in the Bank's operating model to drive efficiency and deliver measurable impact
- Digital asset strategy through strategic partnerships

In 2025, the BEC demonstrated strong leadership and strategic focus, playing a critical role in capital planning and providing robust strategic oversight despite the complexity and breadth of its responsibilities.

### The path ahead: planning for 2026

In 2026, the BEC is scheduled to meet 14 times to advance the Bank's strategic agenda, with a focus on disciplined growth and continued innovation. The Committee will oversee the further integration of AI across the operating model and the development of digital capabilities to enhance resilience and efficiency. It will continue to review capital and liquidity frameworks to ensure financial stability, and guide expansion in a competitive and evolving market environment.

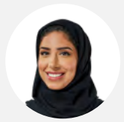
The BEC will also reinforce sustainability through transparent disclosures and support for priority initiatives. The Committee will continue to facilitate timely, effective decision-making and maintain strong coordination with the Board and MEC.

The BEC remains committed to maintaining the highest standards of governance and transparency, ensuring that strategic decisions continue to deliver sustainable value for all stakeholders. Through disciplined execution and innovation, the BEC aims to reinforce ADCB's position as a leading regional bank, recognised for its strong governance, digital leadership, and sustainability practices.

**Saeed Mohamed Hamad Al Mazrouei**
Chair of the Board Executive Committee

# Board Risk Committee (BRC)

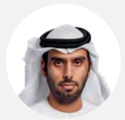
## Committee members (As at 31 December 2025)



**Fatima Al Nuaimi**
Chair



**Khaled H. Alkhoori**



**Sheikh Sultan Bin Suroor Al Dhaheri**

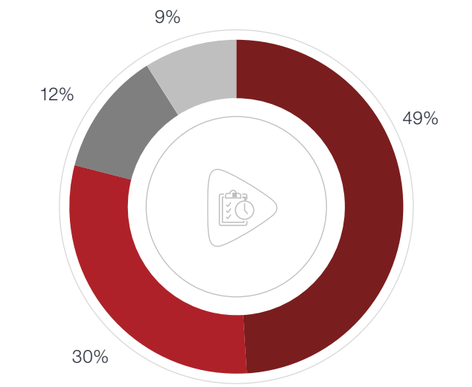
## Committee remit

The primary responsibility of the BRC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- The Group's risk appetite and strategy
- Development and implementation of the Group's Risk Governance Framework
- Alignment of the Group's strategic objectives with its risk profile and appetite
- Development of risk measurement models, tools and evaluating the effectiveness of those tools
- Development and implementation of risk management plans and limits
- Compliance with regulatory risk management requirements
- Public reporting on risk management matters
- Independence and effectiveness of the Group's Risk Management Department
- Potential risks in the Group's asset portfolios

## 2025 BRC meetings and time allocation

| Date of BRC meeting | Number of attendees[1] | Names of absent members |
|---|---|---|
| 24 Jan 2025 | 4/4 | – |
| 28 Feb 2025 | 3/3 | – |
| 9 May 2025 | 3/3 | – |
| 13 Jun 2025 | 3/3 | – |
| 2 Oct 2025 | 3/3 | – |
| 17 Oct 2025 | 3/3 | – |
| 14 Nov 2025 | 3/3 | – |




(1) Committee recomposition was completed in February 2025, during which the number of Committee members was revised from four to three



## Statement from the BRC Chair

Dear Stakeholders,

The Board Risk Committee (BRC) convened seven times during 2025 to execute its responsibilities under its Terms of Reference and as delegated by the Board. The Committee also received training on Shari'ah regulations, operational resilience, and funds transfer pricing to enhance its oversight capabilities. During the year, BRC addressed critical financial, non-financial and emerging risks in the context of a dynamic external environment and regulatory landscape, ensuring alignment with the Group Risk Management Framework and Risk Appetite Statement.

The committee monitored a broad spectrum of risks, including:

• Credit • Capital earnings volatility • Model risk • Fraud • Compliance and regulatory • Conduct risk • Sanctions • Information security and technology • Liquidity and funding • Market • Operational • Business continuity management • Digital • ESG and climate • Islamic • Cybersecurity • Subsidiary oversight • Large exposures • Outsourcing • Third-party • Reputational and strategic

The BRC focused on early risk identification and mitigation, reviewing internal controls under Executive Management oversight, with regular reporting from the Group Chief Risk Officer providing assurance on the Bank's overall risk profile. Significant financial risk exposures were assessed through internal macroeconomic stress tests to evaluate potential impacts. Stress testing results, including the Internal Capital Adequacy Assessment Process (ICAAP), were presented to the Board and submitted to the CBUAE.

The Committee maintained rigorous oversight of risk limits, with country limits reviewed regularly to prevent concentration in any jurisdiction, and adjustments made to reflect market conditions and strategic objectives. The BRC also reviewed and approved key risk policies and frameworks to strengthen resilience, including the following:

- Credit Risk Related Policies
- Enterprise Risk Management Policy
- Recovery Planning Policy
- Treasury Limit Breach Management Policy
- Model Risk Management Policy
- ICAAP Policy
- Stress Testing Policy
- Climate Stress Testing Policy
- Material Risk Assessment Methodology Framework
- Capital Transferability Policy
- Environmental and Social Risk Management Policy
- Fraud Investigation Policy
- Crisis Management Framework
- Group Data Incident Management Policy

The BRC evaluated portfolio strength and key sectoral risks and opportunities, noting that the portfolio had expanded significantly while remaining balanced and diversified, with sector exposures well within the approved Risk Appetite Statement.

The Committee reviewed risk appetite metrics and credit risk management to ensure alignment with market conditions, regulatory expectations and the Bank's operating environment. The Bank maintained strong compliance with Credit Risk Management Standards, with exposures across sectors and sub-sectors well within limits, providing headroom for future growth. The BRC also completed evaluations of the Acting Group Chief Risk Officer and the Head of Internal Shari'ah Control, reinforcing accountability and governance integrity.

The BRC remains focused on sustaining portfolio quality, supporting strategic growth, and ensuring resilience, with the Committee scheduled to convene seven times in 2026. Priorities include strengthening oversight of Shari'ah non-compliance risk, reviewing fraud detection procedures and assessing stress-testing scenarios to ensure coverage of Group-specific and system-wide events, reputational risk, funding risks and potential customer outflows.

### The path ahead: planning for 2026

Within credit risk management, the BRC will continue to monitor concentration risk against the Group's risk profile and strategy, with ongoing review of large exposures, counterparty risk, securitisation structures and complex credit derivatives. In parallel, the Committee will strengthen its oversight of capital management, including capital adequacy, optimisation initiatives and alignment with growth ambitions, as well as liquidity and funding resilience to ensure diversification, tenor sustainability and consistency with the Group's risk appetite and external market conditions.

Looking ahead, increased focus will be placed on the governance and responsible use of advanced analytics and artificial intelligence, ensuring appropriate controls, model risk management and data quality underpin decision-making. Operational resilience, data governance and technology transformation will remain key areas of oversight, with emphasis on cybersecurity, core system upgrades and scalable infrastructure that supports both regulatory expectations and strategic objectives.
The BRC will also continue to monitor emerging and non-financial risks, including conduct, reputational, geopolitical and climate-related risks, to ensure the Group remains resilient in a rapidly evolving operating environment.

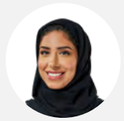
**Fatima Al Nuaimi**
Chair of the Board Risk Committee

# Board Nomination, Compensation, HR & Governance Committee (NCHRGC)

## Committee members (As at 31 December 2025)



**H.E. Hussain J. AlNowais**
Chair



**Fatima Al Nuaimi**



**Saeed Mohamed Hamad Al Mazrouei**



**Carlos Obeid**

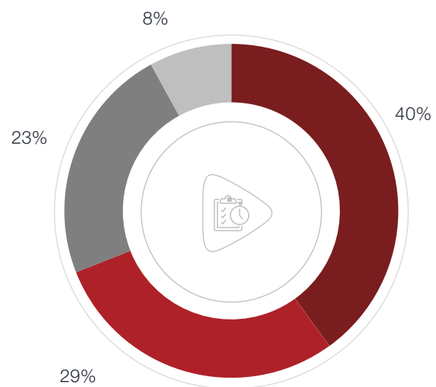
## Committee remit

The primary responsibility of the NCHRGC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- Overseeing compensation and remuneration
- Ensuring the appropriate composition and skillset of the Board and the Board Committees
- Ensuring the appropriate diversity of the Board
- Assessing the independence status of Independent Directors
- Selecting and appointing Directors
- Orienting and training new and existing Directors
- Planning the succession of Directors and Executive Management
- Selecting and appointing Executive Management
- Assessing the performance of the Board, Board Committees, individual Directors and Executive Management
- Overseeing the implementation of recommendations arising from performance reviews
- Developing, applying, and reviewing human resources and training policies

## 2025 NCHRGC meetings and time allocation

| Date of NCHRGC meeting | Number of attendees | Names of absent members |
|---|---|---|
| 24 Jan 2025 | 4/4 | – |
| 26 Feb 2025 | 3/4 | H.E. Hussain J. AlNowais |
| 24 Mar 2025 | 3/4 | Saeed Mohamed Hamad Al Mazrouei |
| 8 Sept 2025 | 4/4 | – |




- Human resources (including Senior Management KPI scorecard and succession planning updates)
- Compensation
- Governance, policies and other Board related matters
- Nomination



## Statement from the NCHRGC Chair

Dear Stakeholders,

The Board Nomination, Compensation, HR & Governance Committee (NCHRGC) convened four times during 2025 to execute its responsibilities under its Terms of Reference and as delegated by the Board.

The previous Board's three-year term concluded, requiring the appointment and/or election of 11 Directors at the Annual General Assembly (AGA) in February 2025. The NCHRGC evaluated all eligible candidates against CBUAE Fit and Proper and Collective Suitability criteria to ensure a balanced and effective Board. For a new three-year term, six Directors were appointed by the major shareholder and five other Directors were elected at the AGA. The NCHRGC also reviewed the composition of Board Committees, considering independence status and ensuring appropriate balance.

The NCHRGC also reviewed and approved amendments to the Board Performance Policy to align with the CBUAE Fit and Proper Regulations, including the Collective Suitability principle. It also approved amendments to the Board Compensation Policy to further align regulatory requirements on Board compensation methodology.

Emiratisation remained a core focus for the Committee. In 2025 a major milestone was achieving 100% Emiratisation of banking roles in ADCB's Al Ain operations. ADCB continues to nurture Emirati talent through targeted development programmes that build professional capabilities, accelerate career growth and support national workforce priorities. The Bank made strong progress in line with CBUAE requirements, with Emiratis representing approximately 40% of the employee base and women comprising 80% of Emirati employees. Emirati talent advanced, with more than 698 UAE Nationals moving to a new level in their career. Emiratis also acceded to leadership roles across key departments including Risk Management, Compliance, Fraud Detection and Treasury.

In overseeing executive performance and remuneration, the NCHRGC reviewed the KPIs of Executive Management and 'key risk takers' (as defined under regulations). The Bank further strengthened its governance framework for executive scorecards, introducing greater rigour and quality controls to ensure variable remuneration remains aligned with strategy, values, culture and risk appetite. The Committee also reviewed and approved the Executive Management succession plan to ensure regulatory compliance and alignment with business needs.

The NCHRGC continued to strengthen the effectiveness of the Board and its Committees. The board evaluation process was enhanced with the introduction of an Executive Management survey to gather structured feedback on the Board's performance. An internal board performance evaluation was conducted with the support of the Board Secretariat, and a report summarising key findings was issued. The evaluation confirmed that the Board continues to operate effectively, with recommendations for further improvement[1].

Furthermore, the NCHRGC regularly reviewed and monitored potential conflicts of interests and related party transactions of the Board of Directors to protect the interests of the ADCB Group.

As part of its governance oversight, the NCHRGC continued to benchmark ADCB against international best practice in corporate governance. The Committee received updates on the implementation of the corporate governance framework across the Bank and its subsidiaries, ensuring comprehensive visibility at Group level.

### The path ahead: planning for 2026

In 2026, the NCHRGC is scheduled to convene five times, with continued focus on strengthening corporate governance and developing talent. Emiratisation remains a priority, with emphasis on recruitment, retention and training to maintain ADCB as a top employer of choice. The Committee will also review succession plans for the Board of Directors and Executive Management to preserve leadership continuity and resilience.

The NCHRGC will review Board composition and diversity, assessing skills, experience and the balance between Independent and Non-Executive Directors. It will oversee the development of a professional development plan for the Board and deliver specialised training for Committees and individual Directors to support collective knowledge and enhance decision-making. Working with other Board Committees and Senior Management, the Committee will ensure effective implementation of governance responsibilities across the Group.

**H.E. Hussain J. AlNowais**
Chair of the Board Nomination, Compensation, HR & Governance Committee

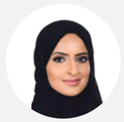
(1) For more on the internal evaluation of Board performance, please see 'The internal Board evaluation' section

# Board Audit Committee (BAC)

## Committee members (As at 31 December 2025)



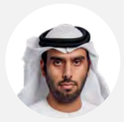
**Carlos Obeid**
Chair



**Aysha Al Hallami**



**Khalid Deemas Alsuwaidi**



**Sheikh Sultan Bin Suroor Al Dhaheri**

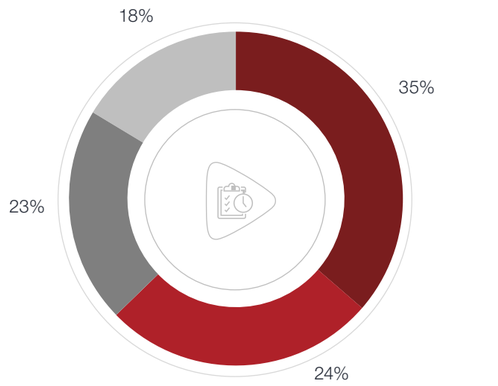
## Committee remit

The primary responsibility of the BAC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- Integrity of ADCB's financial statements
- Qualifications, independence, performance, and remuneration of the Group's external auditor
- Qualifications, independence and performance of ADCB's Internal Audit, Internal Shari'ah Audit and Compliance Departments
- The Group's Internal Control Framework taking into account the Group's risk profile
- Compliance with all applicable legal and regulatory requirements, including consumer protection regulations

## 2025 BAC meetings and time allocation

| Date of BAC meeting | Number of attendees[1] | Names of absent members |
|---|---|---|
| 27 Jan 2025 | 3/3 | – |
| 18 Mar 2025 | 4/4 | – |
| 24 Apr 2025 | 4/4 | – |
| 17 Jun 2025 | 4/4 | – |
| 14 Jul 2025 | 4/4 | – |
| 18 Sept 2025 | 4/4 | – |
| 23 Oct 2025 | 4/4 | – |
| 4 Dec 2025 | 4/4 | – |




(1) Committee recomposition was completed in February 2025, during which the number of Committee members was revised from three to four



## Statement from the BAC Chair

Dear Stakeholders,

In 2025, the Board Audit Committee (BAC) convened eight times to execute its responsibilities under its Terms of Reference and as delegated by the Board. Members also received targeted training on sanctions and IFRS governance to enhance oversight capabilities and regulatory compliance.

The Committee assessed the quality and integrity of the Bank's financial statements, reporting and disclosures. Additionally, the BAC in collaboration with the Internal Shari'ah Supervision Committee (ISSC), evaluated the governance of profit equalisation to ensure distributions reflected market conditions, mitigated displaced commercial risk and complied with CBUAE requirements.

The Committee regularly met with the external and internal auditors in closed sessions without Management Executive Committee members present, enabling transparent discussion of audit observations and protecting the integrity of audit procedures.

The BAC continued collaboration with the BRC to strengthen information sharing and oversight of all risks, including emerging risks. This coordination supported enhancements to the Group's Risk Management Framework in line with evolving business plans and external developments.

Regular reporting from the Group Chief Compliance Officer provided updates on the compliance environment, high-impact regulations, examination status and supervisory engagements. These reports offered assurance over the management of financial crime risks, including money laundering, terrorist financing, sanctions, proliferation financing and conduct risks. Digital initiatives streamlined know-your-client (KYC) processes, strengthened governance and supported efficient customer engagement. The transaction monitoring system demonstrated effective controls and achieved high frontline awareness.

The BAC oversaw implementation of the CBUAE Consumer Protection Regulations and noted the effectiveness of the complaints management system. The Bank submitted the Market Conduct Inherent Risk and Culture Assessment to the CBUAE and delivered required training to all staff on consumer protection, privacy and data protection. Customer financial literacy initiatives were expanded through digital platforms covering fraud awareness, Islamic banking principles, money and debt management and product understanding.

The Group Chief Internal Auditor provided regular updates on audits across credit, technology, governance, compliance, operations and finance, on remediation progress and the Internal Audit Plan. The BAC reviewed the Internal Quality Assurance Assessment, confirming that the Internal Audit Department operates independently and in compliance with Institute of Internal Auditors (IIA) Standards, the Code of Ethics, the International Professional Practice Framework and regulatory requirements.

The Committee also reviewed outcomes of CBUAE examinations and thematic reviews and monitored timely closure of observations.

The Head of Internal Shari'ah Audit reported on audits of Islamic banking activities and compliance with Shari'ah regulations, including key findings, remediation progress and the status of the Internal Shari'ah Audit Plan. The Committee assessed the effectiveness of Islamic policies approved by the ISSC.

The BAC reviewed and approved key audit and compliance policies and frameworks, including:

- Procurement Policy
- KYC and the Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) Policy
- Internal Audit Charter and Internal Audit Manual
- Internal Shari'ah Audit Charter and Internal Shari'ah Manual
- Conflicts of Interest Policy

The BAC maintained a constructive relationship with the external auditor, overseeing fee negotiations and monitoring independence and objectivity. The Committee also completed performance evaluations of the Group Chief Internal Auditor and the Head of Internal Shari'ah Audit.

### The path ahead: planning for 2026

In 2026, the BAC will convene at least eight times to reinforce governance and ensure the Group remains resilient and responsive to regulatory developments and emerging risks. Priorities include embedding a culture of compliance, monitoring adherence to legal, regulatory and Shari'ah governance requirements and overseeing the continued implementation of the CBUAE Consumer Protection Regulations. The Committee will review internal controls and risk management frameworks to maintain operational integrity.

The BAC will ensure the integrity of financial reporting and audit processes, strengthen coordination between internal and external auditors and monitor the independence and performance of the external auditor, Group Internal Audit, Internal Shari'ah Audit and Group Compliance. Collaboration with other Board Committees will continue to support information flow and address themes including consumer protection, conduct risk, regulatory reporting and supervisory observations.

**Carlos Obeid**
Chair of the Board Audit Committee

# Annual BAC Report

(for the year ended 31 December 2025)

The Board Audit Committee "BAC" is pleased to present its Annual Report for the year ending December 2025, issued pursuant to Article 61(Bis) of the CMA Corporate Governance Regulations, highlighting the key activities of the BAC during the 2025 financial year.

## 1. Matters considered regarding the financial statements

In 2025, the BAC thoroughly reviewed the Bank's financial statements, including quarterly disclosures, to confirm compliance with the International Accounting Standards (IAS) and regulatory requirements. The BAC considered key financial matters, including revenue recognition, asset valuation, and impairment risks.

The review noted strong and diversified top line growth across core businesses and significantly improved cost-to-income ratio, supported by operational efficiencies. Profit before tax continued on a strong growth trajectory, marking 18 consecutive quarters of growth, driven by increased fees and commission income and sustained loan expansion. The Bank maintained a disciplined approach to risk management, providing five-year cost of risk guidance of below 60 basis points, reflecting robust credit quality and a well-diversified exposure profile.

The BAC received assurances from the External Auditors that the financial results were prepared, in all material aspects, in accordance with IAS 34, with no material post balance sheet event. The BAC worked closely with the external auditors and Executive Management to address any challenges.

The BAC also reviewed the balance sheet and noted sustained growth in loans and deposits. The liquidity position remains strong, with a healthy liquidity coverage ratio, while the non-performing loan ratio improved to its lowest levels during the year. The Bank maintained a strong provision coverage ratio, underscoring effective risk mitigation and prudent credit management.

Based on reviews and noting the assurances and unmodified opinion from the External Auditors, the BAC recommends the 2025 consolidated financial statements for approval at the 2026 ADCB Annual General Assembly.

## 2. Evaluation of the independence and effectiveness of the external auditor

During 2025, the BAC evaluated Deloitte & Touche M.E. ("Deloitte") as the Group's External Auditor for the 2024 financial year. The evaluation confirmed that Deloitte satisfied the Abu Dhabi Accountability Authority's ("ADAA") Statutory Auditor Appointment Rules ("SAAR Rules"), specifically that:

- Emiratis performed 30% of total audit hours
- Deloitte maintained independence from the ADCB Group
- Audit fees paid in 2024 did not exceed 15% of ADCB's annual revenue
- Deloitte complied with the reporting requirements prescribed by the SAAR

Based on this evaluation, the BAC concluded that Deloitte fulfilled its responsibilities in line with the required ethical standards.

## 3. Independence of external auditor in non-audit services

The ADAA requires all external auditors to comply with the International Ethics Standards Board for Accountants Handbook, including obtaining pre-approval prior to accepting any NAS engagements. Deloitte, as the Group's External Auditor, informed the BAC and sought its approval to provide NAS to upstream entities. Accordingly, Deloitte confirmed that NAS did not compromise its independence and had no impact on ADCB's financial statements, or any entities controlled by the ADCB Group. Accordingly, the BAC approved Deloitte's NAS engagements for upstream entities.

## 4. Recommendation on external auditor appointment

Deloitte was appointed as the Group's External Auditor for 2024 at the 7 March 2024 ADCB AGA. Following its performance evaluation for the 2024 financial year, the BAC re-appointed Deloitte as the Group's External Auditor for the year ended 31 December 2025.

## 5. Oversight of internal controls and risk management

The BAC is responsible for addressing deficiencies and weaknesses in the internal control environment and risk management plan. During 2025, the BAC reviewed a few areas requiring improvement in the Bank's control environment. Remedial measures were implemented, including process enhancements, employee training, and system upgrades, which strengthened the Group's control environment.

## 6. Review of internal audit reports

In 2025, the BAC received regular reports from the Internal Audit Department on audits and reviews conducted. The BAC assessed whether the observations from the Internal Audit Reports were consequential from systemic failures or isolated weakness and monitored the implementation of remedial actions to address identified risks.

The BAC also reviewed progress on the 2025 Audit Plan to ensure coverage of all critical risk areas. Audit priorities were determined based on various factors, including but not limited to, risk exposure, residual risks and controls, regulatory requirements, and significant changes in business operations and systems. The Committee noted that no audits or reviews were deferred or cancelled and that audit activities reflected changes in risk dynamics and controls.

Additionally, the Committee reviewed the Internal Quality Assurance Review of the Internal Audit Department and confirmed that the Internal Audit Department generally conforms to the IIA Standards, Code of Ethics, the International Professional Practice Framework, and other applicable regulatory requirements.

## 7. Monitoring of remedial actions

The BAC maintained robust oversight of all remediation efforts, ensuring timely corrective actions and effective risk mitigation across the Group. Further, the BAC reviewed regular reports on audit and regulatory findings and closely monitored the remediation of high-risk findings and recurring issues to prevent recurrence and reinforce robust control environment.

## 8. Oversight of related party transactions

The CBUAE Corporate Governance Regulations require the Bank to conduct related party transactions on an arm's length basis and to take reasonable steps to control or mitigate associated risks and write-off exposures, where necessary. In addition, the CMA Corporate Governance Regulations states that transactions within the ordinary course of business and valued at less than 5% of the Bank's capital are not considered as related party transactions and do not constitute a conflict of interest. Accordingly, the BAC is mandated to review all related party transactions which are not in the ordinary course of business and valued at 5% or more of the Bank's capital.

The BAC confirms that during the year in review, there were no related party transactions outside the ordinary course of the Bank's business and valued at 5% or more of the Bank's capital.



**Carlos Obeid**
*BAC Chair*
on behalf of the BAC

# Relationship between the BAC and the external auditor

## Role of the BAC in the selection, evaluation, and maintenance of the independence of the external auditor

The Board has delegated to the BAC the responsibility for oversight of the Group's external auditor in accordance with ADCB's External Auditor Selection Policy, applicable laws, rules and regulations, and the BAC Terms of Reference. This includes evaluation of the qualifications, independence, performance and proposed appointment of the Group's external auditor. These responsibilities are conducted in line with the approved list of auditors issued by the Abu Dhabi Accountability Authority (ADAA). Accordingly, the ADCB Board has delegated the following responsibilities to the BAC:

- Approving a policy governing the tendering of the external auditor's engagement. This policy must establish criteria to ensure the external auditor has sufficient knowledge, competence, objectivity, independence, professional scepticism and quality control
- Recommending to the Board the appointment, re-appointment, or dismissal of the external auditor, as well as setting the appropriate remuneration for its services
- Reviewing and agreeing the terms of engagement with the external auditor, including the fees to be paid, and recommending these terms and fees to the Board for approval in line with the External Auditor Appointment Policy
- Reviewing the scope of the external audit plan to ensure that it adequately reflects the Group's nature, size, and complexity, as well as applicable regulatory requirements
- Assessing the external auditor's qualitative judgement on the suitability of the Group's accounting principles and financial disclosures
- Ensuring that audits are conducted in accordance with the applicable legislative requirements
- Monitoring the external auditor's effectiveness, independence, and objectivity, taking into account whether the external auditor adhered to the audit plan, and obtaining feedback on its performance from Executive Management
- Assessing the external auditor's effectiveness on an annual basis at minimum

## Selection and appointment of the external auditor

The external auditor candidate firms should meet the following conditions:

i. Be qualified and independent in form and substance (including the type of non-audit services provided and independence of individuals)
ii. Be duly licensed and approved by the relevant authorities to practice and provide external audit services in the UAE
iii. Have at least five years of substantial experience in auditing public joint-stock companies
iv. Be compliant with the International Code of Ethics for Professional Accountants
v. Should not be a Shareholder, Director, or occupy any technical, administrative, or executive office within the Group
vi. Should not be a partner or agent of any of the founders of ADCB or any of its Directors or be related to the second degree to any of the aforementioned

After identifying prospective audit firms to provide external audit services to the Group, the BAC, together with the Group Chief Financial Officer, Group Chief Internal Auditor and Group Chief Risk Officer (as may be deemed necessary), conducts a thorough evaluation of the prospective audit firms. This evaluation includes interviews with the shortlisted audit firms, assessing their technical and financial offers, among other factors, and taking into consideration the approved ADCB Group budget.

Following the evaluation process, the BAC recommends the most suitable firm to the Board for appointment as the Group's external auditor. The Board will meet to deliberate on the BAC's recommendation, and on agreement, submit the recommended audit firm and proposed fee structure to shareholders for approval at the Annual General Assembly (AGA). The AGA is the only forum authorised to approve the appointment and fees of the external auditor.

Throughout this process, ADCB's Board Secretariat, Legal Department, and Internal Audit Department coordinate the required notices, meetings, and resolutions for the rotation of the external auditor. Additionally, ADCB continuously monitors emerging best practices in audit tendering, including making appropriate disclosures.

The CBUAE may require banks to rescind the appointment of the external auditor if it determines that the external auditor's compliance, expertise, or independence to be insufficient in satisfying established professional standards.

## Relationship between the external auditor, Executive Management and the BAC

As part of the evaluation process, the external auditor is required to confirm that it has an established quality control system in place to monitor compliance with the independence requirements and to support the continuous professional development of the respective members. Furthermore, the external auditor must submit to the BAC an attestation of its independence and commitment to meeting all ethical responsibilities, as prescribed by the Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants, together with any other applicable ethical requirements relevant to its audit of the Bank's consolidated financial statements.

## BAC pre-approval of the external auditor's scope of work and fees

The BAC recommends annually to the Board the external auditor's fees for the audit services rendered and the scope of work. If the recommended fees and scope of work are endorsed, the Board will make a recommendation to shareholders at the AGA, for approval. The list of services under the scope of work includes audit services and audit-related services.

In exceptional cases, the BAC may approve additional fees provided that approvals are in compliance with applicable regulations for required services that are outside the previously approved scope of work.

## Appointment and rotation of external auditor

The General Assembly shall appoint an external audit firm for a renewable one-year term, and this authority may not be delegated to the Board of Directors. The selected audit firm may serve for a maximum of six consecutive fiscal years from the date of its initial appointment, subject to annual reappointment by resolution of the General Assembly. Within this period, the partner responsible for the audit engagement must be rotated after three fiscal years. Following the completion of the six-year term, the audit firm may only be reappointed after a cooling-off period of two fiscal years.

## Evaluation of performance and independence

The BAC, together with the Group Chief Internal Auditor and Group Chief Financial Officer as required, conducts annual evaluations of the performance and independence of the external auditor in accordance with the recommendations of the ADAA. The BAC recommends the re-appointment or removal of the external auditor to the Board.

The BAC considers, in particular, whether the retention of the external audit firm is in the best interests of ADCB and its stakeholders, taking into account the following key factors to ensure the highest standards are maintained:

- Quality of service delivery
- Independence and qualifications
- Institutional knowledge and experience
- Sufficiency of resources
- Objectivity and professional scepticism
- Composition of the audit team
- Fees relating to the services rendered

# External auditor’s fees

## External auditor’s fees

The aggregate fees approved for the external auditor for professional services rendered during 2025, were as follows:

| External audit fees (AED) | 2025 |
|---|---|
| Audit of annual financial statements | 5,168,125 |
| Other assurance and non-assurance services required to be performed by the auditor according to applicable laws and regulations | 2,649,335 |
| Non-assurance services required to be performed by the auditor according to applicable laws and regulations | – |
| All other non-assurance services | – |
| **Grand total** | **7,817,460** |

The above fees are exclusive of VAT

Deloitte and Touche (M.E.), including its appointed Audit Partner, have served ADCB for two years.[1]

## Audit of annual financial statements

Audit of annual financial statements’ mainly covers the audit and review of ADCB’s consolidated financial statements, the related note disclosures, and the audit of subsidiary financial statements across domestic and international operations, as well as the review of internal controls over financial reporting. Audit fees are those billed, or expected to be billed, for audit services related to each financial year.

## Other assurance and non-assurance services required to be performed by the auditor according to applicable laws and regulations

‘Other assurance services’ mainly covers review of Pillar 3 reports, bond issuances, submission of long form audit reports to the CBUAE on subsidiaries, which are commercial banks domiciled outside the UAE, or any other attestation that requires an auditor’s review. Fees for such services are those billed or expected to be billed for services rendered during each financial year.

‘Non-assurance services’ mainly covers attestation services and services provided in connection with certain agreed upon procedures required to be performed by the auditor according to applicable laws and regulations.

## Other non-assurance fees

‘Other non-assurance fees’ consist primarily of amounts billed or expected to be billed for ADCB’s engagement of the external auditor for guidance in connection with matters that are not covered in the above categories.

All services are approved by the BAC and are subject to controls to ensure that the external auditor’s independence is unaffected by the provision of other services.

(1) Audit firm is Deloitte and Touche (M.E.) and the Audit Partner signing the statements is Mohammad Khamees Al Tah



# Board engagement with employees

By engaging directly with employees, Board members reinforce the importance of open dialogue, accountability and shared purpose, while demonstrating visible leadership.

Such engagement supports a strong organisational culture, fosters mutual understanding across the Bank, and reflects the Board’s commitment to promoting trust, inclusion and responsible conduct.



**Board Audit Committee Chair, Carlos Obeid visiting Risk and Compliance Departments**

# Responsibilities of Management Executive Committee (MEC) and management committees

## Overview and responsibilities of the MEC

The Board of Directors has delegated certain authorities and responsibilities to the MEC, as detailed in the MEC terms of reference. These authorities and responsibilities include supporting the Group Chief Executive Officer (GCEO) in managing the business and implementing the Bank's strategy, risk appetite and policies.

As the Bank's most senior management committee, the MEC oversees all aspects of ADCB's businesses and operations, having full responsibility and accountability to the Board for the sound and prudent day-to-day management of the Bank. The MEC must ensure clear and transparent organisational initiatives, procedures, and decision-making of the Executive Management, and that there is no ambiguity in the role, authority, and responsibility of the various senior employees. Furthermore, the MEC is mandated to promote a culture of fairness and transparency to ensure that the interests of all stakeholders are always protected.

The NCHRGC appoints all members of the MEC on recommendation from the GCEO. The MEC comprises of the Bank's Executive Management, as detailed in the Executive Management section of this report. The GCEO is the Chair of the MEC, supported by the Group Chief Financial Officer (GCFO) as Deputy Chair. The MEC functions as the primary leadership within ADCB.

## The responsibilities of the MEC include:

- Establishing the organisational structure for the management and management committees
- Implementing the strategy set by the Board and recommending strategic and policy decisions
- Recommending the annual budget and funding plan
- Approving key performance indicators for each business line
- Approving all equity and other investments, and expenditures, within the limits delegated by the Board
- Approving the establishment of branches, agencies, joint ventures, subsidiaries, and appointment of Directors to subsidiaries
- Approving credit exposures, debt-funding issuances, hedging, and investments, within the limits delegated limits by the Board
- Approving recovery settlements and write-offs, within the limits delegated by the Board
- Monitoring the capital position, ensuring efficient use of capital, and making recommendations for any required capital adjustments
- Approving new products and services
- Approving all contracts with third-parties related to the Bank's operations
- Approving policies, excluding those falling within the Board's responsibility

## Management committees

To assist in fulfilling its responsibilities, the MEC has established specialised management committees with mandates such as credit, risk, capital expenditure, compliance, and sustainability. The table on the next page summarises the established management committees, their respective mandates, and the number of meetings held throughout the year. Furthermore, the MEC has throughout 2025, approved various frameworks and associated policies.

**The MEC held 37 meetings throughout 2025 and discussed critical matters within its delegated responsibilities**

| Committee | No. of meetings held in 2025 | Responsibilities of the committee |
|---|---|---|
| **Management Executive Committee** | 37 | As the most senior management committee, oversees all of ADCB's businesses and operations, and is responsible and accountable to the Board for the prudent day-to-day management of the Bank |
| **Assets & Liabilities Committee** | 11 | Formulates ADCB's overall assets and liabilities strategy; makes investments and executes asset/liability transactions within delegated limits; advises the Management Executive Committee and the Board on investments and asset/liability transactions above those limits |
| **Risk Management Committee** | 8 | Considers risk appetite; sets and recommends risk policies; supports the Board through the Board Risk Committee on general risk and risk policy issues |
| **Management Credit Committee** | 41 | Approves credit within delegated limits; advises the Board Executive Committee and the Board on credits above delegated limits |
| **Capital Expenditure Committee** | 12 | Reviews and approves project capital expenditures within the delegated limits and makes recommendations to the Management Executive Committee and the Board on project capital expenditures above those limits |
| **Financial Performance Management Committee** | 10 | Monitors financial performance of the Group, subsidiaries and business lines |
| **Management Recoveries Committee** | 9 | Manages restructuring, settlements and recovery-related write-offs |
| **Model Risk Management Committee** | 4 | Oversees model risk governance and lifecycle decisions, reporting to the Risk Management Committee, reviews model development, validation, monitoring, and compliance with regulatory standards |
| **Group Sustainability Committee** | 6 | Recommends the Group sustainability strategy, ensures its implementation, and reports progress; supports the alignment of ADCB's businesses and strategy with the UAE's sustainability ambitions |
| **Management Compliance Committee** | 5 | Oversees all compliance matters, ensures timely implementation of regulatory requirements and maintains a robust governance structure; manages examination processes and expedites implementation of all due actions |
| **Tender Committee** | 0 | Implements and monitors compliance of the Bank Procurement Policy, procedures, and applicable legislative provisions to ensure best procurement business practices |
| **Management Underwriting Committee** | 1[1] | Reviews and approves underwriting facility proposals within delegated limits; reporting to the Management Credit Committee, reviews market and credit risk considerations and reports |
| **Customer Experience Committee** | 4 | Enhances customer experience across ADCB Group; reviews key performance metrics, initiatives, and escalated issues |
| **Core Steering Group[2]** | 16 | Supports the MEC in strategic oversight; reviews the Bank's strategy, business plans, subsidiaries' governance, and progress against targets; manages delegated authorities, organisational changes, and key decisions to ensure alignment with ADCB's strategic priorities |
| **Promotion and Portfolio Management Committee[2]** | 3 | Undertakes planning for implementing the investment policy for managing investments as agreed with respective clients, following up and monitoring investment performance and periodically reviewing the controls and procedures necessary to practice the licensed activities |
| **Fund Management Committee[2]** | 3 | Undertakes planning for implementing the investment strategy for managing the fund's investments, following up and monitoring fund performance and periodically reviewing the controls and procedures necessary to practice the licensed activities |
| **Foreign Branches and Subsidiaries Committee[2]** | 1 | Oversees foreign branches and subsidiaries; reviews strategic alignment, governance, risk, compliance, and resource adequacy; manages reporting, coordination, and escalation to ensure operational integrity and adherence to regulatory standards |

(1) In addition to the meeting held, 71 resolutions were passed by circulation
(2) New management committee established in 2025

# Executive Management



## Ala'a Eraiqat

*Group Chief Executive Officer*

Ala'a Eraiqat has served as Group Chief Executive Officer of ADCB since February 2009, leading the organisation through sustained growth and strategic transformation.

With a career spanning more than 35 years, Ala'a brings extensive experience having held senior roles at prominent international financial institutions before joining ADCB in January 2004.

Ala'a is responsible for delivering long-term value for shareholders through the effective execution of the Bank's strategy, including a comprehensive AI transformation programme. He has been instrumental in fostering a culture of high-performance, placing strong emphasis on championing Emiratisation in alignment with the UAE's national agenda. Under his tenure as Group CEO, ADCB has become a market leader in innovation and customer experience.

Ala'a serves as Chairman of Al Hilal Bank, an Islamic digital retail banking subsidiary of ADCB, while also chairing a number of key management committees, including the Management Executive Committee (MEC) and the Management Credit Committee (MCC).

**External appointments:**

- Abu Dhabi National Hotels PJSC (ADNH), Director
- Emirates Institute of Finance (EIF), Director

**Latest awards:**

- Arab Banker of the Year Award 2025 from the Union of Arab Banks in acknowledgement of industry leadership and significant contribution to the region's banking sector



## Deepak Khullar

*Group Chief Financial Officer*

Deepak Khullar has served as the Group Chief Financial Officer of ADCB Group since 2008, overseeing a broad spectrum of critical functions that are essential to the Bank's financial health, sustainability and strategic direction.

His responsibilities encompass the entire Group Finance function, including financial planning, capital management, business performance analysis, governance, and reporting. Additionally, Deepak leads the Bank's initiatives in Group strategy formulation, investor relations, taxation, economic analysis, and strategic sourcing and procurement. His remit also includes overseeing ADCB's sustainability strategy and its implementation.

Before joining ADCB, Deepak honed his expertise over 15 years at Standard Chartered Bank, holding a number of senior positions across the Middle East and South Korea. His earlier career included tenures with Ernst & Young and PricewaterhouseCoopers, where he gained extensive experience in assurance, advisory, and technical services across the Middle East and India.

As Group Chief Financial Officer, Deepak plays a pivotal role in driving the financial resilience and strategic growth of ADCB through a focus on value creation and enhancing efficiency.

Deepak holds a Bachelor of Commerce (Honors) degree from the University of Delhi, India, and is a Fellow of the Institute of Chartered Accountants of India (FCA) as well as a Fellow Member of the Association of Corporate Treasurers, UK (FCT).

**Inter-Group directorships:**

- Abu Dhabi Asset Management Limited, Director (2018)
- Al Hilal Bank PJSC, Director (2019); Chair of the Board Risk Committee
- ADCB Sicav, Director

**External appointments:**

- No current external directorships



## Reem AlBanna

*Acting Group Chief Risk Officer*

Reem AlBanna was appointed Acting Group Chief Risk Officer at ADCB in 2025.

She leads the development, implementation, and oversight of the enterprise-wide risk management framework, ensuring alignment between the Bank's strategic risk management and its business objectives, while fostering a strong culture of risk awareness, compliance, and robust governance across all operations.

With over 18 years of experience in the banking sector, Reem brings strong expertise across corporate banking, product development, and credit risk. Prior to joining ADCB, she held the position of Chief Risk Officer at HSBC UAE & International Countries, where her leadership drove several transformative initiatives, including the establishment of a corporate banking unit, strategic outsourcing of credit risk functions, and the deployment of centralised systems for automated regulatory reporting. She played a critical role in ensuring full regulatory readiness during the Central Bank's Baseline Review under lockdown and collaborated with peer institutions to support the UAE Central Bank's efforts in managing market-wide financial risk during the COVID-19 crisis.

At ADCB, Reem has led the transformation of the Operational Risk function into a forward-looking Operational Resilience unit, embedding business continuity, third-party risk, and scenario testing into the Bank's core risk framework.

Reem holds a Bachelor's degree in Finance from Zayed University, UAE, and an Executive MBA from London Business School, UK.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Ludovic Nobili

*Group Chief Corporate, Wealth, and Investment Banking Officer*

Ludovic Nobili has played a leading role in the significant growth of ADCB's Corporate and Investment Banking Group through a series of senior roles since joining the Bank in 2008 and as head of the business since 2020.

Ludovic is a seasoned investment banker with a career spanning more than two decades. Prior to joining ADCB, he worked at Credit Agricole Indosuez in London and at Citigroup, distinguishing himself through deal origination and advisory on complex, high-profile transactions.

In his current role, he oversees the provision of a full-service banking offering from small & mid-size enterprises to large corporates and government entities, as well as ADCB's Private Banking and Asset Management businesses. He has been instrumental in building ADCB's investment banking capabilities, and in particular the establishment of a market-leading capital markets position in the region.

Ludovic's extensive experience and strategic vision continue to drive innovation, excellence and accelerated growth, as ADCB continues to expand its corporate and private banking relationships in the UAE and across key regional economic corridors.

Ludovic graduated from the Université Paris-Sorbonne, France.

**Inter-Group directorships:**

- ADCB Egypt, Non-Executive Director (2024)

**External appointments:**

- NMC Chairman, Non-Executive Director (2025)

Note: In August 2025, Reem AlBanna was appointed Acting Chief Risk Officer following the retirement of Paul Keating, who had served as Group Chief Risk Officer since 2018

# Executive Management



## Deepak Rochlani

*Group Chief Retail Banking Officer*

Deepak Rochlani has been a pivotal figure in ADCB's retail banking operations since joining the Bank in 2004 and was appointed Group Chief Retail Banking Officer in 2022.

With over 25 years' experience in retail banking and financial services, Deepak honed his skills in product and marketing management at prominent financial institutions operating in India, including GE Capital and IDBI Bank, providing him with insight into the industry's rapid change and evolving customer behaviour.

Leading the Retail Banking Group (RBG), Deepak oversees a comprehensive suite of banking services for an expanding customer base. His remit includes product management, ensuring the Bank's offerings remain competitive, as well as deployment of technology to enhance the customer experience and drive efficiency. Additionally, he manages an extensive distribution network, including branches, sales operations, and relationship management teams, ensuring seamless service delivery across all customer touchpoints.

A key focus of Deepak's leadership of RBG has been spearheading digital transformation and the development of a partnership ecosystem to support the accelerated growth of ADCB's retail banking business. This programme of continuous innovation has been instrumental in driving customer acquisition and engagement.

Deepak earned a Bachelor of Engineering degree from the University of Bombay in India, as well as a Post Graduate Diploma in Business Administration from ICFAI Business School in Mumbai, India. He is also a Certified Financial Analyst through the Institute of Chartered Financial Analysts of India.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Robbert Muller

*Group Treasurer*

Robbert Muller joined ADCB as Group Treasurer in January 2023, bringing a wealth of international banking experience.

With a career spanning over 25 years in banking and finance, Robbert has developed extensive expertise in global treasury operations, risk management and financial strategy. Prior to joining ADCB, he spent several years at Rabobank U.A. across multiple international financial centres, including the Netherlands, New York and Hong Kong. Acceding to Head of Group Treasury at Rabobank, he oversaw treasury operations across 12 global locations – managing complex, multi-jurisdictional financial operations and diverse regulatory environments.

As Group Treasurer at ADCB, Robbert plays a key role in supporting the Bank's growth, leveraging his extensive expertise across a broad spectrum of functions, including sales, funding, and the management of high-quality liquid assets (HQLA) and investment portfolios.

Robbert has a Master's degree in Management and Organisation Specialisation from the University of Groningen in the Netherlands.

**Inter-Group directorships:**

- AHB Sukuk (Cayman) Limited, Director (2023)
- ADCB Egypt, Non-Executive Director (2024)

**External appointments:**

- No current external directorships



## Mohammed Al Jayyash

*Group Chief Operating Officer*

Mohammed Al Jayyash has been ADCB's Group Chief Operating Officer since 2020. He previously held a number of senior management positions within ADCB, including Group Chief Service Officer and Branch Operations Manager.

With over two decades of experience in the banking sector, Mohammed is recognised for his dedication to enhancing customer service, as well as driving growth and efficiency through digital innovation and the effective deployment of technology. Bringing extensive knowledge of banking operations, customer journey optimisation and digital channel development, Mohammed has been instrumental in maintaining ADCB's position as a digital banking leader in a highly competitive UAE market.

By ensuring that ADCB's operational initiatives align closely with corporate strategy, business objectives, regulatory requirements and customer expectations, Mohammed continues to be a significant force behind the Bank's operational excellence and innovation, including implementation of the AI transformation programme.

Mohammed holds a Bachelor's degree in Business Administration from Al Ghurair University, UAE, a Post Graduate Certificate in Management from Ashridge Executive Education Hult, UK, and a Diploma in Banking from the Emirates Institute for Banking and Financial Studies.

**Inter-Group directorships:**

- Al Hilal Bank PJSC, Director (2019); Chair of the Board Nomination, Compensation, HR & Governance Committee
- ITMAM Services LLC, Chairman (2023)

**External appointments:**

- No current external directorships



## Rasha Mortada

*Group Chief Compliance Officer*

Rasha Mortada joined ADCB in 2006 and was appointed Group Chief Compliance Officer in 2021.

With over 25 years' experience in the banking industry, Rasha has developed a comprehensive understanding of the international and domestic regulatory environment. Her career trajectory includes several years at Citibank UAE, where she held a number of key compliance roles.

Rasha's expertise spans a broad spectrum of compliance disciplines, including regulatory compliance, financial crime prevention, and conduct compliance. In her role as Group Chief Compliance Officer, Rasha takes a proactive approach to ensuring ADCB's adherence to regulatory requirements and industry best practices. Under her guidance, the Bank is continuously enhancing its compliance framework, elevating its capacity to combat evolving risks such as financial crime while leading the market in terms of adapting to new regulatory requirements.

Rasha gained a Bachelor's degree in Banking and Finance from the Lebanese American University in Beirut, Lebanon, and a Master's degree in Financial Crime and Compliance in Digital Societies from the University of Manchester in the UK.

Her professional certifications include Certified Anti-Money Laundering Specialist (ACAMS) and Certified Global Sanctions Specialist (CGSS). She also obtained an International Diploma in Compliance and a Postgraduate Professional Diploma in Governance, Risk and Compliance from the International Compliance Association in the UK, a Fintech certification from Harvard University in the USA, and a Diploma in Corporate Governance from the Corporate Governance Institute in the UK.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships

# Executive Management



## Abdulaziz Almoosa

*Group Chief Human Resources Officer*

Abdulaziz Almoosa joined ADCB in 2012 and he was appointed Group Chief Human Resources Officer in 2024.

Bringing over 20 years' experience in the UAE banking sector, Abdulaziz is responsible for shaping ADCB's human capital strategy, ensuring the organisation continues to attract, develop, and retain top talent. His focus is on driving a high-performance culture, strengthening Emiratisation initiatives, and enhancing employee engagement across the Group.

Abdulaziz plays a vital role in aligning the Bank's human resources strategy with core business objectives, while fostering an agile, innovative environment that supports growth and transformation. His leadership extends to building internal capabilities and ensuring that ADCB's people are well equipped to meet the challenges of an evolving financial and technological landscape.

In line with the Bank's approach to fostering Emirati leadership, Abdulaziz is instrumental in developing clear career pathways and learning opportunities for the next generation of leaders.

Abdulaziz holds a Global Executive MBA from INSEAD and completed the General Management Programme at Harvard University.

**Inter-Group directorships:**

- ADCB Egypt, Non-Executive Director (2024)

**External appointments:**

- No current external directorships



## Eng. Abdulla Abdul Aziz AlShamsi

*Group Chief Business Officer*

Eng. Abdulla Abdul Aziz AlShamsi was appointed as ADCB's Group Chief Business Officer in January 2024. In this newly created role within the Group, Eng. Abdulla is responsible for orchestrating strategic initiatives that are essential and core to successfully delivering ADCB's growth aspirations and strategy.

In early 2025, Eng. Abdulla also took on the responsibility of CEO and Managing Director of Meedaf Investment Limited, a wholly owned subsidiary of ADCB, focused on building a portfolio of businesses within the non-core banking sub-sector through business building, investments, carve-outs and partnerships.

Prior to joining ADCB, Eng. Abdulla served as the Director General of the Abu Dhabi Investment Office (ADIO), where he led the organisation's efforts to grow and diversify Abu Dhabi's economy through private sector investment.

Before his role at ADIO, Eng. Abdulla spent 16 years at Mubadala Investment Company, where he held several senior positions. As the Director of UAE Investments, he managed investments in 'national champions', fostering industrial and commercial clusters, and partnering with global entities. He also led Mubadala's Healthcare, Real Estate and Infrastructure platforms, heading the establishment of Mubadala Health and Cleveland Clinic Abu Dhabi, as well as the development of Al Maryah Island, home to Abu Dhabi Global Market (ADGM).

Eng. Abdulla's extensive experience in strategic investments and economic development positions him well to drive ADCB's growth initiatives and contribute to the Bank's ongoing success.

Eng. Abdulla holds a Master's degree in Architecture (post-professional) from the University of Pennsylvania and a Bachelor's degree in Architecture from Carnegie Mellon University, both in the United States. He has also undertaken executive education programmes at Harvard University and Stanford University.

**Inter-Group directorships:**

- Al Hilal Bank PJSC, Director (2024)
- Meedaf Investment Limited, CEO and Managing Director (2025)

**External appointments:**

- NMC Healthcare, Director (2025)





## Moizes Palma

*Group Chief Credit Officer*

Moizes Palma joined ADCB in December 2022 as Deputy Chief Credit Officer and was appointed Group Chief Credit Officer in 2024.

Moizes has over 30 years' experience in banking and finance, spanning four continents and eight countries, including positions in Brazil, the Netherlands, the United States, Australia and Argentina.

Prior to joining ADCB, he worked at prominent institutions including ABN AMRO and HSBC, serving as a member of various executive, credit, and strategic committees. Most recently, he held dual roles as Chief Risk Officer and Head of Credit (Retail and Wholesale) at HSBC Argentina.

In his role as Group Chief Credit Officer, Moizes is responsible for overseeing the Bank's credit strategy, ensuring a balanced approach to credit that enables business growth while protecting the Bank's interests. His remit includes managing the credit portfolio at Group level, implementing effective credit processes, as well as managing recovery and remediation.

Moizes' leadership of the credit function is central to ADCB's commitment to enhancing credit risk management capabilities, particularly through deployment of digital and AI technology, to support growth of the loan portfolio.

Moizes gained a Bachelor's degree in Business and a Bachelor's degree in Computer Science, both from Pontificia Universidade Catolica do Rio Grande do Sul, Brazil.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Abdirizak Mohamed

*Group Chief Internal Auditor*

Abdirizak Mohamed has been the Group Chief Internal Auditor at ADCB since 2006, overseeing the internal audit function for the Bank and its subsidiaries. With over three decades in the financial sector, Abdirizak brings a wealth of expertise across corporate finance, audit and accounting practices, risk assessment, regulatory oversight, and corporate governance.

He has held roles at renowned institutions such as the NASDAQ Stock Market, NASD (now FINRA), and OFHEO (now FHFA), equipping him with a comprehensive understanding of regulatory frameworks, control environments and industry best practices. Abdirizak has also contributed expertise to prominent UAE organisations, serving as an independent audit committee member for entities including the Abu Dhabi Securities Exchange (ADX), InvestAD, Abu Dhabi Tourism & Culture Authority and Al-Foah. His leadership was further recognised through his former position as Chairman of the UAE Banking Federation Audit Committee.

Through a strategic approach to risk management and a commitment to maintaining the highest standards of financial integrity, Abdirizak continues to play an important role in shaping ADCB's audit processes and enhancing the Bank's control functions.

A Certified Public Accountant (CPA), Abdirizak holds a Master's degree in Technology Management from The George Washington University, USA, and a Bachelor's degree in Accounting and Finance from The University of Washington, USA.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships

# Executive Management



## Jane Livingston

*Group General Counsel*

Jane Livingston joined ADCB in 2011 and was appointed Group General Counsel in 2021. An English-qualified solicitor, Jane brings more than 20 years of international legal expertise to her role, having previously practised law in the City of London.

As Group General Counsel, Jane is responsible for overseeing all legal matters at ADCB. She plays a key role in safeguarding the Bank's interests by providing strategic legal advice on complex banking, finance, corporate and commercial issues.

Leveraging her extensive experience in the financial services sector, Jane plays a key role in supporting the Bank's growth and commitment to operational excellence and compliance with all legal requirements.

Jane completed her legal education in the UK, earning an LLB Law (Hons) degree from the University of Essex, before gaining her Legal Practice Certificate at the College of Law.

**Inter-Group directorships:**

- ADCB Asset Management Limited, Chair (2021)
- ADCB Sicav, Director (2021)

**External appointments:**

- No current external directorships



## Ashraf Hameed

*Acting Head of Islamic Banking*

Ashraf Hameed joined ADCB in 2004 and was appointed Acting Head of Islamic Banking in January 2025 to lead the continued growth of the Bank's Islamic business.

He is a seasoned banking professional with 30 years of experience and is recognised for instrumental contributions to Islamic banking in the UAE.

Ashraf began his career at Commercial Bank of Dubai and later held senior roles at Abu Dhabi Islamic Bank, where he was a founding member in establishing and managing the Treasury & Investment Operations Unit. At ADCB, he played a key role in launching Islamic Banking and has driven innovation across asset, liability, and credit card products. Over two decades, he has held leadership positions including Head of Islamic Retail Products and Head of Islamic Liabilities.

His expertise spans product development, Shari'ah compliance, core banking systems, and regulatory governance. He partnered with the HR Learning & Development team to launch the Islamic Banking Academy, a strategic initiative that has delivered specialised training to thousands of employees across the Bank. ADCB Islamic Banking has earned 29 international, regional and local awards.

Ashraf is known for strong analytical skills, multicultural team stewardship, and a resourceful approach to complex challenges. He continues to shape the future of Islamic banking at ADCB by blending tradition with innovation to meet evolving customer needs and Shari'ah Regulatory Standards.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



# Delegation of authority

The applicable regulations confer the authority for the overall management of the Bank to the Board of Directors. Accordingly, ADCB's Board of Directors has appointed and issued a duly notarised Power of Attorney to the Chairman for delegating certain authorities ('Principal POA'). On the expiry of the Principal POA, the Board of Directors shall, if appropriate, issue a new power of attorney to the respective Chairman to ensure continuity of delegated authority.

Subsequently, the Chairman has issued a duly notarised power of attorney to the GCEO to manage the Bank's day-to-day activities (GCEO POA). In line with the GCEO POA, the GCEO holds authority to sub-delegate specific powers to Executive Management or any other officer in the Bank. Each POA issued pursuant to the GCEO POA to members of the Executive Management has a maximum validity of three years, provided that its term does not exceed the validity of the Principal POA.

As at year-end 2025, the Executive Management members listed in the table below had duly issued POAs. Subsequent delegations are issued to certain ADCB employees, law firms, and other third parties in accordance with business requirements.

Ultimately, the ADCB Board of Directors retains overall authority and has not delegated its powers in an absolute manner.

| Name of authorised person[1] | Expiry Date |
|---|---|
| Ala'a Eraiqat – Group Chief Executive Officer | 7 November 2026 |
| Deepak Khullar – Group Chief Financial Officer | 6 November 2026 |
| Jane Livingston – Group General Counsel | 6 November 2026 |
| Moizes Palma – Group Chief Credit Officer | 6 November 2026 |
| Abdulaziz Almoosa – Group Chief Human Resources Officer | 6 November 2026 |
| Mohammed Al Jayyash – Group Chief Operating Officer | 6 November 2026 |
| Reem AlBanna – Acting Group Chief Risk Officer | 6 November 2026 |
| Rasha Mortada – Group Chief Compliance Officer | 6 November 2026 |
| Ludovic Nobili – Group Chief Corporate, Wealth, and Investment Banking Officer | 6 November 2026 |
| Robbert Muller – Group Treasurer | 6 November 2026 |
| Deepak Rochlani – Group Chief Retail Banking Officer | 6 November 2026 |
| Eng. Abdulla Abdul Aziz AlShamsi – Group Chief Business Officer | 6 November 2026 |

(1) As at 31 December 2025

# Executive Management – subsidiaries



## Jamal Al Awadhi

*Chief Executive Officer,*
*Al Hilal Bank*

Jamal Al Awadhi was appointed as Chief Executive Officer of Al Hilal Bank in 2025.

He brings over 20 years of senior leadership experience across diverse sectors, including financial services, media, information technology and aviation. Prior to joining the Bank, he served in multiple senior roles in businesses across the UAE, including Deputy Chief Executive Officer of Al Hilal Bank, Chief Operating Officer at Wio Bank and Chief Executive Officer at Abu Dhabi Media.

Throughout his career, Jamal has demonstrated strong capabilities in driving strategic growth initiatives and fostering innovation. His varied industry experience brings a unique perspective to the banking sector, particularly in the areas of digital transformation and cross-sector collaboration.

Jamal has a Global Executive MBA (GEMBA) from INSEAD, France. He also has a Master's degree in Electrical Engineering from Tufts University, and a Bachelor's degree in Electrical Engineering from Suffolk University, both in the USA.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Ihab ElSewerky

*Managing Director &*
*Chief Executive Officer, ADCB Egypt*

Ihab ElSewerky was appointed as Managing Director and Chief Executive Officer of ADCB Egypt in 2019.

With a career spanning more than 35 years, Ihab brings extensive expertise across, corporate, retail, and Islamic banking, with direct experience in credit and risk management, internal controls, financial institutions and SME banking.

Prior to joining ADCB Egypt, Ihab held senior positions in the banking sector, including roles at Arab Bank PLC, and Bank ABC. In addition, he headed the risk function at a number of regional banks, providing him with a deep understanding of the country's operating and regulatory environment.

Ihab's leadership has been pivotal in driving ADCB Egypt's growth through a challenging macro-economic environment. Under his direction, the Bank has built a strong position in the market while prioritising an elevated customer experience and implementing a comprehensive programme of digital transformation.

Ihab holds a Bachelor's degree in Management Sciences (Banking) from the Sadat Academy for Management Sciences.

**Inter-Group directorships:**

- Abu Dhabi Commercial Bank – Egypt SAE, Executive Director (2019)

**External appointments:**

- No current external directorships



## Gordon Haskins

*Chief Executive Officer,*
*ADCB Kazakhstan*

Gordon Haskins has been Chief Executive Officer of ADCB Kazakhstan (formerly Al Hilal Bank Kazakhstan) since 2016.

With more than three decades' experience in banking and law, his leadership is instrumental in developing the Group's banking proposition for clients operating in Kazakhstan and across Central Asia and the Caucasus.

Gordon previously held a number of high-profile positions during his 13-year tenure at the RBS Group, including as Country Executive Chairman of the Management Board, and Member of the Board of Directors for RBS Kazakhstan. He was also Chief Operating Officer for the Debt Capital Markets & Risk Solutions business for RBS in the EMEA region. Gordon began his career in the legal sector, with over a decade with blue-chip law firms in London and Canada, including Clifford Chance and Davis & Co (now DLA Piper).

Leveraging deep expertise in international banking, Gordon collaborates closely with ADCB's Corporate and Investment Banking (CIBG) team to deliver sophisticated financial solutions and service excellence through the Group's Kazakhstan operations.

Gordon holds a Bachelor's degree in History and Politics from the University of British Columbia, Canada, and a Law degree from the University of Toronto, Canada.

**Inter-Group directorships:**

- Kazakhstan Ijara Company JSC, Director, (2018) and Chairman of the Board (2021)

**External appointments:**

- European Business Association of Kazakhstan, Director (2018) and Deputy Chairman (2021)
- Smoky Hemp Decortication Ltd, Director (2023)

# Employee remuneration and reward

## Guiding principles

ADCB is committed to providing competitive remuneration packages to attract, retain and motivate employees who consistently deliver exceptional service. The Bank's reward strategy is designed to minimise turnover among top talent, foster high-level performance and ensure robust risk management.

ADCB's remuneration framework is underpinned by policies and practices that ensure fairness and equity, reflecting roles and responsibilities appropriately. Rewards are consistently linked to organisational, departmental, and individual performance, determined through a rigorous performance management system and a disciplined review and approval process.

## Reward governance

ADCB believes in, and is committed to, exemplary corporate governance, providing a foundation for sustainable development and performance. This commitment extends to all remuneration and reward matters. The Bank's governance framework promotes trust in reward-related activities, with ongoing
Board-level oversight through the NCHRGC, which conducts regular independent reviews of the reward structure.

## Supervision by the NCHRGC

The NCHRGC oversees the design, operation and effectiveness of the remuneration framework including allocation of awards, distribution among business lines and awards to Executive Management.

The NCHRGC also ensures that independent third-party reviews and assessments of the quantum, design and effectiveness of ADCB's variable pay framework and awards are conducted at least once every five years, in line with regulatory requirements. The last independent assessment was conducted in 2022 by Mercer.

## Total reward – key components

ADCB employees are eligible for three main types of rewards: fixed pay and benefits, variable pay and a profit-sharing plan. The remuneration program is structured to balance short-term and long-term incentives, aligning the interests of ADCB, its shareholders, and its employees.

### Fixed pay and benefits

ADCB's fixed pay structure is designed to maintain market competitiveness. Fixed pay is determined by the scope and responsibilities of each role, their respective market pay levels, and the employee's contributions. Reviews of fixed pay are based on market benchmark and individual performance within the organisation. Fixed pay comprises basic salary and general allowance, typically split 50:50. Employees may also be eligible for specific allowances and benefits, as listed in the Components section.

### Components

- Basic salary
- General allowance
- Social allowance (UAE nationals)
- Job-specific allowances
- Benefits based on position, such as:
  - Leave airfare
  - Private medical insurance
  - Life insurance coverage
  - Education allowance

### Variable pay (VP)

Variable pay may be awarded based on employee's annual performance. Given its performance-based nature, variable pay is not guaranteed and the amount received, if any, may vary each year. Variable pay awards are subject to deferrals, claw-backs and vesting provisions. Deferred variable pay vests in three years from the award date.

### Performance criteria

Individual award amounts are determined by:

- Individual performance
- Business function performance
- Overall performance of the Bank

**Deferred remuneration**, as part of the Variable Pay Framework, encourages a focus on medium- to long-term business performance, fosters cross-business collaboration, and promotes a partnership mentality. It also aligns employees' interests with those of shareholders and supports the retention of employees who significantly impact the Bank's performance.

### Profit-sharing plan

ADCB operates a share-based profit-sharing plan for key positions and high-performing contributors. The plan, independent of variable pay awards, is designed to reward and retain critical contributors and top performers. Nominations for the profit-sharing plan are proposed based on strategic guidelines and validated by the NCHRGC.
Profit-sharing awards vest after three years from the award date.

### Selection criteria

Employees that the Bank seeks to actively retain:

- Senior management responsible for the delivery of the Bank's strategic objectives
- Employees with active roles in strategic projects, or whose contributions deliver significant direct profit and loss impact
- Senior employees with active decision-making or advisory roles in subsidiary boards and oversight committees

## Bank-wide variable pay framework

The variable pay framework aligns employee interests with the long-term objectives of the Bank and its shareholders, incentivising high performance while mitigating excessive risk-taking. Variable pay is tailored to each function to ensure market competitiveness. ADCB uses a balanced score-card approach to measure employee performance, including the following Key Performance Indicator (KPI) categories:

- Financial performance
- Non-financial performance (including service excellence and people metrics such as the Organisational Health Index and Emiratisation scores)
- Compliance, audit and risk

Variable pay for employees in control functions is independent of the Bank's financial performance.

### Variable pay framework key facts

- Reflects individual, business function and Bank-wide performance
- Differentiates between functions to ensure relevant market alignment
- Includes cash and/or shares and is deferred, above specified thresholds, for three years
- Subject to thresholds, caps, claw-back rules, malus clause, and deferral and retention provisions
- Managed by remuneration professionals experienced in the governance of all types of compensation and benefits
- Designed and reviewed in conjunction with independent external advisors reporting to the NCHRGC
- Relies on regular external benchmarking to ensure alignment with evolving local and global best practices
- Incorporates continuous monitoring of remuneration governance developments to ensure all VP plans remain in line with ADCB's requirements and external developments
- Designed to prevent excessive risk-taking
- Includes minimum shareholding requirements for key management
- Aligns employee interests with long-term interests of the Bank and its shareholders

## Remuneration awarded during the financial year

| Remuneration in AED'000 | | 31 December 2025 | | 31 December 2024 | |
|---|---|---|---|---|---|
| | | Executive Management[1] | Other material risk-takers | Executive Management[1] | Other material risk-takers |
| **Fixed remuneration** | Number of employees | 13[1] | 31[2] | 13 | 20 |
| | Total fixed remuneration (A) | 42,024 | 46,885 | 40,293 | 34,734 |
| | Of which: cash-based [salary, including basic pay, general allowance and social allowance (for UAE nationals)] | 34,557 | 38,997 | 33,908 | 27,915 |
| | Of which: deferred | Nil | Nil | Nil | Nil |
| | Of which: other forms [benefits, including leave airfare, education allowance, club membership allowance and premium for life and medical insurance, gratuity provision and pension contribution (for UAE nationals)] | 7,467 | 7,888 | 6,385 | 6,819 |
| **Variable remuneration** | Number of employees | 13[1] | 31[2] | 13 | 20 |
| | Total variable remuneration[3] (B) | **47,984** | **28,561** | **41,599** | **23,807** |
| | Of which: cash-based | 26,843 | 13,993 | 26,007 | 14,062 |
| | Of which: deferred | 18,396 | 8,696 | 15,592 | 8,308 |
| | Of which: shares or other share-linked instruments | 12,948 | 3,736 | 10,796 | 3,468 |
| | Of which: cash | 5,448 | 4,960 | 4,796 | 4,841 |
| | Of which: other forms (one-time other long term benefits related to retired employees) | 2,744 | 5,872 | – | 1,436 |
| **Total remuneration** | (A) + (B) | **90,008** | **75,446** | **81,892** | **58,541** |

## Special payments and awards

| Total amount in AED'000 | 31 December 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Guaranteed bonuses | | Sign-on awards | | Severance payments | | Retention awards | |
| | No. of employees | Total amount | No. of employees | Total amount | No. of employees | Total amount | No. of employees | Total amount |
| Executive Management | – | – | 1 | 420 | – | – | 13 | 37,597[4] |
| Other material risk takers | – | – | 4 | 1,586 | – | – | 19 | 12,691[5] |
| **Total** | **–** | **–** | **5** | **2,006.0** | **–** | **–** | **32** | **50,288** |

| Total amount in AED'000 | 31 December 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Guaranteed bonuses | | Sign-on awards | | Severance payments | | Retention awards | |
| | No. of employees | Total amount | No. of employees | Total amount | No. of employees | Total amount | No. of employees | Total amount |
| Executive Management | – | – | 2 | 1,702.5 | – | – | 11 | 25,609 |
| Other material risk takers | – | – | – | – | – | – | 13 | 5,725 |
| **Total** | **–** | **–** | **2** | **1,702.5** | **–** | **–** | **24** | **31,334** |

(1) This includes, Group Chief Executive Officer, Group Chief Corporate, Wealth and Investment Banking Officer, Group Chief Retail Banking Officer, Group Treasurer, Group Chief Compliance Officer, Group Chief Credit Officer, Group Chief Financial Officer, Group Chief Operating Officer, Acting Group Chief Risk Officer, Group Chief Internal Auditor, Group General Counsel, Group Chief Human Resources Officer and Group Chief Business Officer. Also included is 1 Senior Management employee who left the ADCB Group during 2025. Remuneration of this employee is included until his last working date and remuneration of the successor is included for the rest of the period until end of 2025
(2) This includes 29 currently active employees and 2 employees who left the ADCB Group during 2025
(3) This includes variable remuneration awarded during 2025 and excludes variable remuneration awarded during previous years that vested during 2025
(4) AED 30 mn awarded as deferred shares and AED 7.596 mn awarded as cash
(5) All awarded as deferred shares



## Deferred remuneration

| AED'000 | | | | | | 31 December 2025 |
|---|---|---|---|---|---|---|
| **Deferred and retained remuneration** | | **Total amount of outstanding deferred remuneration** | **Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments** | **Total amount of amendment during the year due to ex post explicit adjustments** | **Total amount of amendment during the year due to ex post implicit adjustments** | **Total amount of deferred remuneration paid out in the financial year** |
| | | This includes deferred remuneration from previous years that vests in 2026 and onwards | | | | This includes deferred remuneration from previous years that vested during 2025 |
| **Executive Management/other material risk takers** | | | | | | |
| **Cash** | Executive Management | 5,297 | 5,297 | – | – | 8,218 |
| | Other material risk takers | 4,823 | 4,823 | – | – | 5,475 |
| **Shares** | Executive Management | 70,300 | 70,300 | – | – | 6,574 |
| | Other material risk takers | 20,997 | 20,997 | – | – | 3,743 |
| **Cash-linked instruments** | Executive Management | – | – | – | – | – |
| | Other material risk takers | – | – | – | – | – |
| **Other** | Executive Management | – | – | – | – | – |
| | Other material risk takers | – | – | – | – | – |
| **Total** | **Executive Management** | **75,597** | **75,597** | **–** | **–** | **14,792** |
| | **Other material risk takers** | **25,820** | **25,820** | **–** | **–** | **9,218** |

| AED'000 | | | | | | 31 December 2024 |
|---|---|---|---|---|---|---|
| | | | | | | This includes deferred remuneration from previous years that vested during 2024 |
| | | This includes deferred remuneration from previous years that vests in 2025 and onwards | | | | |
| **Executive management/other material risk takers** | | | | | | |
| **Cash** | Executive Management | 6,430 | 6,430 | – | – | 10,498 |
| | Other material risk takers | 4,637 | 4,637 | – | – | 4,313 |
| **Shares** | Executive Management | 32,965 | 32,965 | – | – | 9,038 |
| | Other material risk takers | 9,122 | 9,122 | – | – | 3,018 |
| **Cash-linked instruments** | Executive Management | – | – | – | – | – |
| | Other material risk takers | – | – | – | – | – |
| **Other** | Executive Management | – | – | – | – | – |
| | Other material risk takers | – | – | – | – | – |
| **Total** | **Executive Management** | **39,395** | **39,395** | **–** | **–** | **19,536** |
| | **Other material risk takers** | **13,760** | **13,760** | **–** | **–** | **7,331** |

The Bank regularly carries out a risk analysis to determine the material risk takers based on criticality of the role and decision-making power. A total of 44 material risk takers (2024: 33 risk takers) were identified at ADCB PJSC. This excludes the risk takers at subsidiaries as all material decisions at the subsidiary level that may impact the Group is approved/ratified by the Group. Further, due to organisational adjustments as well as changes at the employee level, the number of intra-year risk takers may vary.

# Shareholder engagement and disclosures

## Investor relations (IR)

ADCB is committed to high standards of transparency and continues to enhance its disclosures in line with local and international best practices. In 2025, this commitment included a comprehensive investor engagement programme, particularly addressing the new five-year strategy, the launch of an AI transformation programme and the Bank's rights issue, ensuring clear, timely, and accessible information for all shareholders.

The Investor Relations (IR) Department continues to communicate with the Bank's shareholders and potential investors through the timely dissemination of financial and non-financial information, including quarterly updates, press releases, as well as the Annual Report, Integrated Report and Sustainability Report.

For the rights issue, the Bank conducted one-on-one and group meetings with analysts and investors, targeted communications for retail shareholders, a dedicated microsite, regulatory announcements, and a social-media campaign developed in collaboration with ADX. This comprehensive approach ensured that shareholders were well informed on the strategic rationale, the transaction schedule and the subscription process.

In 2025, the Bank met with over 635 investors through one-on-one meetings and roadshows and participated in 12 investor conferences. International investor engagement in 2025 included outreach to fixed-income investors, supporting two successful 'Formosa' issuances, both of which received strong demand, particularly from Asian investors. Proactive outreach and enhanced transparency contributed to strong international investor participation, with foreign shareholding at 19.31% at year-end 2025.

Reflecting the importance of effective internal communications across the organisation, the Bank ensures that employees remain informed of relevant developments, including financial performance, strategic initiatives, ESG progress, and other material updates.

Further details on ADCB's announcements to ADX during 2025 are available on the Bank's IR website at adcb.com/ir or on the ADX website at adx.ae.

### Investor relations contact details

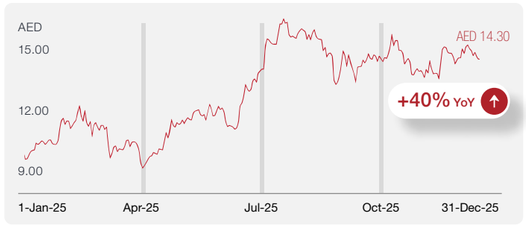
**Harsh Vardhan**

Senior Head of Investor Relations
+971 2 697 3567
ir@adcb.com
adcb.com/ir



# Share price performance and trading volume

## 2025 share price performance




## ADCB share price comparative performance in 2025

| | December 2025 close | December 2024 close | % change |
|---|---|---|---|
| ADCB | AED 14.30 | AED 10.19 | 40% |
| ADX | 9,992.72 | 9,419.00 | 6% |
| MSCI EM Banks | 455.52 | 372.57 | 22% |

## ADCB share price performance and monthly trading volume in 2025

| | Open (AED) | Close (AED) | MoM change | MoM % change | High (AED) | Low (AED) | Value (AED) | Volume | Trades |
|---|---|---|---|---|---|---|---|---|---|
| January | 10.360 | 11.980 | 1.560 | 14.97 | 12.120 | 10.060 | 1,282,131,680 | 115,860,643 | 29,921 |
| February | 11.960 | 11.440 | (0.540) | (4.51) | 12.600 | 11.200 | 1,363,921,867 | 115,522,695 | 31,878 |
| March | 11.400 | 10.900 | (0.540) | (4.72) | 11.800 | 9.550 | 1,088,927,767 | 100,153,852 | 27,241 |
| April | 10.900 | 11.640 | 0.740 | 6.79 | 12.100 | 8.960 | 1,242,294,255 | 116,872,590 | 26,440 |
| May | 11.580 | 12.080 | 0.440 | 3.78 | 12.720 | 11.480 | 1,552,110,453 | 128,730,647 | 27,915 |
| June | 12.080 | 13.480 | 1.400 | 11.59 | 13.480 | 11.240 | 1,154,789,558 | 94,373,735 | 24,547 |
| July | 13.400 | 16.280 | 2.800 | 20.77 | 16.600 | 13.060 | 1,788,032,132 | 120,607,725 | 38,506 |
| August | 16.280 | 15.140 | (1.140) | (7.00) | 16.280 | 15.020 | 1,335,922,650 | 84,978,403 | 27,248 |
| September | 15.160 | 14.580 | (0.560) | (3.70) | 15.200 | 13.480 | 2,146,998,902 | 150,565,921 | 38,918 |
| October | 14.600 | 14.420 | (0.160) | (1.10) | 15.900 | 14.340 | 1,427,314,020 | 95,789,772 | 29,287 |
| November | 14.500 | 14.100 | (0.320) | (2.22) | 14.880 | 13.260 | 1,387,488,774 | 99,478,272 | 22,342 |
| December | 14.040 | 14.300 | 0.200 | 1.42 | 15.140 | 13.920 | 1,181,063,334 | 81,144,359 | 19,532 |
| | | | | | | | **16,950,995,392** | **1,304,078,614** | **343,775** |

## Block trade deals

| | Date | Value (AED) | Volume | Trades |
|---|---|---|---|---|
| ADCB | Feb 2025 | 29,797,440 | 2,483,120 | 1 |
| ADCB | May 2025 | 29,334,000 | 2,444,500 | 5 |
| ADCB | July 2025 | 125,764,942 | 8,142,849 | 34 |
| ADCB | Nov 2025 | 347,478,564 | 24,810,730 | 12 |
| ADCB Rights Issue | Nov 2025 | 4,759,496 | 1,379,564 | 1 |
| ADCB | Dec 2025 | 737,715,087 | 49,845,614 | 1 |

Figures may not add up due to rounding differences
Source: ADX website

# Shareholder ownership structure

## Shareholder details

The following table shows distribution of ownership of ADCB shares as at 31 December 2025:

| Shareholders' classification[1] | Individuals | Corporates | Government | | Total |
|---|---|---|---|---|---|
| Local | 12.39% | 6.63% | 61.92% | [2] | 80.94% |
| Arab | 0.30% | 1.07% | 0.20% | | 1.57% |
| Foreign | 0.49% | 17.01% | 0.00% | | 17.50% |
| **Total** | **13.18%** | **24.71%** | **62.12%** | | **100.00%** |

Further information on shareholder ownership as at 31 December 2025:

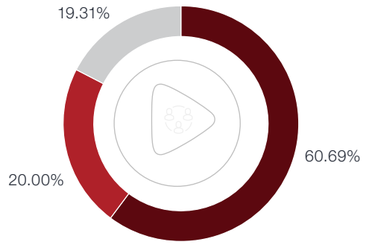
| Share(s) ownership | Number of shareholders | Number of owned shares | Percentage of owned shares of ADCB's capital |
|---|---|---|---|
| Less than 50,000 | 4,421 | 23,439,946 | 0.30% |
| From 50,000 to less than 500,000 | 967 | 180,171,824 | 2.28% |
| From 500,000 to less than 5,000,000 | 520 | 854,467,662 | 10.80% |
| More than 5,000,000 | 129 | 6,854,096,278 | 86.63% |
| **Total** | **6,037** | **7,912,175,710** | **100.00%** |

The following are the shareholders owning 5% or more of ADCB's capital as at 31 December 2025:

| Name | Number of owned shares | Percentage of owned shares of ADCB's capital |
|---|---|---|
| Mubadala Investment Company (One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC and One Hundred and Fifteenth Investment Company – Sole Proprietorship LLC[3]) | 4,801,678,312 | 60.69% |

## Shareholder ownership structure (as at 31 December 2025)

- Mubadala Investment Company[3]
- Free float domestic investors
- Free float foreign investors




Source: ADX website
Figures may not add up due to rounding differences
(1) Based on ADX classification of individuals, corporates and government entities
(2) This reflects the Government's shareholding ownership percentage (Federal Government, Local Government, Pension Funds and UAE Government's wholly-owned entities), including ownership by the Government of Abu Dhabi entity, Mubadala Investment Company PJSC, through its wholly-owned subsidiary One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC and One Hundred and Fifteenth Investment Company – Sole Proprietorship LLC
(3) The Government of Abu Dhabi entity Mubadala Investment Company through its wholly-owned subsidiary, One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC and One Hundred and Fifteenth Investment Company – Sole Proprietorship LLC



# General Assembly meetings

ADCB continues to uphold best practices in shareholder engagement by offering hybrid participation options for its General Assembly Meetings, physical attendance and secure virtual access, ensuring transparency and inclusivity. Shareholders can vote electronically in real time and raise questions during the meeting.

## Annual General Assembly (AGA)
27 February 2025

The 41st AGA was held on 27 February 2025 in a hybrid format (virtual and physical) with an attendance rate of 74.63%. Shareholders exercised all their rights to attend, deliberate and vote in real time. The meeting was chaired by Saeed Mohamed Hamad Al Mazrouei, on behalf of H.E. Khaldoon Khalifa Al Mubarak, and attended by the external auditor.

**Key resolutions approved:**

- Board and Auditor Reports and audited financial statements for 2024
- Distribution of cash dividend of AED 0.59 per share (total AED 4.319 billion)
- Board remuneration of AED 35.6 million
- Re-appointment of Deloitte & Touche (Middle East) as external auditor for 2025
- Election/re-election of Board members for a new three-year term

**Special resolutions:**

- Renewal of the Bank's debt issuance programs (up to USD 8 billion)
- Authorisation for issuance of debt and capital instruments

## General Assembly Meeting (GAM)
13 October 2025

The GAM was held on 13 October 2025 in a hybrid format with an attendance rate of 75.45%. The meeting focused on strengthening ADCB's capital structure and supporting future growth. The meeting reflected strong shareholder confidence, with all resolutions approved by significant majorities. All decisions were duly disclosed to ADX and CMA, and published on ADCB's website.

**Key resolutions approved:**

- Board report on capital increase plan

**Special resolution 1:**

- Increase share capital by up to AED 592,228,700 through a rights issue at AED 10.3 per new share

**Special resolution 2:**

- Amend Article (6) of the Articles of Association to reflect the capital increase

**Key resolutions approved:**

- Authorisation for the Chairman to execute all actions related to the capital increase

| Meeting | Date | Meeting method | Key Highlights | Attendance % |
|---|---|---|---|---|
| **AGA** | 27 Feb 2025 | Hybrid (virtual and physical | • Dividend AED 0.59/share (AED 4.319 billion)<br>• Board remuneration AED 35.6 million<br>• Re-appointment of Deloitte<br>• Election/re-election of Board members<br>• Special: Renewal of debt issuance programs | 74.63% |
| **GAM** | 13 Oct 2025 | Hybrid (virtual and physical | • Increase in the issued share capital of the Bank of up to AED 592 million via a rights issue<br>• Amendment of Articles of Association<br>• Authorisation for implementation | 75.45% |

# Islamic banking governance framework

ADCB Islamic Banking is the brand under which the Bank offers Shari'ah-compliant retail, corporate and treasury financial solutions.

ADCB is regulated by the CBUAE, and its Islamic banking activities are supervised by an independent Internal Shari'ah Supervision Committee (ISSC). The ISSC is the final authority within ADCB regarding all Shari'ah-related matters. It operates in accordance with the resolutions, standards and guidelines issued by the Higher Shari'ah Authority (HSA) of the CBUAE. The HSA mandates Islamic Financial Institutions (IFIs) to adopt the Shari'ah standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

The ISSC functions in line with the Shari'ah governance framework provided within the ISSC Charter approved by the ISSC and the Board of Directors. The ISSC Charter provides for the processes and procedures of the functioning of the ISSC, such as holding meetings, issuing of fatwas (pronouncements and approvals), resolutions, Shari'ah review and an annual Shari'ah report.

Fatwas are issued by the ISSC to certify compliance with principles of Shari'ah for all Islamic products and services as well as for bespoke structured transactions. The ISSC's review covers the product structure, the underlying Shari'ah contracts, legal documentation, operational process flow and all associated product literature. Fatwas issued by the ISSC are published on ADCB's website and are available at all branches.

ADCB's internal Shari'ah governance framework is based on a 'three lines of defence' approach as set out in the standards and regulations issued by the CBUAE. While the business acts as the first line of defence, an independent and separate Internal Shari'ah Control Department (ISCD), led by the Head of Internal Shari'ah Control, is the second line of defence, which implements and oversees Shari'ah governance.

A separate and independent Internal Shari'ah Audit Department (ISAD), led by the Head of Internal Shari'ah Audit, represents the third line of defence, undertaking the Shari'ah review and audit of Islamic products and services offered by ADCB. The Internal Shari'ah Audit Department submits the Shari'ah audit reports to the ISSC and other relevant bodies in accordance with the HSA standards, regulations, circulars and resolutions. To ensure complete independence from the business, Heads of Internal Shari'ah Control and Internal Shari'ah Audit report to the Board or its committees in relation to promotion, bonus, performance appraisal and removal. The Heads of Internal Shari'ah Control and Internal Shari'ah Audit report to BRC and BAC, respectively.

ADCB Islamic Banking maintains a separate set of financial records to ensure that the accounts for the Islamic business are completely segregated from ADCB's conventional funds. ADCB's consolidated accounts include the results of ADCB Islamic Banking and are separately disclosed in the notes.

The respected Shari'ah scholars listed in this section make up the ISSC of ADCB Islamic Banking.

**Professor Dr. Jassim Al Shamsi,**
Chairman & Executive Member

Professor Dr. Jassim Al Shamsi is the first Emirati Shari'ah scholar to lead the ISSC of ADCB Islamic Banking. He previously served as Dean of the College of Shari'ah and Law, UAE University. In addition, he chairs and is a member of many other ISSCs for Islamic banks, Islamic 'windows' and financial institutions. He is also a member of the Higher Shari'ah Authority of the Central Bank of the UAE.

**Dr. Salim Al-Ali,** Member

Dr. Salim Al-Ali holds a PhD in Financial Law from the University of London, in the UK. He also holds a Master's Degree in Islamic Banking and Finance from the International Islamic University of Malaysia. In 2016, he received the prestigious Sheikh Rashid Award for Outstanding Scientific Achievement. Dr. Salim is the author of 'Raising Capital on Sukuk Markets — Structural, Legal and Regulatory Issues'.

**Professor Dr. Engku Rabiah Adawiah Engku Ali,** Member

Professor Dr. Engku Rabiah Adawiah Engku Ali is a leading Shari'ah scholar from Malaysia. She is a member of Shari'ah Advisory Council of Bank Negara Malaysia & Member of Shari'ah Advisory Council of Securities Commission Malaysia. Apart from teaching, she is also active in advisory works, which gave her extensive exposure to the practice of Islamic finance. She sits in various Shari'ah advisory bodies, such as, at the Central Bank of Malaysia Securities Commission Malaysia. In recognition of her contributions to Islamic Finance, she has been awarded with the Most Outstanding Individual Contribution to Islamic Finance in 2004 and again in 2014.

**Dr. Ibrahim Almansoori,** Member

Dr. Ibrahim Almansoori holds a Master's degree and PhD in Islamic Banking and Economics. Currently, he holds the position of Director of Sharjah Centre for Islamic Economy at Al Qasimia University. He is also a faculty member at the College of Shari'ah and Islamic Studies, the University of Sharjah.

He is currently serving as a member of the Shari'ah Supervision Committee of Al Hilal Bank, Dubai Islamic Bank, Sharjah Islamic Bank, and Standard Chartered Bank. He is the author of numerous studies and papers on contemporary matters relating to Islamic Banking and various Shari'ah issues.

**Dr. Osama Bahar,** Member

Dr. Osama Bahar is a renowned Bahraini Shari'ah scholar, who holds a Shari'ah degree as well as a PhD from La Haye University, Netherlands. He is currently a member of the Shari'ah Board/Committee at Ithmaar Holding-Bahrain, Alizz Islamic Bank-Oman, Al Salam Bank-Bahrain, Allianz Takaful, and Allianz Global Investors – Bahrain. He is also the former Head of Shari'ah at Al Salam Bank Bahrain.

**Mr. Kamran Khalid Sherwani,** ISSC Secretary

Mr. Kamran Sherwani is Head of Internal Shari'ah Control at ADCB. He provides Shari'ah guidance on all day-to-day Shari'ah-related matters and obtains ISSC guidance and approvals in respect to Islamic products and services. He received a degree in Shari'ah and law from the International Islamic University and is an AAOIFI-certified Shari'ah advisor and auditor. He has served as Shari'ah advisor to several major Islamic banks.

# Annual Report of the Internal Shari'ah Supervision Committee of ADCB Islamic Banking Division

All praise is due to Allah, Lord of the Worlds, and prayers and peace be upon the most honourable of the prophets and messengers, our master Muhammad, and on his family and companions.

Issued on: 19 January 2026

To: Shareholders of Abu Dhabi Commercial Bank PJSC ('the Institution')

After greetings,

Pursuant to the requirements stipulated in the relevant laws, regulations and standards ('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 for the financial year ending on 31 December 2025 ('Financial Year').

## 1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to undertake Shari'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 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.

## 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 Internal Shari'ah Control Department, 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 (8) 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 accounts holders and shareholders with parameters set by the ISSC

e. Supervision through the Internal Shari'ah Control Department, internal Shari'ah audit, of the Institution's Activities including supervision of executed transactions, 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 department, 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 re-occurrence in the future

h. Specifying the amount of Zakat due on each share of the Institution's total shares

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 measure in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

We pray to Allah, the Almighty, to provide us guidance and keep us all on the righteous path.

### Signatures of Members of the ISSC of the Institution

**Dr. Salim Al-Ali**
*Member*



**Dr. Osama Bahar**
*Member*

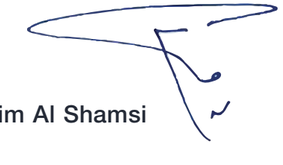




**Professor Dr. Engku Rabiah Adawiah**
*Member*



**Dr. Ibrahim Almansoori**
*Member*



**Professor Dr. Jassim Al Shamsi**
*Chairman of the Committee*

# Al Hilal Bank – Corporate Governance Framework

## Overview of the governance framework

Al Hilal Bank (AHB) has operated as an independent Islamic bank within the ADCB Group since its acquisition by ADCB in 2019. AHB remains strategically focused on growing its Shari'ah-compliant digital retail banking business.

AHB has established and implemented an effective corporate governance framework, aligned with the CBUAE Corporate Governance Regulations and Standards, enabling it to grow sustainably and contribute to the development of the UAE's financial sector. The guiding principles of the AHB Corporate Governance Framework reflect the ADCB Group Corporate Governance Framework, promoting regulatory compliance, best practices, and aiming to foster long-term investment, financial stability and business integrity.

Building on these guiding principles, AHB has developed and implemented a robust and comprehensive Shari'ah Governance Framework, with key mechanisms and functionalities to ensure effective and independent Shari'ah oversight as per the requirements of the CBUAE and the Higher Shari'ah Authority.

The AHB Board of Directors collectively brings the knowledge, skills, and experience to advise and guide Executive Management on the Bank's performance and strategy.

The guiding principles of the AHB Corporate Governance Framework are fourfold: responsibility, fairness, accountability and transparency of disclosures.

**Responsibility**
promoted by the clear distribution

**Transparency of disclosures**
to enable stakeholders to assess the Bank's strategy and performance

**Fairness**
in the treatment of all stakeholders

**Accountability**
in the relationships between the Bank's Executive Management and the Board and other stakeholders

## Board oversight of risk management

The AHB Board of Directors has overall responsibility for setting the risk appetite and ensuring comprehensive and disciplined risk management within the organisation. In fulfilling this responsibility, the Board has established the Board Risk Committee (BRC) to oversee the monitoring, management, and review of all risk categories. The BRC, working with Executive Management, defines the risk appetite and associated strategy, conducting periodic reviews to monitor compliance with the Bank's overall risk tolerance. Following these reviews, the BRC makes recommendations to the Board to support ongoing adherence to the approved risk appetite.

The BRC is also responsible for reviewing the adequacy and performance of the Bank's risk management systems and controls. The BRC's responsibilities extend across key risk areas, including the regular review and monitoring of credit, market, liquidity, regulatory, reputational, strategic, operational, and Shari'ah non-compliance risks. Through these oversight responsibilities, the BRC ensures that inherent risks are clearly identified, effectively managed, and consistently monitored to protect the Bank's resilience and reputation.

## Board oversight of financial reporting, compliance and internal controls

The AHB Board of Directors is responsible for oversight of financial reporting, compliance, and internal controls to ensure the accuracy and integrity of financial disclosures. Accordingly, the Board has established the Board Audit Committee (BAC) to assist with executing its duties relating to financial reporting, compliance and internal controls.

During 2025, the Board, together with the BAC, assessed the quality, objectivity and performance of AHB's financial reporting and disclosure procedures. This assessment included the review of accounting policies, principles and judgements. Additionally, the Board, with the assistance of the BAC, ensured that appropriate internal policies were maintained and implemented to comply with CBUAE and CMA regulatory requirements.



# Al Hilal Bank – Board of Directors



**Ala'a Eraiqat**
*Chairman*

Ala'a Eraiqat was appointed as Chairman of Al Hilal Bank in 2019.

Ala'a Eraiqat has served as Group Chief Executive Officer of ADCB since February 2009, leading the organisation through sustained growth and strategic transformation.

With a career spanning more than 35 years, Ala'a brings extensive experience having held senior roles at prominent international financial institutions before joining ADCB in January 2004.

Ala'a is responsible for delivering long-term value for shareholders through the effective execution of the Bank's strategy, including a comprehensive AI transformation programme. He has been instrumental in fostering a culture of high-performance, placing strong emphasis on championing Emiratisation in alignment with the UAE's national agenda. Under his tenure as Group CEO, ADCB has become a market leader in innovation and customer experience.

**External appointments:**

- Abu Dhabi National Hotels PJSC (ADNH), Director
- Emirates Institute of Finance (EIF), Director

**Latest awards:**

- Arab Banker of the Year Award 2025 from the Union of Arab Banks in acknowledgement of industry leadership and significant contribution to the region's banking sector



**Deepak Khullar** Chair BRC
*Director*

Deepak Khullar was appointed as a Board Director of Al Hilal Bank in 2019 and chairs the Al Hilal Bank Board Risk Committee (BRC).

He has served as the Group Chief Financial Officer of ADCB Group since 2008, overseeing a broad spectrum of critical functions that are essential to the Bank's financial health, sustainability and strategic direction.

His responsibilities encompass the entire Group Finance function, including financial planning, capital management, business performance analysis, governance, and reporting. Additionally, Deepak leads the Bank's initiatives in Group strategy formulation, investor relations, taxation, economic analysis, and strategic sourcing and procurement. His remit also includes overseeing ADCB's sustainability strategy and its implementation.

Before joining ADCB, Deepak honed his expertise over 15 years at Standard Chartered Bank, holding a number of senior positions across the Middle East and South Korea. His earlier career included tenures with Ernst & Young and PricewaterhouseCoopers, where he gained extensive experience in assurance, advisory, and technical services across the Middle East and India.

As Group Chief Financial Officer, Deepak plays a pivotal role in driving the financial resilience and strategic growth of ADCB through a focus on value creation and enhancing efficiency.

Deepak holds a Bachelor of Commerce (Honors) degree from the University of Delhi, India, and is a Fellow of the Institute of Chartered Accountants of India (FCA) as well as a Fellow Member of the Association of Corporate Treasurers, UK (FCT).

**External appointments:**

- No current external directorships

BRC Board Risk Committee BAC Board Audit Committee NCHRGC Board Nomination, Compensation, HR & Governance Committee

# Al Hilal Bank – Board of Directors



## Kevin Taylor

*Director*

Chair BAC

BRC

Kevin Taylor was appointed as a Board Director of Al Hilal Bank in 2019 and chairs the Board Audit Committee (BAC).

He brings over four decades of international experience in banking and finance, with a career that spans leadership roles in prominent financial institutions across multiple continents, including ADCB, American Life Insurance Co. (ALICO), Citigroup, Westpac Bank and Merrill Lynch.

With a strong background in treasury management and risk oversight, Kevin's expertise encompasses the banking and insurance sectors. He spent 13 years as Group Treasurer and Head of Investments at ADCB, where he was responsible for the Bank's financial markets and proprietary investments activities and personnel, as well as the Bank's balance sheet analytics team. He chaired ADCB's Bank's Asset & Liability Committee and was a member of the Credit Risk and Controls Committee. He also previously served on Gulf Capital's Board of Directors, the ALICO UK Supervisory Board and AIG's Micro Finance Board. Kevin's extensive experience in banking and finance provides deep strategic insight to guide Al Hilal Bank's growth strategy.

Kevin holds a Master's degree in Risk Management from NYU Stern Business School in the United States and a Master's degree in Business Administration from the Macquarie Graduate School of Management in Australia. He also gained a Bachelor's degree in Economics from La Trobe University, in Australia.

**External appointments:**

- No current external directorships



## Mohammed Al Jayyash

*Director*

Chair NCHRGC

BAC

Mohammed Al Jayyash was appointed as a Board Director of Al Hilal Bank in 2019 and chairs the Board Nomination, Compensation, Human Resources and Governance Committee (NCHRGC).

He has been ADCB's Group Chief Operating Officer since 2020, having served in the role on an acting basis since 2019. He previously held a number of senior management positions within ADCB, including Group Chief Service Officer and Branch Operations Manager.

With over two decades of experience in the banking sector, Mohammed is recognised for his dedication to enhancing customer service, as well as driving growth and efficiency through digital innovation and the effective deployment of technology. Bringing extensive knowledge of banking operations, customer journey optimisation and digital channel development, Mohammed has been instrumental in maintaining ADCB's position as a digital banking leader in a highly competitive UAE market.

By ensuring that ADCB's operational initiatives align closely with corporate strategy, business objectives, regulatory requirements and customer expectations, Mohammed continues to be a significant force behind the Bank's operational excellence and innovation, including implementation of the AI transformation programme.

Mohammed holds a Bachelor's degree in Business Administration from Al Ghurair University, UAE, a Post Graduate Certificate in Management from Ashridge Executive Education Hult UK, and a Diploma in Banking from the Emirates Institute for Banking and Financial Studies.

**External appointments:**

- No current external directorships



## Mashael Alamoodi

*Director*

NCHRGC

Mashael Alamoodi was appointed as a Board Director of Al Hilal Bank in 2024.

She has over two decades of experience in human resources and organisational management across various sectors. Mashael began her career at Emirates NBD in 2004 and subsequently gained valuable experience in diverse industries, including defence and energy.

She joined ADCB in March 2014 and has held a number of positions in Human Resources, including her current role as Executive Head of Centralised HR Operations. Throughout her career, Mashael has been instrumental in driving strategic initiatives that enhance organisational effectiveness, demonstrating an ability to align human resource strategies with overall business objectives.

Mashael has consistently prioritised employee well-being and talent development and is recognised for her deep understanding of organisational behaviour and ability to foster an inclusive, high-performance culture. She leverages this broad expertise to promote Al Hilal Bank's strategic objectives.

Mashael gained a Bachelor's degree in Applied Sciences in E-commerce from Dubai Women's College and completed an Advanced Human Resource Executive programme at the Stephen M. Ross School of Business, University of Michigan, USA.

**External appointments:**

- No current external directorships



## Omran Taimour

*Director*

BRC

NCHRGC

Omran Taimour was appointed as a Board Director of Al Hilal Bank in 2024.

He currently serves as the Executive Head of Branch Distribution at ADCB, a position he has held since 2023.

With over 25 years of experience in the banking and finance sector, Omran has held a variety of senior management roles across ADCB's Retail Banking Group. He is responsible for driving key strategic initiatives aimed at enhancing customer experience, optimising branch operations, and implementing effective distribution strategies aligned with the Group's long-term vision.

He brings deep expertise in operational excellence and customer service, playing an instrumental role in supporting the integration and strategic direction of Al Hilal Bank.

Omran holds a Bachelor's degree in Banking and Accounting from Ashbourne University.

**External appointments:**

- No current external directorships



BRC Board Risk Committee BAC Board Audit Committee NCHRGC Board Nomination, Compensation, HR & Governance Committee

# Al Hilal Bank – Board of Directors



## Eng. Abdulla Abdul Aziz AlShamsi

BAC

*Director*

Eng. Abdulla Abdul Aziz AlShamsi was appointed as a Board Director of Al Hilal Bank in 2024.

He serves as ADCB's Group Chief Business Officer, responsible for orchestrating strategic initiatives that are essential and core to successfully delivering the Bank's growth aspirations and strategy.

Prior to joining ADCB, Eng. Abdulla served as the Director General of the Abu Dhabi Investment Office (ADIO), where he led the organisation's efforts to grow and diversify Abu Dhabi's economy through private sector investment.

Before his role at ADIO, Eng. Abdulla spent 16 years at Mubadala Investment Company, where he held several senior positions. As the Director of UAE Investments, he managed investments in 'national champions', fostering industrial and commercial clusters, and partnering with global entities. He also led Mubadala's Healthcare, Real Estate and Infrastructure platforms, heading the establishment of Mubadala Health and Cleveland Clinic Abu Dhabi, as well as the development of Al Maryah Island, home to Abu Dhabi Global Market (ADGM).

Eng. Abdulla's extensive experience in strategic investments and economic development positions him well to drive ADCB's growth initiatives and contribute to the Bank's ongoing success.

Eng. Abdulla holds a Master's degree in Architecture (post-professional) from the University of Pennsylvania and a Bachelor's degree in Architecture from Carnegie Mellon University, both in the United States. He has also undertaken executive education programmes at both Harvard University and Stanford University.

**External appointments:**

- NMC Healthcare, Director (2025)

# Al Hilal Bank – Executive Management



## Jamal Al Awadhi

*Chief Executive Officer*

Jamal Al Awadhi was appointed as Chief Executive Officer of Al Hilal Bank in 2025.

He brings over 20 years of senior leadership experience across diverse sectors, including financial services, media, information technology, and aviation. Prior to joining the Bank, he served in multiple senior roles in businesses across the UAE, including Deputy Chief Executive Officer of Al Hilal Bank, Chief Operating Officer at Wio Bank and Chief Executive Officer at Abu Dhabi Media.

Throughout his career, Jamal has demonstrated strong capabilities in driving strategic growth initiatives and fostering innovation. His varied industry experience brings a unique perspective to the banking sector, particularly in the areas of digital transformation and cross-sector collaboration.

Jamal has a Global Executive MBA (GEMBA) from INSEAD, France. He also has a Master's degree in Electrical Engineering from Tufts University, and a Bachelor's degree in Electrical Engineering from Suffolk University, both in the USA.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Omar Bouhafs

*Head of Finance*

Omar Bouhafs joined Al Hilal Bank in 2024 as Acting Head of Finance and was subsequently confirmed as Head of Finance during the year.

With approximately 20 years of experience in banking and professional services, Omar brings broad perspective and significant expertise to his role at the Bank. Prior to joining Al Hilal Bank, he held senior positions with Boubyan Bank and the Australian Commonwealth Government, having begun his career at KPMG Australia.

Leveraging his experience in financial operations, strategic planning, and regulatory reporting, Omar plays a key role in setting Al Hilal Bank's strategic direction and driving effective implementation.

A Certified Chartered Accountant (CAANZ), Omar holds Bachelor's degrees in Commerce and Information Technology from the University of Canberra, Australia. He also holds a Master's in Business Administration (MBA) from the University of Manchester, UK, and a Graduate Diploma in Chartered Accounting from the Australian Institute of Chartered Accountants.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships

# Al Hilal Bank – Executive Management



## Damon McMenamin

*Chief Compliance Officer*

Damon McMenamin was appointed as Chief Compliance Officer of Al Hilal Bank in 2025.

With a career spanning over 27 years in the finance industry, Damon is a seasoned compliance and risk management leader with deep expertise in regulatory compliance, risk governance, and anti-financial crime strategies. He brings a comprehensive understanding of the regulatory landscape governing Islamic banking in the UAE, coupled with extensive experience across consumer, business, and institutional banking in Asia, the Middle East, Europe, and Australia.

In his role at Al Hilal Bank, Damon is responsible for developing and implementing robust compliance programmes that align with regulatory standards, conducting reviews to ensure best practice in internal policies and procedures, and leveraging technology and analytics to strengthen compliance frameworks. He has a proven track record of delivering digital and data-driven solutions in risk management.

Damon's dedication to ethical banking practices and his proactive approach to risk management contribute to Al Hilal Bank's standing as a trusted financial institution. Under his leadership, the Bank continues to strengthen its compliance framework, adapting to changes in the regulatory environment, while maintaining its commitment to uphold the highest standards in Shari'ah-compliant banking practices.

Damon holds a Bachelor's degree in Mathematics from Northumbria University, UK.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Dr. Mohamed Obadah Adi

*Head of Shari'ah Control*

Dr. Mohamed Obadah Adi has served as the Head of Internal Shari'ah Control at Al Hilal Bank since 2013.

With a career spanning over 25 years in Islamic banking and Shari'ah education, Mohamed brings deep expertise to this role, blending strong theoretical foundations with extensive practical experience.

He oversees the monitoring and supervision of all Bank activities to maintain strict Shari'ah compliance. His responsibilities include providing expert consultation on the design and development of investment and financing products to ensure alignment with Islamic law as well as rigorous performance and ethical standards, while responding to the challenges of a rapidly evolving and competitive banking landscape.

Mohamed's membership of the Shari'ah supervision committees for a number of Islamic banks in the UAE brings valuable perspective to his role in supporting Al Hilal Bank's growth and development.

Mohamed gained a PhD in Islamic Studies from the University of Wales, UK.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- Member of Shari'ah supervision committees for a number of Islamic banks in the UAE



## Aref Al Attar Al Awadhi

*Acting Chief Risk Officer*

Aref Al Attar Al Awadhi has been with the ADCB Group as Senior Head, Credit Review and Risk Appetite since November 2023 and assumed the role of Acting Chief Risk Officer at Al Hilal Bank in August 2025.

With more than 30 years of experience in the financial services industry, Aref is a senior banking professional with expertise spanning credit risk management, corporate and investment banking, transaction banking, and relationship management. He has a proven track record in building, growing, and managing risk for businesses across the UAE and wider region.

In his role at Al Hilal Bank, Aref is responsible for developing and implementing risk appetite frameworks aligned with organisational objectives and regulatory requirements, as well as leading credit reviews and policy revisions to enhance risk management and ensure compliance with UAE Central Bank standards.

Before joining Al Hilal Bank, Aref held senior roles at leading institutions including First Abu Dhabi Bank, Invest Bank, Citigroup, Noor Islamic Bank, and HSBC. Across these roles, he has led government bond issuances, developed public sector financing solutions, redesigned credit policies and frameworks, and built strong governance and compliance structures.

Aref holds an MBA in Aviation Management from Emirates Aviation College and a Higher National Diploma in Business Management and Finance from Dubai University College.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current inter-Group directorships



## Husam Sammur

*Acting Head of Treasury*

Husam Sammur was appointed as Acting Head of Treasury at Al Hilal Bank in 2024.

With a career spanning more than 25 years in treasury and financial markets, Husam brings extensive expertise across global markets, foreign exchange, money markets, capital markets and fixed income, as well as derivatives. His experience also covers balance sheet management, financial performance forecasting, and providing treasury solutions to support a wide range of business units.

At Al Hilal Bank, Husam is responsible for developing and implementing treasury strategies that enhance efficiency, optimise balance sheet deployment, and deliver sustainable, risk-adjusted returns. Prior to joining Al Hilal Bank, he held senior roles with Arab Bank, Ahli Bank and Bank of Jordan.

He holds a Bachelor's degree in Public Administration and Accounting from Yarmouk University, Jordan, and an ACI Dealing Certificate from the Financial Market Association.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships

# Al Hilal Bank – Executive Management



## Aref Al-Ramli

*Chief Digital Officer*

Aref Al-Ramli joined Al Hilal Bank as Chief Digital Officer in 2022.

Bringing over two decades of experience in the finance sector, Aref spearheads the development and execution of Al Hilal Bank's digital banking initiatives. His responsibilities encompass formulating strategic plans, overseeing product roadmaps, and crafting innovative customer experiences.

Aref's expertise lies in deploying new technology to power business growth through effective management of transformation programmes. As a results-orientated leader, his approach to innovation is grounded in a deep understanding of both traditional banking principles and emerging digital technologies, combined with an ability to collaborate seamlessly across functions and business lines.

Aref holds a Bachelor's degree in Business Information Systems from the University of Lincolnshire and Humberside, UK. He also gained a Master's in Business Administration degree from Hult Business School.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Ashok Luharuwalla

*Chief Operating Officer*

Ashok Luharuwalla was appointed as Chief Operating Officer of Al Hilal Bank in June 2025.

With over three decades of local and international experience in banking operations and retail banking across the Middle East, Asia and Africa, Ashok brings extensive knowledge and leadership expertise to his role. He has been with the ADCB Group since 2011, serving in key positions including Advisor to the Group Chief Operating Officer and as Head of Group Operations and General Manager – ITMAM.

Ashok's leadership and contribution to the industry have been consistently recognised, notably through his tenure as Chairman of the Operations Committee of the UAE Banking Federation, a position he held until recently.

He holds a Post Graduate Diploma in Business Management (PGDBM) from XLRI, Jamshedpur, India, and an Executive Leadership certification from INSEAD, Fontainebleau, France.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships





## Esmaeel Alhashmi

*Chief Audit Officer*

Esmaeel Alhashmi was appointed as Chief Audit Officer of Al Hilal Bank in June 2025.

With over 20 years of experience across the banking and energy sectors, Esmaeel is an accomplished audit executive with extensive proficiency in financial analysis, risk management, and internal audit.

In his current role, Esmaeel leads the internal audit function at Al Hilal Bank, driving a risk-based assurance approach to enhance governance, regulatory compliance, and operational resilience. He is responsible for ensuring that internal controls, risk management processes, and governance frameworks are effectively designed and operating as intended.

Before joining Al Hilal Bank, Esmaeel held senior roles at ADCB, First Gulf Bank, and Chase Bank, and also led the internal audit function at ACWA Power, where he strengthened governance frameworks and operational controls across international operations.

Esmaeel holds a Bachelor's degree from the Ohio State University, USA and has obtained multiple professional certifications in risk and internal audit.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships



## Suhail Ahmad

*Acting Head of Human Resources*

Suhail Ahmad was appointed as Acting Head of Human Resources for Al Hilal Bank in September 2025.

With over 16 years of experience in human resources, employee relations, and organisational governance across major UAE institutions, Suhail has built a strong reputation for strengthening HR infrastructure, advancing compliance, and driving people-centric transformation. In his current role, Suhail oversees Al Hilal Bank's HR strategy and operations, ensuring alignment with organisational objectives while fostering a culture of engagement and operational excellence. His responsibilities include leading initiatives that enhance workforce resilience, optimise processes, and support Al Hilal Bank's HR agenda.

Prior to his appointment, Suhail served as Head of Employee Relations for the ADCB Group, where he led large workforce optimisation projects, and implemented grievance governance and disciplinary frameworks. He played a strategic role in introducing automation to improve process efficiency and establishing structured communication platforms that strengthened organisational culture across diverse business units.

Suhail holds a Bachelor's degree in Media and Communications from Middlesex University (Dubai) and a Diploma in Communication Technology from Dubai Men's College.

**Inter-Group directorships:**

- No current inter-Group directorships

**External appointments:**

- No current external directorships

# Al Hilal Bank – Board and Board Committees' agenda

The Board regularly discusses various items that are fundamental to the direction of Al Hilal Bank, including business performance, strategy, risk appetite and management, compliance, digital transformation and human resources.

| | | Topics discussed at 2025 meetings | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Topic** | **Sub-topic** | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** | **Aug** | **Sept** | **Oct** | **Nov** | **Dec** |
| **Technology** | Efficiency, digitisation and innovation update | | ● | | | ● | | ● | | ● | ● | | ● |
| **Detailed business, operational & other reviews** | Group Chief Executive Officer update | | ● | | | ● | | ● | | ● | ● | | ● |
| **Other business updates** | Retail portfolio update | | ● | | | | | | | | ● | | |
| **Financials** | Financial results | ● | | | | ● | | ● | | | ● | | |
| | Budget | | | | | | | | | | | | ● |
| **Risk** | Risk report | ● | ● | ● | | ● | ● | ● | | ● | ● | | ● |
| | Emerging key risks | | ● | ● | | | | ● | | ● | ● | | ● |
| | Risk appetite statement | | | | | ● | ● | | | | | | ● |
| **Governance** | Policies and terms of reference | ● | ● | ● | | | | ● | | | ● | | ● |
| | Board related matters including Board evaluation | ● | | | | | | | | | | | |
| | Executive management KPI scorecards | | ● | | ● | ● | ● | | | | | | |
| | Shari'ah governance update | | ● | | | ● | ● | | | ● | | | |
| **Regulatory and compliance** | CBUAE notices | | ● | | | ● | | ● | | ● | ● | | ● |
| | CBUAE baseline examination report & thematic reviews | | ● | | | ● | | ● | ● | ● | ● | | ● |
| | Compliance update | | ● | | | ● | | | | ● | | | ● |
| **Internal audit and technology** | Internal audit updates and plan for 2026 | | ● | | | ● | | ● | | ● | ● | | ● |
| **HR related matters** | HR & Emiratisation update | ● | | | ● | | ● | | | | | ● | |

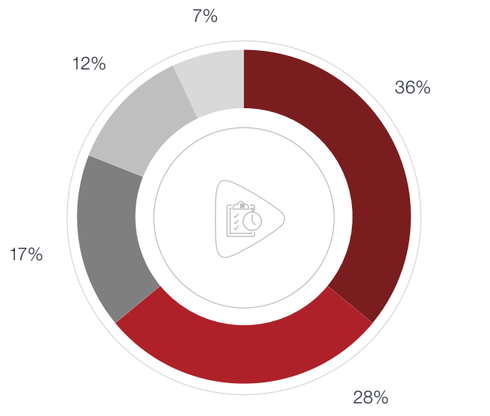


# Al Hilal Bank – Board meetings and time allocation

## 2025 Al Hilal Bank Board of Directors meetings

| Date of Board meeting | Number of Director attendees | Number of Director attendees by proxy | Names of absent Directors (all attended except) | Number of Board resolutions passed |
|---|---|---|---|---|
| 13 February 2025 | 7/7 | – | – | 3 |
| 12 May 2025 | 7/7 | – | – | 4 |
| 17 July 2025 | 5/7 | – | Kevin Taylor<br>Eng. Abdulla Abdul Aziz AlShamsi | 3 |
| 16 September 2025 | 7/7 | – | – | 1 |
| 22 October 2025 | 7/7 | – | – | 3 |
| 9 December 2025 | 7/7 | – | – | 4 |

### Time allocation for 2025 Board meetings




## Board composition and remuneration

The AHB Board collectively brings a diverse range of skills and experience, including retail banking, treasury, risk, finance, sustainability, operations & technology, and customer service. Members of the Board were appointed in May 2019, with the exception of three Board members who were appointed in 2024.

AHB Board of Directors do not receive remuneration for their directorships.

The Board met six times in 2025. The table above shows the Board's attendance.

# AHB – Board Risk Committee (BRC)

**Committee composition** (As at 31 December 2025)

| | | |
|---|---|---|
| **Deepak Khullar** | **Kevin Taylor** | **Omran Taimour** |

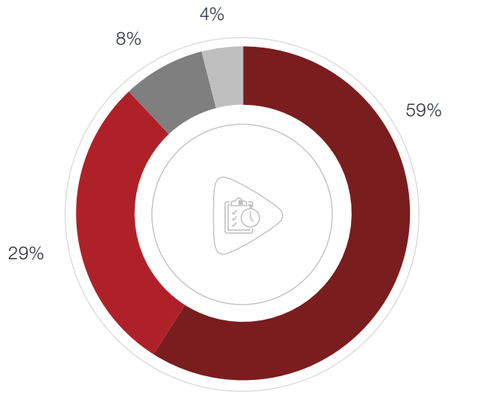
## Committee remit

The primary responsibility of the BRC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- The AHB risk appetite and risk strategy
- The development and implementation of AHB's Risk Governance Framework
- Alignment of AHB's strategic objectives with its risk profile
- The risks associated with AHB's asset portfolios
- Development and implementation of risk management strategies and limits
- Compliance with regulatory requirement relating to risk management
- AHB's public reporting on risk management matters
- The independence and effectiveness of the risk management departments

## 2025 BRC meetings and time allocation

| Date of BRC meeting | Number of attendees | Names of absent members |
|---|---|---|
| 17 Feb 2025 | 2/3 | Kevin Taylor |
| 30 Mar 2025 | 2/3 | Kevin Taylor |
| 2 Jun 2025 | 3/3 | – |
| 9 Oct 2025 | 3/3 | – |






# AHB – Board Audit Committee (BAC)

**Committee composition** (As at 31 December 2025)

| | | |
|---|---|---|
| **Kevin Taylor** | **Mohammed Al Jayyash** | **Eng. Abdulla Abdul Aziz AlShamsi** |

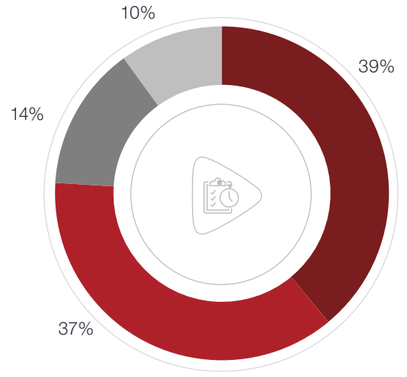
## Committee remit

The primary responsibility of the BAC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- The integrity of AHB's financial statements
- The qualifications, independence, and performance of AHB's external auditor
- The qualifications, independence, and performance of AHB's Internal Audit and Compliance Departments
- The effectiveness and adequacy of the AHB internal control framework in maintaining a well-controlled operating environment for the Bank's business activities
- Compliance with applicable legislative requirements, and with the Group policies
- The qualifications, independence, and performance of AHB's Internal Shari'ah Audit Department

## 2025 BAC meetings and time allocation

| Date of BAC meeting | Number of attendees[1] | Names of absent members |
|---|---|---|
| 12 Feb 2025 | 2/2 | – |
| 7 May 2025 | 3/3 | – |
| 15 Jul 2025 | 2/3 | Eng. Abdulla Abdul Aziz AlShamsi |
| 18 Aug 2025 | 3/3 | |
| 11 Sept 2025 | 3/3 | |
| 20 Oct 2025 | 3/3 | – |
| 8 Dec 2025 | 3/3 | – |




(1) Committee recomposition was completed in February 2025, during which the number of Committee members was revised from two to three

# AHB – Board Nomination, Compensation, HR & Governance Committee (NCHRGC)

**Committee composition** (As at 31 December 2025)

| | | |
|---|---|---|
| **Mohammed Al Jayyash** | **Omran Taimour** | **Mashael Alamoodi** |

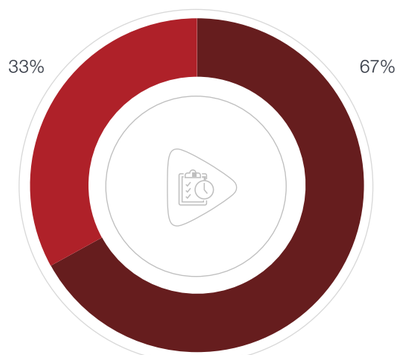
## Committee remit

The primary responsibility of the NCHRGC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- The appropriate composition of the AHB Board
- The nomination of appropriate Directors to the AHB Board and its committees
- Assessment of the performance of the Board, committees, each Director and Executive Management
- Development of succession plans for the AHB Board and Executive Management
- Remuneration policies for the AHB Board and Executive Management
- Evaluation of the AHB Board's performance as well as the adoption and monitoring of related action plans
- AHB's public reporting on corporate governance and remuneration matters
- AHB's human resources strategy, including Emiratisation
- Development of the AHB Corporate Governance Framework
- AHB's compliance with regulatory requirements relating to corporate governance
- AHB's corporate culture and values, including its governance culture

## 2025 NCHRGC meetings and time allocation

| Date of NCHRGC meeting | Number of attendees | Names of absent members |
|---|---|---|
| 30 Jan 2025 | 2/3 | Omran Taimour |
| 26 Feb 2025 | 3/3 | – |
| 28 Apr 2025 | 3/3 | – |
| 17 Jun 2025 | 3/3 | – |
| 15 Aug 2025 | 3/3 | – |
| 12 Nov 2025 | 3/3 | – |




- Human resources (including senior management KPI scorecard, and talent acquisition updates)
- Governance, policies and other reports



# Annual Report of the Internal Shari'ah Supervision Committee of Al Hilal Bank

Issued on Thursday, 3rd Sha'ban 1447 AH, corresponding to 22 January 2026

To: Shareholders of Al Hilal Bank ('the Bank')

After greetings,

Pursuant to the requirements stipulated in the relevant laws, regulations and standards ('Regulatory Requirements'), the Internal Shari'ah Supervision Committee of the Bank ('ISSC') presents to you its Annual Report for the financial year ending on 31 December 2025 ('Financial Year').

## 1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to:

Undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Bank; and the Bank'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 ('Bank's Activities') and issue Shari'ah resolutions in this regard, and to determine Shari'ah parameters necessary for the Bank's Activities, and the Bank'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 Bank with Islamic Shari'ah.

The senior management is responsible for compliance of the Bank 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) regarding the Bank'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 HSA and 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 Bank's Activities without exception.

## 3. Works undertaken by the ISSC during the Financial Year

The ISSC undertook Shari'ah supervision of the Bank's Activities through review of those Activities, and monitoring through Internal Shari'ah Control Division and Internal Shari'ah Audit Division 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 five meetings during the financial year

b. Providing fatwas, opinions and resolutions on matters presented to the ISSC in relation to the Bank's Activities

c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Bank and its subsidiaries to the ISSC for approval

d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders with parameters set by the ISSC

e. Supervision through internal Shari'ah supervision department and internal Shari'ah Audit of the Bank's Activities including executed transactions, adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard

f. Providing direction to relevant parties of the Bank and its subsidiaries to rectify (where possible) findings cited in the reports submitted by internal Shari'ah Supervision Department and 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 remedial rectification and preventive measures related to identified errors to prevent their reoccurrence in the future

h. Specifying the amount of Zakat due on each of the Bank's share

i. Specifying the amount of Zakat due on the depositor's reserves

j. Monitoring charity account sources and payments

k. Communicating with the Board and its subcommittees, and the senior management of the Bank concerning the Bank 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 Bank 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 Bank. 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 Bank

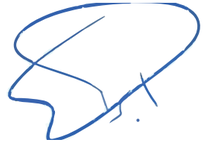
Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah, the ISSC has concluded with a reasonable level of confidence, that the Bank's Activities are in compliance with Islamic Shari'ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also issued directions to take appropriate measure 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.

**Signatures of members of the Internal Shari'ah Supervision Committee**



**Professor Dr. Jassim Al Shamsi**
*Chairman of the Committee*



**Dr. Ibrahim Almansoori**
*Deputy Chairman of the Committee*



**Dr. Salim Al-Ali**
*Member*





# Group Company Secretary and Board Secretariat

ADCB's Board Secretariat acts as the main interface between ADCB's Board of Directors and the Executive Management. Additionally, the Board Secretariat acts as the Group's custodian of corporate governance, including the Group's Corporate Governance Framework and governance-related regulatory compliance.

The Board Secretariat also provides administrative support for Board activities and works closely with the Board and the Executive Management to facilitate the timely flow of information, clear communication and transparency.

ADCB's Board, as part of the independence requirements set by applicable corporate governance regulations, appointed Bashar Khairy as Group Company Secretary in January 2025. Bashar Khairy joined ADCB Group in 2008 as a Senior Legal Counsel, later serving as Assistant General Counsel and has contributed to the Group's progress and development over almost two decades. He is a graduate of the Faculty of Law at Jordan University and a member of the Jordanian Bar Association.

**Bashar Khairy**
Group Company Secretary
+971 2 812 6818
ADCBBoardsecretariat@adcb.com

# FINANCIALS

296 Financial Statements

09

## TABLE OF CONTENTS


INDEPENDENT AUDITOR'S REPORT 297
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 303
CONSOLIDATED INCOME STATEMENT 304
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 305
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 306
CONSOLIDATED STATEMENT OF CASH FLOWS 307
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
1. General information 308
2. Application of new and revised IFRS as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) 308
2.1 Standards and Interpretations in issue and effective 308
2.2 Standards and Interpretations in issue but not yet effective 308
3. Summary of material accounting policies 309
3.1 Basis of preparation 309
3.2 Basis of measurement 309
3.3 Functional and presentation currency 309
3.4 Use of estimates and judgements 309
3.5 Basis of consolidation 309
3.6 Business combination under common control 311
3.7 Hedge accounting 312
3.8 Financial instruments 314
3.9 Foreign currencies 319
3.10 Offsetting 320
3.11 Sale and repurchase agreements 320
3.12 Securities borrowing and lending 320
3.13 Cash and cash equivalents 320
3.14 Amortised cost measurement 320
3.15 Fair value measurement 321
3.16 Derivatives 321
3.17 Leases 321
3.18 Treasury shares and contracts on own shares 322
3.19 Financial guarantees 322
3.20 Acceptances 322
3.21 Collateral repossessed 322
3.22 Investment properties 322
3.23 Property and equipment 323
3.24 Capital work in progress 323
3.25 Borrowing costs 323
3.26 Intangible assets 323
3.27 Impairment of non-financial assets 324
3.28 Employee benefits 324
3.29 Segment reporting 325
3.30 Fiduciary assets 325
3.31 Provisions and contingent liabilities 325
3.32 Revenue and expense recognition 326
3.33 Islamic financing 326
3.34 Taxation 327
4. Critical accounting judgements and key sources of estimation uncertainty 328
4.1 Critical judgements in applying the changes in Group's accounting policies 328
4.2 Key sources of assumptions and estimation uncertainties 330
5. Subsidiaries 331
6. Cash and balances with central banks, net 332
7. Deposits and balances due from banks, net 332
8. Financial assets at fair value through profit or loss 333
9. Derivative financial instruments 333
10. Investment securities, net 336
11. Loans and advances to customers, net 338
12. Investment in associates and joint venture 338
13. Investment properties 339
14. Other assets, net 339
15. Property and equipment, net 340
16. Intangible assets, net 341
17. Due to banks 343
18. Deposits from customers 343
19. Euro commercial paper 343
20. Borrowings 344
21. Other liabilities 347
22. Share capital 348
23. Other reserves 349
24. Islamic financing 351
25. Employees' incentive plan shares, net 352
26. Capital notes 353
27. Interest income 354
28. Interest expense 354
29. Net fees and commission income 354
30. Net trading income 354
31. Other operating income 354
32. Operating expenses 354
33. Impairment charge 354
34. Taxation 355
35. Earnings per share 356
36. Cash and cash equivalents 357
37. Related party transactions 357
38. Commitments and contingent liabilities 360
39. Operating segments 360
40. Financial instruments 363
41. Fair value hierarchy 364
42. Risk management 367
43. Credit risk management 369
43.1 Maximum exposure to credit risk 374
43.2 Gross exposure 375
43.3 Expected credit losses 380
43.4 Concentration of credit risk 384
43.5 Credit risk measurement and mitigation policies 386
44. Interest rate risk framework, measurement, and monitoring 284
45. Liquidity risk framework, measurement, and monitoring 391
46. Market risk framework, measurement, and management 395
47. Operational risk management 398
48. Trust activities 400
49. Capital adequacy ratio and capital management 401
50. Social contributions 404
51. Legal proceedings 404




Deloitte.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ABU DHABI COMMERCIAL BANK PJSC

# REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Opinion

We have audited the consolidated financial statements of Abu Dhabi Commercial Bank PJSC (the "Bank") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

## Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority (ADAA) Chairman 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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) applicable to audit of consolidated financial statements of public interest entities, together with the other ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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.

**Expected credit loss ("ECL") allowance on loans and advances to customers**

As described in Notes 11 and 43 to the consolidated financial statements, the Group had loans and advances of AED 405.9 billion as at 31 December 2025, representing 52.4% of total assets. The determination of the Group's expected credit losses for loans and advances to customers measured at amortised cost is considered a key audit matter as it is a quantitatively significant estimate which requires significant management judgement to be applied in the evaluation of the credit quality and the estimation of inherent credit losses in the portfolio and consequently requires significant audit effort.

The material portion of the non-retail portfolio of loans and advances to customers is assessed individually for credit impairment. This requires management to capture all qualitative and quantitative reasonable and supportable forward-looking information while assessing credit-impaired criteria for the exposure. Management judgement may also be involved in manual staging movements in accordance with the requirements of IFRS Accounting Standards.

The measurement of ECL amounts for retail and non-retail exposures classified as Stage 1 and Stage 2 is model-based with limited manual intervention. It is important that these models, which contain Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and macroeconomic adjustments, are valid throughout the reporting period. The Group performed independent validation and monitoring of the PD, LGD and macro-economic models, during the reporting period.

For further information on the accounting policies relating to impairment of loans and advances, as well as the Group's management of credit risk, refer to Note 3.8 and Note 43 to the consolidated financial statements, respectively.

**How our audit addressed the key audit matter**

We performed the following audit procedures on the computation and reasonableness/ appropriateness of the ECL allowance included in the Group's consolidated financial statements for the year ended 31 December 2025:

We obtained an understanding of the loans and advances origination process, credit risk management process and the estimation process of determining ECL allowances on loans and advances to customers. We assessed these controls to determine if they had been appropriately designed and implemented, and tested these controls to determine if they had been operating effectively.

We assessed, on a sample basis, that reported exceptions to policies and procedures as outlined in the Board risk appetite statement were approved by the Board Risk Committee and the approval process was formally documented.

For a sample of new / renewed corporate credit facilities, we checked that reported exceptions to limits, as set out in the Board approved delegation of authority matrix, were approved by the Board Risk Credit Committee or its approved delegate and the approval process was formally documented.

We performed an independent credit assessment for a sample of non-retail customers, by assessing quantitative and qualitative factors, including assessments of the financial performance of the customers, the source of their repayments and their history and other relevant risk factors.

For a sample of individually assessed stage 3 customers, we assessed:

- the estimated future discounted cash flows used in the measurement of ECL, including the discount rates used and the probable scenario analysis; and
- the valuation and enforceability of collateral, including the underlying key assumptions.

For loans assessed collectively, we evaluated controls over the modelling process, including model inputs, monitoring, validation and approval. With the involvement of our credit risk and modelling specialists, we assessed the methodology and assumptions used in the calculation of various components of ECL modelling, including the computation of PD, LGD and EAD for the models selected for testing. For a sample of customers, we tested the mathematical accuracy and reperformed the computation of the ECL based on relevant source data. We evaluated key assumptions such as the criteria used to determine significant increase in credit risk ("SICR"), definition of default, staging criteria and forward-looking macroeconomic information and the related weighting of these items.

On a sample basis, we assessed the application the staging criteria, including the basis for movement between stages.

With the support of our credit risk and modelling specialists, we evaluated the post model adjustments and management overlays and challenged their rationale. For a sample of exposures, we evaluated the staging overrides during the process of determining their ECL.





We considered the process of the independent validations of the models and their impact on the results of the impairment estimate.

With the support of our IT specialist, we tested the IT application used in the credit impairment process and verified the integrity of data used as input to the models, including the transfer of data between source systems and the impairment models.

We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

**Risk of inappropriate access or changes to information technology systems**

The Bank is dependent on its complex information technology environment for the reliability and continuity of its operations and financial reporting process due to the extensive volume and variety of transactions which are processed daily across the Bank's businesses; this includes cyber risks.

Inappropriate granting of or ineffective monitoring of access rights to IT systems, therefore, presents a risk to the accuracy of financial accounting and reporting. Appropriate IT controls are required to protect the Bank's IT infrastructure, data and applications, ensure transactions are processed correctly and limit the potential for fraud and error as a result of changes to an application or underlying data.

Unauthorised or extensive access rights cause a risk of intended or unintended manipulation of data that could have a material effect on the completeness and accuracy of consolidated financial statements. Therefore, we considered this area as a key audit matter.

For further information on this key audit matter refer to Note 47.

**How our audit addressed the key audit matter**

Our audit approach depends to a large extent on the effectiveness of automated and IT-dependent manual controls, and therefore we updated our understanding of the Bank's IT-related controls environment and identified IT applications, databases and operating systems that are relevant for the financial reporting process and to our audit.

For relevant IT-dependent controls within the financial reporting process, we identified, with the involvement of our internal IT specialists, supporting general IT controls and evaluated their design, implementation and operating effectiveness. We updated our understanding of applications relevant for financial reporting and tested key controls particularly in the area of access protection, integrity of system interfaces and linkage of such controls to the reliability, completeness and accuracy of financial reporting, including computer-generated reports used in financial reporting. Our audit procedures covered, but were not limited to, the following areas relevant to financial reporting:

- IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data centre and network operations;
- Controls regarding initial access granted to IT systems for new employees or employees changing roles, whether that access was subject to appropriate screening and it was approved by authorised persons;
- Controls regarding removal of employee or former employee access rights within an appropriate period of time after having changed roles or leaving the Bank;
- Controls regarding the appropriateness of system access rights for privileged or administrative authorisations (superuser) are subject to a restrictive authorisation assignment procedure and regular review thereof;
- Password protection, security settings regarding modification of applications, databases and operating systems, the segregation of departments and IT users and segregation of employees responsible for program development and those responsible for system operations; and
- Program developers' approval rights in the modification process and their capability to carry out any modifications in the productive versions of applications, databases and operating systems. We analysed the segregation of duties on critical trading and payment systems in order to assess whether the segregation between front and back office was effective.

## Other Information

The Board of Directors and management are responsible for the other information. The other information comprises the annual report of the Group, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

When we read the annual report of the Group, if we conclude that there is a material misstatement therein, we will be required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended and UAE Federal Decree Law No (6) of 2025 and for such internal control as management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or 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.

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:



Deloitte.
INDEPENDENT AUDITORS' REPORT

- 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 management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

## INDEPENDENT AUDITORS' REPORT

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

i) We have obtained all the information 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 Chairman's Statement (as included in Earnings Press Release and Management Discussion and Analysis) is consistent with the books of account and records of the Group;

v) Note 10 to the consolidated financial statements of the Group discloses purchases or investments in shares during the financial year ended 31 December 2025;

vi) Note 37 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which these were conducted and principles of managing conflict of interest;

vii) Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended or of its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2025; and

viii) Note 50 to the consolidated financial statements of the Group discloses social contributions made during the financial year ended 31 December 2025

Further, as required by the ADAA Chairman 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 its consolidated financial statements as at 31 December 2025:

i) Articles of Association of the Bank; and

ii) Relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

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.

Deloitte & Touche (M.E.)

Signed by



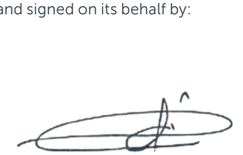
Mohammad Khamees Al Tah
Registration No. 717
29 January 2026
Abu Dhabi
United Arab Emirates



## ABU DHABI COMMERCIAL BANK PJSC
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
**AS AT DECEMBER 31, 2025**

| | Notes | As at December 31 2025 AED million | As at December 31 2024 AED million | As at December 31 2025 USD million | As at December 31 2024 USD million |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances with central banks, net | 6 | **63,019** | 46,223 | **17,157** | 12,585 |
| Deposits and balances due from banks, net | 7 | **56,594** | 50,214 | **15,408** | 13,671 |
| Financial assets at fair value through profit or loss | 8 | **21,686** | 12,870 | **5,904** | 3,504 |
| Derivative financial instruments | 9 | **15,160** | 18,973 | **4,127** | 5,166 |
| Investment securities, net | 10 | **166,137** | 142,989 | **45,232** | 38,930 |
| Loans and advances to customers, net | 11 | **405,967** | 350,638 | **110,527** | 95,464 |
| Investment in associates and joint venture | 12 | **306** | 329 | **83** | 89 |
| Investment properties | 13 | **1,193** | 1,716 | **325** | 467 |
| Other assets, net | 14 | **34,970** | 20,004 | **9,521** | 5,445 |
| Property and equipment, net | 15 | **689** | 1,047 | **188** | 285 |
| Intangible assets, net | 16 | **7,658** | 7,672 | **2,085** | 2,089 |
| Right of use assets, net | | **275** | 139 | **75** | 38 |
| **Total assets** | | **773,654** | 652,814 | **210,632** | 177,733 |
| **Liabilities** | | | | | |
| Due to banks | 17 | **19,086** | 11,277 | **5,196** | 3,070 |
| Derivative financial instruments | 9 | **28,264** | 23,891 | **7,695** | 6,505 |
| Deposits from customers | 18 | **499,775** | 421,060 | **136,067** | 114,637 |
| Euro commercial paper | 19 | **8,720** | 6,153 | **2,374** | 1,675 |
| Borrowings | 20 | **89,794** | 88,687 | **24,447** | 24,146 |
| Other liabilities | 21 | **39,274** | 26,179 | **10,693** | 7,127 |
| **Total liabilities** | | **684,913** | 577,247 | **186,472** | 157,160 |
| **Equity** | | | | | |
| Share capital | 22 | **7,912** | 7,320 | **2,154** | 1,993 |
| Share premium | | **17,879** | 17,879 | **4,868** | 4,868 |
| Other reserves | 23 | **18,287** | 11,082 | **4,979** | 3,017 |
| Retained earnings | | **35,904** | 30,526 | **9,775** | 8,311 |
| Capital notes | 26 | **8,755** | 8,755 | **2,383** | 2,383 |
| **Equity attributable to equity holders of the Bank** | | **88,737** | 75,562 | **24,159** | 20,572 |
| Non-controlling interests | | **4** | 5 | **1** | 1 |
| **Total equity** | | **88,741** | 75,567 | **24,160** | 20,573 |
| **Total liabilities and equity** | | **773,654** | 652,814 | **210,632** | 177,733 |

These consolidated financial statements were duly approved by the Board of Directors and authorised for issue on January 29, 2026, and signed on its behalf by:



**Khaldoon Khalifa Al Mubarak**
*Chairman*



**Ala'a Eraiqat**
*Group Chief Executive Officer*



**Deepak Khullar**
*Group Chief Financial Officer*

The accompanying notes 1 to 51 form an integral part of these consolidated financial statements.

## ABU DHABI COMMERCIAL BANK PJSC
# CONSOLIDATED INCOME STATEMENT
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | Notes | 2025 AED million | 2024 AED million | 2025 USD million | 2024 USD million |
|---|---|---|---|---|---|
| Interest income | 27 | **31,210** | 30,217 | **8,497** | 8,227 |
| Interest expense | 28 | **(19,119)** | (19,188) | **(5,205)** | (5,224) |
| **Net interest income** | | **12,091** | 11,029 | **3,292** | 3,003 |
| Income from Islamic financing and investing products | 24 | **3,913** | 3,516 | **1,065** | 957 |
| Distribution on Islamic deposits and profit paid to sukuk holders | 24 | **(1,316)** | (1,320) | **(358)** | (359) |
| **Net income from Islamic financing and investing products** | | **2,597** | 2,196 | **707** | 598 |
| **Total net interest income and income from Islamic financing and investing products** | | **14,688** | 13,225 | **3,999** | 3,601 |
| Net fees and commission income | 29 | **3,607** | 3,101 | **982** | 844 |
| Net trading income | 30 | **2,716** | 2,064 | **739** | 561 |
| Net gains from investment properties | 13 | **51** | 27 | **14** | 7 |
| Other operating income | 31 | **1,121** | 1,062 | **305** | 289 |
| **Operating income** | | **22,183** | 19,479 | **6,039** | 5,302 |
| Operating expenses | 32 | **(6,246)** | (6,031) | **(1,701)** | (1,642) |
| **Operating profit before impairment charge** | | **15,937** | 13,448 | **4,338** | 3,660 |
| Impairment charge | 33 | **(3,103)** | (2,874) | **(845)** | (782) |
| **Profit after impairment charge** | | **12,834** | 10,574 | **3,493** | 2,878 |
| Share in profit of associates | 12 | **9** | 11 | **3** | 3 |
| **Profit before taxation** | | **12,843** | 10,585 | **3,496** | 2,881 |
| Income tax charge | 34 | **(1,398)** | (1,166) | **(380)** | (317) |
| **Profit for the year** | | **11,445** | 9,419 | **3,116** | 2,564 |
| **Attributable to:** | | | | | |
| Equity holders of the Bank | | **11,446** | 9,421 | **3,116** | 2,565 |
| Non-controlling interests | | **(1)** | (2) | **-** | (1) |
| **Profit for the year** | | **11,445** | 9,419 | **3,116** | 2,564 |
| **Basic earnings per share (AED/USD)** | 35 | **1.45** | 1.17 | **0.39** | 0.32 |
| **Diluted earnings per share (AED/USD)** | 35 | **1.44** | 1.17 | **0.39** | 0.32 |

The accompanying notes 1 to 51 form an integral part of these consolidated financial statements.



## ABU DHABI COMMERCIAL BANK PJSC
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | 2025 AED million | 2024 AED million | 2025 USD million | 2024 USD million |
|---|---|---|---|---|
| **Profit for the year** | **11,445** | 9,419 | **3,116** | 2,564 |
| **Other comprehensive income** | | | | |
| **Items that may be re-classified subsequently to the consolidated income statement** | | | | |
| Net movement in foreign currency translation reserve (Note 23) | **83** | (486) | **23** | (132) |
| Net movement in cash flow hedge reserve (Note 23) | **(64)** | (48) | **(17)** | (13) |
| Net movement in revaluation reserve of debt instruments designated at FVTOCI (net of tax) (Note 23) | **718** | 319 | **195** | 86 |
| | **737** | (215) | **201** | (59) |
| **Items that will not be re-classified subsequently to the consolidated income statement** | | | | |
| Net movement in revaluation reserve of equity instruments designated at FVTOCI (net of tax) (Note 23) | **88** | 19 | **24** | 5 |
| Actuarial loss on defined benefit obligation (Note 21) | **(21)** | (41) | **(6)** | (11) |
| | **67** | (22) | **18** | (6) |
| **Other comprehensive income/(loss) for the year** | **804** | (237) | **219** | (65) |
| **Total comprehensive income for the year** | **12,249** | 9,182 | **3,335** | 2,499 |
| **Attributable to:** | | | | |
| Equity holders of the Bank | **12,250** | 9,184 | **3,335** | 2,500 |
| Non-controlling interests | **(1)** | (2) | **-** | (1) |
| **Total comprehensive income for the year** | **12,249** | 9,182 | **3,335** | 2,499 |

The accompanying notes 1 to 51 form an integral part of these consolidated financial statements.

## ABU DHABI COMMERCIAL BANK PJSC
# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | Share capital AED million | Share premium AED million | Other reserves AED million | Retained earnings AED million | Capital notes AED million | Equity attributable to equity holders of the Bank AED million | Non-controlling interests AED million | Total equity AED million |
|---|---|---|---|---|---|---|---|---|
| **As at January 1, 2025** | **7,320** | **17,879** | **11,082** | **30,526** | **8,755** | **75,562** | **5** | **75,567** |
| Profit/(loss) for the year | **-** | **-** | **-** | **11,446** | **-** | **11,446** | **(1)** | **11,445** |
| Other comprehensive income/(loss) for the year | **-** | **-** | **825** | **(21)** | **-** | **804** | **-** | **804** |
| Other movements (Note 23) | **-** | **-** | **872** | **(1,032)** | **-** | **(160)** | **-** | **(160)** |
| Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI (net of tax) | **-** | **-** | **-** | **(47)** | **-** | **(47)** | **-** | **(47)** |
| Issuance of ordinary shares pertaining to rights issue, net of issuance cost (Note 22) | **592** | **-** | **5,508** | **(7)** | **-** | **6,093** | **-** | **6,093** |
| Capital notes coupon paid (Note 35) | **-** | **-** | **-** | **(642)** | **-** | **(642)** | **-** | **(642)** |
| Dividends paid to equity holders of the Bank (Note 22) | **-** | **-** | **-** | **(4,319)** | **-** | **(4,319)** | **-** | **(4,319)** |
| **As at December 31, 2025** | **7,912** | **17,879** | **18,287** | **35,904** | **8,755** | **88,737** | **4** | **88,741** |
| **As at January 1, 2024** | 7,320 | 17,879 | 10,592 | 26,701 | 8,755 | 71,247 | 7 | 71,254 |
| Profit/(loss) for the year | - | - | - | 9,421 | - | 9,421 | (2) | 9,419 |
| Other comprehensive loss for the year | - | - | (196) | (41) | - | (237) | - | (237) |
| Other movements (Note 23) | - | - | (95) | - | - | (95) | - | (95) |
| Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI (net of tax) | - | - | - | 11 | - | 11 | - | 11 |
| Amounts transferred within equity upon creation of impairment reserve – general (Note 23) | - | - | 781 | (781) | - | - | - | - |
| Capital notes coupon paid (Note 35) | - | - | - | (686) | - | (686) | - | (686) |
| Dividends paid to equity holders of the Bank (Note 22) | - | - | - | (4,099) | - | (4,099) | - | (4,099) |
| **As at December 31, 2024** | 7,320 | 17,879 | 11,082 | 30,526 | 8,755 | 75,562 | 5 | 75,567 |

For the year ended December 31, 2025, the Board of Directors has proposed to pay cash dividend representing 63% of the paid-up capital (Note 22).

The accompanying notes 1 to 51 form an integral part of these consolidated financial statements.



## ABU DHABI COMMERCIAL BANK PJSC
# CONSOLIDATED STATEMENT OF CASH FLOWS
**FOR THE YEAR ENDED DECEMBER 31, 2025**

| | 2025 AED million | 2024 AED million | 2025 USD million | 2024 USD million |
|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | |
| Profit before taxation | **12,843** | 10,585 | **3,496** | 2,881 |
| **Adjustments for:** | | | | |
| Depreciation on property and equipment and right of use assets (Note 32) | **211** | 199 | **57** | 54 |
| Amortisation of intangible assets (Note 16) | **237** | 215 | **65** | 58 |
| Net gain from investment properties (Note 13) | **(51)** | (27) | **(14)** | (7) |
| Gross impairment charge | **3,686** | 3,367 | **1,004** | 917 |
| Share in profit of associates (Note 12) | **(9)** | (11) | **(3)** | (3) |
| Discount unwind | **(131)** | (189) | **(36)** | (51) |
| Net loss from disposal of investment securities (Note 31) | **186** | 318 | **51** | 87 |
| Discount amortisation on investment securities | **(584)** | (798) | **(159)** | (217) |
| Dividend income (Note 31) | **(28)** | (34) | **(8)** | (9) |
| Gain on sale of property and equipment | **(100)** | (8) | **(27)** | (2) |
| Amortisation and interest capitalised on borrowings and ECPs | **1,775** | 1,593 | **483** | 434 |
| Net gain from financial assets at fair value through profit or loss | **(1,294)** | (960) | **(352)** | (261) |
| Ineffective portion of hedges – (gains)/losses (Note 9) | **(6)** | 31 | **(2)** | 8 |
| Employees' incentive plan expense (Note 25) | **110** | 71 | **30** | 19 |
| **Cash flows from operating activities before changes in operating assets and liabilities** | **16,845** | 14,352 | **4,585** | 3,908 |
| Net movement in balances with central banks and due from banks | **(8,677)** | (4,146) | **(2,362)** | (1,129) |
| Net movement in derivative financial instruments | **(765)** | 198 | **(208)** | 54 |
| Net movement in financial assets at fair value through profit or loss | **(7,241)** | (1,794) | **(1,971)** | (488) |
| Net movement in loans and advances to customers | **(57,899)** | (53,872) | **(15,763)** | (14,667) |
| Net movement in other assets | **(1,969)** | (1,478) | **(536)** | (402) |
| Net movement in due to banks | **7,808** | 2,504 | **2,126** | 682 |
| Net movement in deposits from customers | **78,102** | 62,275 | **21,264** | 16,955 |
| Net movement in other liabilities | **(335)** | 1,915 | **(91)** | 521 |
| **Net cash from operations** | **25,869** | 19,954 | **7,044** | 5,434 |
| Income tax paid | **(1,175)** | (134) | **(320)** | (36) |
| **Net cash from operating activities** | **24,694** | 19,820 | **6,724** | 5,398 |
| **INVESTING ACTIVITIES** | | | | |
| Proceeds from redemption/disposal of investment securities | **50,088** | **36,151** | **13,637** | 9,842 |
| Net purchases of investment securities | **(64,747)** | (52,729) | **(17,628)** | (14,356) |
| Dividend received from investment securities (Note 31) | **28** | 34 | **8** | 9 |
| Dividend received from associates (Note 12) | **18** | - | **5** | - |
| Net proceeds from disposal in investment in associates and joint venture (Note 12) | **14** | - | **4** | - |
| Net proceeds from disposal of investment properties (Note 13) | **662** | 49 | **180** | 13 |
| Net movement of property and equipment, computer software, and right of use assets | **124** | (369) | **34** | (100) |
| **Net cash used in investing activities** | **(13,813)** | (16,864) | **(3,760)** | (4,592) |
| **FINANCING ACTIVITIES** | | | | |
| Net movement in euro commercial paper (Note 19) | **2,179** | (1,933) | **593** | (526) |
| Net proceeds from borrowings (Note 20) | **91,200** | 113,498 | **24,830** | 30,901 |
| Repayment of borrowings (Note 20) | **(91,037)** | (99,079) | **(24,785)** | (26,975) |
| Payment of lease liabilities | **(98)** | (63) | **(27)** | (17) |
| Dividends paid to equity holders of the Bank | **(4,319)** | (4,099) | **(1,176)** | (1,116) |
| Net proceeds from rights issuance | **6,093** | - | **1,659** | - |
| Capital notes coupon paid (Note 35) | **(642)** | (686) | **(175)** | (187) |
| **Net cash from financing activities** | **3,376** | 7,638 | **919** | 2,080 |
| **Effect of exchange rate changes on cash and cash equivalents** | **199** | (1,321) | **54** | (361) |
| **Net increase in cash and cash equivalents** | **14,456** | 9,273 | **3,937** | 2,525 |
| Cash and cash equivalents at the beginning of the year (Note 36) | **61,110** | 51,837 | **16,638** | 14,113 |
| **Cash and cash equivalents at end of the year (Note 36)** | **75,566** | 61,110 | **20,575** | 16,638 |

The accompanying notes 1 to 51 form an integral part of these consolidated financial statements.

## 1. General information

Abu Dhabi Commercial Bank PJSC ("ADCB" or the "Bank") is a public joint stock company with limited liability incorporated in the emirate of Abu Dhabi, United Arab Emirates (UAE). The Bank and its subsidiaries (together referred to as the "Group") is principally engaged in the business of retail, commercial and Islamic banking, and provision of other financial services.

The Group's Islamic banking activities are conducted in accordance with principles of Islamic Shari'ah as interpreted by Internal Shari'ah Supervision Committee ("ISSC") as well as the standards and resolutions issued by the higher Shari'ah authority of UAE Central Bank.

The Bank is listed on the Abu Dhabi Securities Exchange (Ticker: ADCB).

The registered head office of ADCB is at Abu Dhabi Commercial Bank PJSC Head Office Building, Sheikh Zayed Bin Sultan Street, Plot C- 33, Sector E-11, P. O. Box 939, Abu Dhabi, UAE.

## 2. Application of new and revised IFRS as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards)

### 2.1 Standards and Interpretations in issue and effective

During the year, the Group has applied the amendments to IAS 21. The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for the Group's future transactions or arrangements.

Other than the above, there are no other significant IFRS Accounting Standards, amendments or interpretations that were effective for the first time for the financial year beginning on or after January 1, 2025.

### 2.2 Standards and Interpretations in issue but not yet effective

| New standards and significant amendments to standards applicable to the Group: | Effective for annual periods beginning on or after |
|---|---|
| Amendments to IFRS 9 and IFRS 7 - The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. | January 1, 2026 |
| Annual improvements to IFRS Accounting Standards. | January 1, 2026 |
| IFRS 19 'Subsidiaries without Public Accountability' specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. | January 1, 2027 |
| Presentation and disclosures in financial statements (IFRS 18) - The new standard contains requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. | January 1, 2027 |
| Amendments to IFRS 19 'Subsidiaries without Public Accountability'- The amendments address reduced disclosures on supplier finance, excluding non-disclosure guidance, and replacing management-defined performance measure disclosures with a cross-reference to IFRS 18 for entities using those measures. | January 1, 2027 |
| Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28). | Effective date deferred indefinitely, available for early adoption. |

The Group has not early adopted any new and revised IFRS Accounting Standards that have been issued but are not yet effective. Management anticipates that these amendments will be adopted in the consolidated financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management.





## 3. Summary of material accounting policies

### 3.1 Basis of preparation

The consolidated financial statements have been prepared on a going concern basis and in accordance with

IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and requirements of the applicable laws. IFRS Accounting Standards comprise accounting standards issued by the IASB as well as Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Certain disclosure notes/numbers have been reclassified and rearranged from the Group's prior year consolidated financial statements to conform to the current year's presentation.

### 3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment properties.

### 3.3 Functional and presentation currency

The consolidated financial statements are prepared and presented in United Arab Emirates Dirhams (AED), which is the Bank's functional and presentation currency. Except as indicated, financial information presented in AED has been rounded to the nearest million.

The United States Dollar (USD) amounts in the primary financial statements are presented for the convenience of the reader only by converting the AED balances at the pegged exchange rate of 1 USD = 3.673 AED.

### 3.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities recognised in the consolidated financial statements are described in Note 4.

### 3.5 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Bank and its subsidiaries (collectively referred to as the "Group").

**Subsidiaries**

Subsidiaries are entities that are controlled by the Bank. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Bank has less than a majority of voting rights of an investee, it still has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Bank;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank 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.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and other comprehensive income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to owners of the Bank and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Bank and non-controlling interests even if this results in non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to align their accounting policies with the Bank's accounting policies.

All intragroup balances and income, expenses and cash flows resulting from intragroup transactions are eliminated in full on consolidation.

### Changes in the Bank's ownership interests in existing subsidiaries

Changes in the Bank's ownership interests in subsidiaries that do not result in the Bank losing control over the subsidiaries are accounted for as equity transactions. The carrying amount of the Bank's interests is adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Bank. When the Bank loses control of a subsidiary, a gain or loss is recognised in the consolidated income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Bank had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to income statement or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary, at the date when control is lost, is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

### Special Purpose Entities

Special purpose entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of a specific borrowing or lending transaction. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Bank, the Bank has power over the SPE, is exposed to or has rights to variable returns from its involvement with the SPE and its ability to use its power over the SPE at inception and subsequently to affect the amount of its return, the Bank concludes that it controls the SPE.

The assessment of whether the Bank has control over an SPE is carried out at inception and normally no further reassessment of control is carried out in the absence of changes in the structure or terms of the SPE, or additional transactions between the Bank and the SPE except whenever there is a change in the substance of the relationship between the Bank and an SPE.

### Funds under management

The Bank manages and administers assets held in unit trusts on behalf of investors. The financial statements of these entities are not included in the consolidated financial statements except when the Bank controls the entity, as referred to above.

### Investment in associates

Associates are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of investment in associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 – Impairment of Assets, as a single asset by comparing with the recoverable amount (higher of value in use and fair value less cost of disposal). Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

The Group discontinues the use of equity method of accounting from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date equity method was discontinued and the fair value of the retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of associate.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation of that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

### Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities, and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method, as for associates.

### Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

## 3.6 Business combination under common control

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Currently, there is no specific guidance on accounting for common control transactions under IFRS Accounting Standards, therefore the management needs to use judgement to develop an accounting policy that provides relevant and reliable information in accordance with IAS 8.

The Group accounts for business combinations under common control using the acquisition method when there is a commercial substance to the transaction. Under the acquisition method, the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for

control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. .

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date but does not exceed twelve months.

### Impairment testing of goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## 3.7 Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash





flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship by way of rebalancing the hedge on a case-by-case basis, so that it meets the qualifying criteria again.

### Fair value hedges

The fair value change on qualifying hedging instruments is recognised in consolidated income statement except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income (FVTOCI) in which case it is recognised in other comprehensive income. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in consolidated income statement. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in consolidated income statement instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in consolidated income statement, they are recognised in the same line as the hedged item. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable).

This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk at the date of discontinuation is amortised to consolidated income statement as part of the recalculated effective interest rate over the period to maturity or derecognition. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the consolidated income statement.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under cash flow hedge reserve. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to consolidated income statement in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to consolidated income statement.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in consolidated income statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in consolidated income statement.

### Net investment hedge

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. A gain or loss on the effective portion of the hedging instrument is recognised in other comprehensive income and presented in translation reserve within equity. The gain

or loss relating to the ineffective portion is recognised immediately in the consolidated income statement. Gains and losses accumulated in equity are reclassified from other comprehensive income and included in the consolidated income statement on the disposal or partial disposal of the foreign operation or other reduction in the Group's investment in the operations.

### Hedge effectiveness testing

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method the Group adopts for assessing hedge effectiveness depends on its risk management strategy.

The Group assesses economic relationship and effectiveness on its designated hedges by matching critical terms of hedged item and hedging instrument as part of its qualitative assessment.

The critical terms matching method replicates the hedge item and hence is not used for those hedge relationships where the hedging derivative includes features that are not present in the hedged item. In such cases, the hedge effectiveness assessment is performed using other quantitative methods and may result in ineffectiveness.

Some of the sources of ineffectiveness include the following:

- mismatches between the contractual terms of the hedged item and hedging instrument, including basis differences;
- significant changes in credit risk of the hedging instruments;
- the effects of the forthcoming reforms of Interest rate benchmark because these might take effect at a different time and have a different impact on hedged items and hedging instruments.

The ineffectiveness arising from quantitative assessments is recognised in the consolidated income statement.

### Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognised immediately in the consolidated income statement in "net gains from financial assets at fair value through profit or loss and derivatives" under net trading income.

## 3.8 Financial instruments

### Financial assets

All financial assets are recognised and derecognised on settlement date basis (other than derivative contracts which are recognised and derecognised on trade date basis) where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Settlement date is the date that the Group physically receives or transfers the assets. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

(i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

(ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);

(iii) all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale), and equity investments are subsequently measured at FVTPL. However, the Group may make the following irrevocable election/designation at the date of initial application of IFRS 9 or at the date of initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI) with dividend income recognised in profit or loss; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).





The Group holds equity investments and mutual funds as strategic investments and has elected to carry these investments at FVTOCI with changes in fair value through other comprehensive income.

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

### (a) Debt instruments at amortised cost or at FVTOCI

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely SPPI. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments, which reflects how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models during each reporting period to determine whether the business models have changed since the preceding period.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

### (b) Financial assets at FVTPL

Financial assets at FVTPL are:

(i) assets with contractual cash flows that are not SPPI; or/and

(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or

(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

### (c) Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are discussed under the accounting policy on modification and derecognition of financial assets.

### (d) Impairment

The Group recognises allowances for expected credit losses (ECLs) on the following financial instruments that are not measured at FVTPL:

- balances with central banks;
- deposits and balances due from banks;
- reverse-repo placements;
- debt investment securities;
- loans and advances to customers;
- Other assets – accrued interest and acceptances;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments. With the exception of purchased or originated credit impaired financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. More details on the determination of a significant increase in credit risk are provided in note 3.8(h).

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR. However, for unfunded exposures, ECL is measured as follows:

- for undrawn loan commitments, the ECL is the difference between the present value of the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor, or any other party.

Refer note 43 for more details on measurement of ECL.

### (e) Credit-impaired 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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- a breach of contract such as a default or past due event;
- for economic or contractual reasons relating to the borrower's financial difficulty, concessions given to the borrower that would not otherwise be considered; or
- the disappearance of an active market for a security because of financial difficulties.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession, the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a backstop if amounts are overdue for 90 days or more.

### (f) Purchased or originated credit-impaired financial assets (POCI)

Financial assets that are credit-impaired on initial recognition are classified as purchased or originated credit impaired financial assets (POCI). The Group measures expected credit loss on a lifetime basis for POCI instruments throughout the expected life of the instrument. However, expected credit loss is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Group recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the income statement and the cumulative changes as a loss provision. Where lifetime expected credit losses on POCI instruments are less than those at initial recognition, then the favourable differences are recognised as impairment gains in the income statement (and impairment loss where the expected credit losses are greater).

### (g) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.



ABU DHABI COMMERCIAL BANK PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The Group considers the following as constituting an event of default:

- the borrower is past due for more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. The decision to use cross-default is based on case-by-case assessment of borrower and facility conditions such as collateral and materiality of exposure.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset; for example, in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty, are key inputs in this analysis. The Group uses a variety of sources of information to assess default, which are either developed internally or obtained from external sources.

### (h) Significant increase in credit risk (SICR)

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk (SICR), the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the expected remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. For corporate lending, forward-looking information includes the future prospects of the industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information.

For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. Refer note 43 for more details about forward-looking information and criteria used to determine significant increase in credit risk.

The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both deterioration in internal/external ratings as well as qualitative assessment. For further details on SICR, refer to note 43.

Regardless of the analysis above, a significant increase in credit risk is presumed if a customer is more than 30 days past due in making a contractual payment.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Group considers credit scores and events such as unemployment, bankruptcy, or death. As a backstop when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

### (i) Modification and derecognition of financial assets

#### Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms.The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine the substantially different terms the Group considers the qualitative factors (i.e. contractual cash flows after modification, change in currency or counterparty, interest rates, maturity, covenants) and a quantitative assessment (i.e. compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, discounted at the original effective interest).

In case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing the credit rating at initial recognition and the original contractual terms; with credit rating at the reporting date based on the modified terms.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in other comprehensive income (OCI) and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but is transferred to retained earnings.

### (j) Presentation of allowance for ECL

Loss allowances for ECL are presented in the consolidated financial statements as follows:

- for financial assets measured at amortised cost (loans and advances, balances due from central banks and other banks, reverse-repo placements, investment securities carried at amortised cost and other financial assets): as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: as part of revaluation reserve of investments designated at FVTOCI and recognised in other comprehensive income; and
- for loan commitments and financial guarantee contracts: as a provision.

### Financial liabilities

All financial liabilities are classified as amortised cost except for liabilities carried at FVTPL. The classification of financial liabilities at initial recognition depends on the purpose and management's intention for which the financial liabilities were incurred and their characteristics.

Financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at FVTPL) are deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognised immediately in profit or loss. If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the liability).

Financial liabilities are subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Gains and losses on financial liabilities, other than derivative instruments, designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in fair value of the financial liability that is attributable to the changes in credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains or losses attributable to changes in the credit risk of the liability are also presented in the profit or loss.

### Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled, or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing liabilities, are accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

In addition, other qualitative factors such as, currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any cost or fees incurred is recognised as part of the gain or loss on extinguishment. If an exchange or modification is not accounted for as an extinguishment, any cost or fees incurred adjust the carrying amount of the liability and are amortised using EIR method over the remaining term of the modified liability.

## 3.9 Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements of the Group are presented in AED, which is the Bank's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the statement of financial position date. Any resulting exchange differences are included in the consolidated income statement. Non-monetary assets and liabilities are translated at historical exchange rates or year-end exchange rates if held at fair value, as appropriate. The resulting foreign exchange gains or losses are recognised in either consolidated income statement or consolidated other comprehensive income statement depending upon the nature of the asset or liability.

In the consolidated financial statements, the results and financial positions of branches and subsidiaries whose functional currency is not AED, are translated into the Group's presentation currency as follows:

- assets and liabilities at the rate of exchange prevailing at the statement of financial position date;
- income and expenses at the average rates of exchange for the reporting period; and
- all resulting exchange differences arising from the retranslation of opening assets and liabilities and arising from retranslation of the result for the reporting period from the average rate to the exchange rate prevailing at the period end are recognised in other

comprehensive income and accumulated in equity under 'foreign currency translation reserve' (Note 23).

On disposal or partial disposal (i.e. of associates or jointly controlled entities not involving a change of accounting basis) of a foreign operation, exchange differencesrelating thereto and previously recognised in reserves are recognised in the consolidated income statement on a proportionate basis, except in the case of partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, where the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated income statement.

## 3.10 Offsetting

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle either 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 by the IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

The Group is party to a number of arrangements, including master netting agreements that give it the right to offset financial assets and financial liabilities but, where it does not intend to settle the amounts net or simultaneously, the assets and liabilities concerned are presented on a gross basis.

## 3.11 Sale and repurchase agreements

Securities sold subject to a commitment to repurchase them at a predetermined price at a specified future date (repos) are continued to be recognised in the consolidated statement of financial position, and a liability is recorded in respect of the consideration received under borrowings that are carried at amortised cost or under financial liabilities carried at fair value through profit or loss, that are held for trading. The difference between sale and repurchase price is treated as interest expense using the effective interest rate yield method over the life of the agreement for repos carried at amortised cost. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position. Amounts placed under these agreements are included in reverse-repo placements under 'Deposits and balances due from banks, net' in the consolidated statement of financial position that are carried at amortised cost or under financial assets carried at fair value through profit or loss that are held for trading. The difference between purchase and resale price is treated as interest income using the effective yield method over the life of the agreement for reverse repos carried at amortised cost.

Reverse-repo placements carried at fair value through profit or loss are generally matched by repo agreements as these are held for trading purposes with the net change in fair values of these instruments are recorded within net trading income in the consolidated income statement.

## 3.12 Securities borrowing and lending

Securities borrowing and lending transactions are usually secured by cash or securities advanced by the borrower. Borrowed securities are not recognised in the statement of financial position nor are lent securities derecognised. Cash collateral received or given is treated as a financial asset or liability. However, where securities borrowed are transferred to third parties, a liability for the obligation to return the securities to the stock lending counterparty is recorded. The securities borrowing and lending activity arrangements are generally entered into through repos and reverse repos.

## 3.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with central banks, deposits and balances due from banks, items in the course of collection from or in transmission to other banks and highly liquid assets with original maturities of less than three months from the date of acquisition, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost net of impairment allowance in the statement of financial position.

## 3.14 Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

## 3.15 Fair value measurement

The Group measures its financial assets and liabilities at market price that it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in its absence in the most advantageous market for the assets or liabilities. The Group considers principal market as the market with the greatest volume and level of activity for financial assets and liabilities.

The Group measures its non-financial assets at a price that take into account a market participant's ability to generate economic benefits by using the assets for their highest and best use.

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, or in its absence, the most advantageous market to which the Group has access at that date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of a liability reflects its non-performance risk.

When applicable, the Group measures the fair value of an 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. When there is no quoted price in an active market, the Group uses 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 take into account into 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 a liability nor based on valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, the difference is recognised in 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 an asset or a liability measured at fair value has a bid 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 on the basis of the net exposure to either the market or credit risk, are measured on the basis of 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. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

Different levels of fair value hierarchy based on the inputs to valuation techniques are discussed in note 41. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

## 3.16 Derivatives

A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in the price of one or more underlying financial instrument, reference rate or index.

Derivative financial instruments are initially measured at fair value at trade date and are subsequently re-measured 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, 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.

The method of recognising fair value gains and losses depends on whether derivatives are held for trading or are designated as hedging instruments, and if the latter, the nature of the risks being hedged. All gains and losses from changes in the fair value of derivatives held for trading are recognised in the consolidated income statement under "net gains from financial assets at fair value through profit or loss and derivatives" (Note 30).

## 3.17 Leases

### The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangement in which it is the lessee, except for short-term (defined as leases with a lease term of 12 months or less) and leases of low value asset. For these leases, the Group recognises the lease

payments as an operating lease on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. This expense is presented within other expenses in the consolidated income statement.The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the period of lease term or useful life of the underlying asset whichever is shorter. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per the Group's impairment policy for non-financial assets

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease component, and instead account for any lease and associated non-lease component as a single arrangement.

The Group has presented right of use asset within 'Property and equipment' and lease liabilities within 'Other liabilities' in the consolidated statement of financial position.

### The Group as lessor

Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Rental incomes are recognised in the consolidated income statement on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

## 3.18 Treasury shares and contracts on own shares

Own equity instruments of the Group which are acquired by the Group or any of its subsidiaries (treasury shares) are deducted from other reserves and accounted for at weighted average cost. Consideration paid or received on the purchase, sale, issue, or cancellation of the Group's own equity instruments is recognised directly in equity.

No gain or loss is recognised in the consolidated income statement on the purchase, sale, issue, or cancellation of own equity instruments.

Contracts on own shares that require physical settlement of a fixed number of own shares for a fixed consideration are classified as equity and added to or deducted from equity. Contracts on own shares that require net cash settlement or provide a choice of settlement are classified as trading instruments and changes in the fair value are reported in the consolidated income statement.

## 3.19 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to meet its obligation when due in accordance with the contractual terms.

Financial guarantee contracts are initially recognised at their fair value, which is likely to equal the premium received on issuance. The received premium is amortised over the life of the financial guarantee. The guarantee liability (the notional amount) is subsequently recognised at the higher of this amortised amount and the present value of any expected payments (when a payment under guarantee has become probable). The premium received on these financial guarantees is included within other liabilities.

## 3.20 Acceptances

Acceptances arise when the Bank is under an obligation to make payments against documents drawn under letters of credit. Acceptances specify the amount of money, the date, and the person to which the payment is due. After acceptance, the instrument becomes an unconditional liability (time draft) of the Bank and is therefore recognised as a financial liability in the consolidated statement of financial position with a corresponding contractual right of reimbursement from the customer recognised as a financial asset.

## 3.21 Collateral repossessed

The Bank acquires collaterals in settlement of certain loans and advances. These collaterals are recognised at fair value on the date of acquisition. Subsequent fair value adjustments on these acquired collaterals are included in the consolidated income statement in the period in which these gains or losses arise.

## 3.22 Investment properties

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative





purposes. Investment property is reflected at valuation based on fair value at the statement of financial position date. Refer note 3.15 for fair valuation policy.

The fair value is determined on a periodic basis by independent professional valuers. Fair value adjustments on investment property are included in the consolidated income statement in the period in which these gains or losses arise.

Investment properties under development that are being constructed or developed for future use as investment property are measured initially at cost including all direct costs attributable to the design and construction of the property including related staff costs. Subsequent to initial recognition, investment properties under development are measured at fair value. Gains and losses arising from changes in the fair value of investment property under development is included in the consolidated income statement in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property and investment property under development are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

## 3.23 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is charged to the consolidated income statement so as to write off the depreciable amount of property and equipment over their estimated useful lives using the straight-line method. The depreciable amount is the cost of an asset less its residual value. Land is not depreciated.

| Estimated useful lives are as follows: | |
|---|---|
| Freehold properties | 15 to 40 years |
| Freehold and leasehold improvements | 7 to 10 years |
| Furniture, equipment, and vehicles | 3 to 5 years |
| Computer equipment, and accessories | 4 to 10 years |

Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset at that date and is recognised in the consolidated income statement.

## 3.24 Capital work in progress

Capital work in progress is stated at cost. When the asset is ready for use, capital work in progress is transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policies.

## 3.25 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

## 3.26 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately or in a business combination (other than goodwill) are measured on initial recognition at fair value and subsequently at cost less accumulated amortisation and impairment loss.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed 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 accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates and accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement..

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to

be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

| Estimated useful lives are as follows: | |
|---|---|
| Trademark and license | Indefinite life |
| Egypt banking license | Indefinite life |
| Core deposits | 4.5 to 7 years |
| Customer relationships | 3 to 6 years |
| Computer software | 4 to 10 years |

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated income statement when the asset is derecognised.

## 3.27 Impairment of non-financial assets

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 3.28 Employee benefits

**(i) Employees' end of service benefits**

**(a) Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the 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 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.

Past-service costs are recognised immediately in income statement, unless the changes to the gratuity plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), as well as the effects of changes in actuarial assumptions.

The Group provides end of service benefits for its expatriate 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.

**(b) Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity 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 income statement in the periods during which services are rendered by employees.





Pension contributions are made by the Group to the Abu Dhabi Retirement Pensions and Benefits Fund for UAE citizens in accordance with UAE Federal Law No. 7 of 1999 and to respective pension authorities for other employees including GCC (Gulf Cooperation Council) Nationals as per applicable laws.

**(ii) Termination benefits**

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**(iii) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(iv) Employees' incentive plan shares**

The cost of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated income statement over the remaining vesting period, with a corresponding adjustment to the employees' incentive plan reserve.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share–based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding incentive plan shares is reflected in the computation of diluted earnings per share (Note 35).

## 3.29 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Refer note 39 on business segment reporting.

## 3.30 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 fiduciary capacity, unless recognition criteria are met, are not reported in the financial statements, as they are not assets of the Group.

## 3.31 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation 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 of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset only if it is virtually certain that reimbursement will be received, and the amount can be measured reliably.

Contingent liabilities, which include certain guarantees and letters of credit, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more

uncertain future events not wholly within the Group's control; or are present obligations that have arisen frompast events but are not recognised because it is not probable that settlement will require outflow of economic benefits, or because the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless they are remote.

## 3.32 Revenue and expense recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

**(i) Interest income and expense**

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated at fair value through profit or loss (FVPTL) are recognised in 'net interest income' as 'interest income' and 'interest expense' in the profit or loss account using the effective interest method. Interest on financial instruments classified as held for trading or those measured or designated at FVTPL is recognised in 'net gains from financial assets at fair value through profit or loss' under 'net trading income.'

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

**(ii) Dividend income**

Dividend income is recognised on the ex-dividend date when the Group's right to receive the payment is established. This includes accrued coupons on perpetual bonds classified as FVOCI, which are treated as dividend income, while related fair value movements are recorded in other comprehensive income.

**(iii) Fee and commission income**

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

**(a) Fee income earned from services that are provided over a certain period of time**

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

**(b) Fee income from providing transaction services**

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

## 3.33 Islamic financing

The Group engages in Shari'ah compliant Islamic banking activities through various Islamic instruments such as below Islamic products:

### Murabaha financing

A sale contract whereby the Group sells to a customer commodities and other assets at an agreed upon profit mark up on cost. The Group purchases the assets based on a promise received from customer to buy the item purchased according to specific terms and conditions. Profit from Murabaha is quantifiable at the commencement of the transaction. Such income is recognised as it accrues over the period of the contract on effective profit rate method on the balance outstanding.

### Ijara financing

An agreement whereby the Group (lessor) leases or constructs an asset based on the customer's (lessee) request and promise to lease the assets for a specific period against certain rent instalments. Ijara could end in transferring the ownership of the asset to the lessee at the end of the lease period. Also, the Group transfers substantially all the risks and rewards related to the ownership of the leased asset to the lessee. Ijara income is recognised on an effective profit rate basis over the lease term.

### Musharaka

An Islamic contract in which two parties (Islamic financial institution and its customer) pool their respective funds to form a partnership. In Musharaka both parties are involved in management of the business/partnership. Profit is shared on the basis of pre-agreed ratio and loss is shared in the ratio of capital contribution. It is not mandatory in Musharaka for all parties to participate in the management of business. Practically, this form of investment is used by the Islamic financial institution to finance its customers.

### Salam

A sale contract where the customer (seller) undertakes to deliver/supply a specified tangible asset to the Group (buyer) at mutually agreed future date(s) in exchange for an advance price fully paid on the spot by the buyer.

Revenue on Salam financing is recognised on the effective profit rate basis over the period of the contract, based on the Salam capital outstanding.

### Sukuk

Certificates of equal value representing undivided shares in ownership of tangible assets, usufructs, and services or (in the ownership of) the assets of particular projects or special investment activity. It is asset-backed trust certificates evidencing ownership of an asset or its usufruct (earnings or benefits) and complies with the principle of Shari'ah.

### Wakala

An agreement between the Group and customer whereby one party (Rab Al Mal) provides a certain sum of money to an agent (Wakil), who invests it according to specific conditions in return for a certain fee (a lump sum of money or a percentage of the amount invested). The agent is obliged to guarantee the invested amount in case of default, negligence, or violation of any of the terms and conditions of the Wakala. The Group may be Wakil or Rab Al Mal depending on the nature of the transaction. Estimated income from Wakala is recognised on the effective profit rate basis over the period, adjusted by actual income when received. Losses are accounted for when incurred.

### Mudaraba

A contract between the Group and a customer, whereby one party provides the funds (Rab Al Mal), and the other party (the Mudarib) invests the funds in a project, or a particular activity and any 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 default, negligence or violation of any of the terms and conditions of the Mudaraba, otherwise, losses are borne by the Rab Al Mal. Income is recognised based on expected results adjusted for actual results on distribution by the Mudarib, whereas if the Group is the Rab Al Mal the losses are charged to the Group's consolidated income statement when incurred.

### Profit distribution mechanism

Islamic deposits are invested and managed in accordance with Shari'ah requirements through Mudaraba pool and profit is distributed in accordance with the Shari'ah approved profit distribution policy. To secure competitive return to the depositors, below profit smoothing techniques are used by the Group

- Profit equalisation reserve (PER) represents the amounts appropriated out of the profits of Islamic banking division, before allocating the Mudarib share, in order to maintain a certain level of return on investments for all investment account holders and other investors in the common Mudaraba pool. This reserve is recognised under Equity.
- Investment risk reserve (IRR) represents a portion of the depositors' share of profits of Islamic banking division set aside as a reserve. This reserve is utilised to pay to Mudaraba depositors to maintain certain level of return on their deposits with Group in case of circumstances impacting the return adversely, upon the approval of the Group's Internal Shari'ah Supervision Committee ("ISSC"). This reserve is reported alongwith Mudaraba deposits from customers..

## 3.34 Taxation

Income tax expense comprises current and deferred tax.

Current tax expense (or benefit) is the tax payable (or receivable) on the current year's taxable income calculated using tax rates (and laws) enacted or substantively enacted by the end of the reporting period in each jurisdiction, adjusted for changes in deferred tax assets and liabilities. Current tax expense is recognised in the income statement except when the tax relates to items directly recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity respectively. Tax provisions are recognised for uncertain tax positions when it is probable that there will be a future outflow of funds to a tax authority, measured at the best estimate of the amount expected to become payable.

Deferred tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liabilities are recognised for all taxable temporary differences, except for goodwill and temporary differences arising from the initial recognition of assets and liabilities in transactions that do not affect taxable or accounting profit.

Deferred tax assets are only recognised for temporary differences to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax relating to items recognised in other comprehensive income or equity are recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

## 4. Critical accounting judgements and key sources of estimation uncertainty

The reported results of the Group are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of these consolidated financial statements. IFRS Accounting Standards requires the Management, in preparing the Group's consolidated financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. In the absence of an applicable standard or interpretation, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, requires Management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements. The judgements and assumptions involved in the Group's accounting policies that are considered by the Board of Directors (the "Board") to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Group would affect its reported results.

### 4.1 Critical judgements in applying the changes in Group's accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

**Business model assessment**

Classification and measurement of financial assets depends 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 assets were 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.

**Impairment losses**

- Significant increase of credit risk: ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2, stage 3 and POCI assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.
- Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics (e.g. instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflect the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.
- Models and assumptions used: The Group uses various models and assumptions in measuring ECL of financial assets. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. Refer note 43 for more details on ECL.

**Valuation of financial instruments**

The best evidence of fair value is a quoted price for the instrument being measured in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data and so the reliability of the fair value measurement is high. However, certain financial instruments are valued on the basis of valuation techniques that include one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs.

Valuation techniques used to calculate fair values are discussed in note 41. Below are the judgements which management considers, while applying the model with valuation techniques:

- the likelihood and expected timing of future cash flows on the instrument. These cash flows are estimated based on the terms of the instrument, and judgement may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. Future cash flows may be sensitive to changes in market rates;
- selecting an appropriate discount rate for the instrument. The determination of this rate is based on an assessment of what a market participant would regard as the appropriate spread of the rate for the instrument over the appropriate risk-free rate; and
- when applying a model with unobservable inputs, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. For these instruments, the fair value measurement is less reliable. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions. However, in most cases there is some market data available on which to base a determination of fair value, for example historical data, and the fair values of most financial instruments are based on some market observable inputs even when unobservable inputs are significant.

**Fair valuation of investment properties**

The fair value of investment properties is based on the highest and best use of the properties, which is their current use. The fair valuation of the investment properties is carried out by independent valuers based on models whose inputs are observable in an active market such as market conditions, market prices, future rental income, etc.

The fair value movements on investment properties are disclosed in more detail in note 13.

**Consolidation of Funds**

The changes introduced by IFRS 10 'Consolidated Financial Statements' require an investor to consolidate an investee when it controls the investee. The investor controls an investee when it is exposed, 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. The definition of control requires the Group to exercise significant judgement on an ongoing basis to determine which entities are controlled, and therefore are required to be consolidated.

**Tax positions**

The income tax positions taken are considered by the Group to be supportable and are intended to withstand challenge from tax authorities. However, it is acknowledged that these positions are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities. Evolving insights, for example following final tax assessments for prior years, can result in additional tax burdens or benefits, and new tax risks may arise.

The Group judges these positions on their technical merits on a regular basis using all the information available (legislation, case law, regulations, established practice, authoritative doctrine as well as the current state of discussions with tax authorities, where appropriate). A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities, based on all relevant information. The liability is calculated taking into account the most likely outcome or the expected value, depending on which is thought to give a better prediction of the resolution of each uncertain tax position in view of reflecting the likelihood of an adjustment being recognised upon examination. These estimates are based on facts and circumstances existing at the end of the reporting period. The tax liability and income tax expense include expected penalties and late payment interests arising from tax disputes.

Management has used its best estimate of the correct value of liability to recognise in each case, which includes a judgement on the length of the future time period to use in such assessments.

## 4.2 Key sources of assumptions and estimation uncertainties

The following are key estimations that the management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Group's consolidated financial statements:

**Expected credit losses**

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect one another.
- Exposure at default (EAD) - The EAD over lifetime of a financial asset is modelled taking into account expected repayment profile. We apply specific credit conversion factors (CCFs) in order to calculate an EAD value. Conceptually, the EAD is defined as expected amount of credit exposure of counter party at the time of default. In the instance where a transaction involves an unfunded exposure, CCF models are applied in order to estimate amount of unfunded exposures that are drawn down in case of default. The calibration of such parameters (CCFs) is based on internal historical data and consider counterparty and product type specifics.
- Probability of default (PD) constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.
- Loss given default (LGD) is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

**Impairment of goodwill and intangible assets**

Goodwill is tested at least annually for impairment, along with the intangible assets and other assets of the Group's cash-generating units.

Determining whether goodwill or intangible assets are impaired requires an estimation of the value in use of the business being tested for impairment and of the cash-generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit, taking into account the achievability of long-term business plans and macroeconomic assumptions underlying the valuation process, and a suitable discount rate in order to calculate present value.





## 5. Subsidiaries

The following is the list of subsidiaries of the Bank as at December 31, 2025:

| Name of subsidiary | Ownership interest | Incorporation | | Principal activities |
|---|---|---|---|---|
| | | Year | Country | |
| ADCB Securities LLC | 100% | 2005 | UAE | Agent in trading of financial instruments and stocks. |
| Kinetic Infrastructure Development LLC | 100% | 2006 | UAE | Financial investments. |
| Abu Dhabi Commercial Property Development LLC [1] | 100% | 2006 | UAE | Property development. |
| Abu Dhabi Commercial Engineering Services LLC | 100% | 2007 | UAE | Engineering services. |
| ADCB Finance (Cayman) Limited | 100% | 2008 | Cayman Islands | Treasury financing activities. |
| ADCB Markets (Cayman) Limited | 100% | 2008 | Cayman Islands | Treasury related activities. |
| ITMAM Services FZ LLC | 100% | 2010 | UAE | Transaction processing and back-office support for the Group. |
| ITMAM Services LLC | 100% | 2013 | UAE | Transaction processing and back-office support for the Group. |
| ADCB Asset Management Limited | 100% | 2018 | UAE | Wealth management and private banking. |
| Al Wifaq Investment Properties PrJSC | 90.08% | 2006 | UAE | Investment in real estate properties and earning rental income. |
| Abu Dhabi Commercial Bank – Egypt SAE (formerly known as Union National bank – Egypt SAE) | 99.91% | 1981 | Egypt | Commercial banking services. |
| Al Hilal Bank PJSC | 100% | 2007 | UAE | Islamic banking activities. |
| ADCB Islamic Bank JSC (formerly known as Al Hilal Islamic Bank JSC) | 100% | 2010 | Kazakhstan | Islamic banking activities. |
| Al Hilal Leasing LLP[2] | 100% | 2011 | Kazakhstan | Shari'ah compliant leasing operations. |
| Al Hur 1 Holding Limited | 100% | 2022 | UAE | Real estate investment activities. |
| Al Hur 2 Holding Limited | 100% | 2022 | UAE | Real estate investment activities. |
| Meedaf Investment Limited (formerly known as Meedaf Investment – Sole Proprietorship LLC) | 100% | 2023 | UAE | Enterprise and service support. |
| ITMAM For Outsourcing Services LLC | 100% | 2025 | Egypt | Back office support for the Group. |
| Touchpoints Data Services - LLC - S.P.C | 100% | 2025 | UAE | Data classification & analysis services, marketing consultancy and studies. |
| Abu Dhabi Commercial Engineering Services LLC – Dubai | 100% | 2025 | UAE | Engineering services. |
| ADCB LTIP SPV Limited | Controlling Interest | 2025 | UAE | Trust activities. |

(1) dormant
(2) under liquidation

The Group does not have any subsidiary with material non-controlling interests.

For the list of associates and joint venture of the Group, refer note 12.

## 6. Cash and balances with central banks, net

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Cash on hand | **2,298** | 2,339 |
| Balances with central banks | **22,185** | 11,307 |
| Reserves maintained with central banks | **35,153** | 27,310 |
| Certificate of deposits with central banks | **3,384** | 5,268 |
| **Gross cash and balances with central banks** | **63,020** | 46,224 |
| Less: Allowance for impairment (Note 43.3) | **(1)** | (1) |
| **Total cash and balances with central banks, net** | **63,019** | 46,223 |
| The geographical concentration is as follows: | | |
| Within the UAE | **59,735** | 43,988 |
| Outside the UAE | **3,285** | 2,236 |
| | **63,020** | 46,224 |
| Less: Allowance for impairment (Note 43.3) | **(1)** | (1) |
| | **63,019** | 46,223 |

Reserves maintained with central banks represent deposits with central banks at stipulated percentages of its demand, savings, time, and other deposits. As per Central Bank of UAE (CBUAE) regulations, subject to meeting reserve requirements over 14 days' period, the Bank is allowed to draw their balances held in reserve account maintained with CBUAE. These reserves are available for day-to-day operations.

## 7. Deposits and balances due from banks, net

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Nostro balances | **7,260** | 5,715 |
| Margin deposits | **7,798** | 3,914 |
| Time deposits | **4,685** | 9,314 |
| Wakala placements | **2,704** | 367 |
| Reverse repurchase agreements(*) | **5,783** | 225 |
| Loans and advances to banks | **28,470** | 30,785 |
| **Gross deposits and balances due from banks** | **56,700** | 50,320 |
| Less: Allowance for impairment (Note 43.3) | **(106)** | (106) |
| **Total deposits and balances due from banks, net** | **56,594** | 50,214 |
| The geographical concentration is as follows: | | |
| Within the UAE | **5,058** | 3,840 |
| Outside the UAE | **51,642** | 46,480 |
| | **56,700** | 50,320 |
| Less: Allowance for impairment (Note 43.3) | **(106)** | (106) |
| | **56,594** | 50,214 |

(*) includes Islamic collateralised murabaha amounting to AED 150 million (December 31, 2024 – AED 225 million)

As at December 31, 2025, the Group received bonds with fair value of AED 7,267 million (December 31, 2024 – AED 310 million) under reverse repurchase agreements.

The Group hedges certain fixed and floating rate loans and advances to banks amounting to AED 421 million (December 31, 2024 – AED 387 million) for interest rate risk using either interest rate or cross currency swaps and designates these swaps as fair value and cash flow hedges, respectively. The net negative fair value of these swaps as at December 31, 2025 was AED 42 million (December 31, 2024 – net positive fair value of AED 5 million).





## .8. Financial assets at fair value through profit or loss

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Debt securities(*) | **11,575** | 2,894 |
| Equities and funds | **30** | 83 |
| Structured funding arrangements | **10,081** | 9,893 |
| **Total financial assets at fair value through profit or loss** | **21,686** | 12,870 |
| The geographical concentration is as follows: | | |
| Within the UAE | **6,072** | 1,419 |
| Outside the UAE | **15,614** | 11,451 |
| | **21,686** | 12,870 |

(*) includes perpetual debt securities amounting to AED 277 million (December 31, 2024 – AED nil) and Islamic investing assets amounting to AED 677 million (December 31, 2024 – AED 480 million).

The Group entered into structured funding arrangements where funding was provided against certain reference assets received under the arrangement and held by the Group. The risk and rewards relating to these reference assets remain with the counterparty. As at December 31, 2025, the fair value of these reference assets amounted to AED 14,597 million (December 31, 2024 – AED 14,346 million), of this AED 4,591 million (December 31, 2024 – AED nil) were posted against repo borrowings. Further, the Group also posted net cash collateral of AED 11 million (December 31, 2024 – posted net cash collateral of AED 32 million) against this structuring arrangements. The structuring arrangement and reference assets received are governed under International Swaps and Derivatives Association (ISDA) agreements.

Refer note 11 for loans and advances at fair value through profit or loss.

## 9. Derivative financial instruments

In the ordinary course of business, the Group enters into various types of derivative transactions that are affected by variables in the underlying instruments.

A derivative is a financial instrument or other contract with all three of the following characteristics:

(a) 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 in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying'');

(b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

(c) it is settled at a future date.

Derivative financial instruments which the Group enters into includes forward foreign exchange contracts, interest rate futures, forward rate agreements, commodity swaps, interest rate swaps and currency and interest rate options.

The Group uses the following derivative financial instruments for hedging and trading purposes.

### Forward and Futures transactions

Currency forwards represent commitments to purchase foreign and domestic currencies, including non-deliverable forward transactions (i.e. the transaction is net settled). Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates or to buy or sell foreign currency or a financial instrument on a future date at a specified price established in an organised financial market. The credit risk for futures contracts is negligible as they are collateralised by cash or marketable securities and changes in the futures' contract value are settled daily with the broker. Forward rate agreements are individually negotiated interest rate futures that call for a cash settlement at a future date for the difference between a contracted rate of interest and the current market rate based on a notional principal amount.

### Swap transactions

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (for example: fixed rate for floating rate) or a combination of all these (for example: cross-currency interest rate swaps). No exchange of principal takes place except for certain cross currency interest rate swaps or prepaid commodity accumulator swaps. The Group's credit risk represents the potential loss if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing

basis through market risk limits on exposures and credit risk assessment of counterparties using the same techniques as those of lending activities.

## Option transactions

Foreign currency and interest rate options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency or a specific rate of interest or any financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of foreign exchange or interest rate risk. Options may be either exchange-traded or negotiated between the Group and a customer over the counter (OTC).

Derivative contracts can be exchange traded or OTC. The Group values exchange traded derivatives using inputs at market-clearing levels. OTC derivatives are valued using market based inputs or broker/dealer quotations. Where models are required, the Group uses a variety of inputs, including contractual terms, market prices, market volatilities, yield curves and other reference market data.

## Fair value measurement models

For OTC derivatives that trade in liquid markets such as generic forwards, swaps and options, model inputs can generally be verified, and model selection conforms to market practice. Certain OTC derivatives trade in less liquid markets with limited pricing information and the determination of fair value for these derivatives is inherently more difficult. Subsequent to initial recognition, the Group only updates valuation inputs when corroborated by evidence such as similar market transactions, third-party pricing services and/or broker dealer quotations or other empirical market data. In the absence of such evidence, management's best estimates are used.

## Derivatives held or issued for trading purposes

The Group's trading activities are predominantly related to offering hedging solutions to customers at competitive prices in order to enable them to transfer, modify or reduce current and expected risks. The Group also manages risks taken as a result of client transactions or initiates positions with the expectation of profiting from favourable movement in prices, rates, or indices.

## Derivatives held or issued for hedging purposes

The Group uses derivative financial instruments for hedging purposes as part of its asset and liability management activities in order to reduce its own exposure to fluctuations in currency and interest rates. The Group uses forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps as hedging instruments to hedge currency rate and interest rate risks. The Group uses foreign exchange derivatives to hedge its foreign currency risk on its net investment in foreign operations. In all such cases, the hedging relationship and objectives including details of the hedged item and hedging instrument are formally documented and the transactions are accounted for based on the type of hedge.





The table below shows the positive (assets) and negative (liabilities) fair values of derivative financial instruments.

| | Fair values | | |
|---|---|---|---|
| | Assets AED million | Liabilities AED million | Notional AED million |
| **As at December 31, 2025** | | | |
| **Derivatives held or issued for trading** | | | |
| Foreign exchange derivatives | **1,582** | **1,366** | **407,927** |
| Interest rate and cross currency swaps | **7,980** | **8,355** | **448,083** |
| Credit derivatives | **9** | **24** | **904** |
| Interest rate and commodity options | **715** | **747** | **72,794** |
| Futures (exchange traded) | **47** | **66** | **13,540** |
| Commodity and energy swaps | **1,296** | **649** | **13,855** |
| Swaptions | **1,016** | **62** | **24,248** |
| **Total derivatives held or issued for trading** | **12,645** | **11,269** | **981,351** |
| **Derivatives held as fair value hedges** | | | |
| Interest rate and cross currency swaps | **2,074** | **16,846** | **214,882** |
| **Derivatives held as cash flow hedges** | | | |
| Interest rate and cross currency swaps | **238** | **111** | **48,779** |
| Forward foreign exchange contracts | **203** | **38** | **21,049** |
| **Total derivatives held as cash flow hedges** | **441** | **149** | **69,828** |
| **Total derivative financial instruments** | **15,160** | **28,264** | **1,266,061** |
| **As at December 31, 2024** | | | |
| **Derivatives held or issued for trading** | | | |
| Foreign exchange derivatives | 2,774 | 2,450 | 287,888 |
| Interest rate and cross currency swaps | 9,171 | 8,735 | 363,399 |
| Credit derivatives | - | 3 | 129 |
| Interest rate and commodity options | 699 | 918 | 84,664 |
| Futures (exchange traded) | 1 | 2 | 5,618 |
| Commodity and energy swaps | 209 | 158 | 15,709 |
| Swaptions | 896 | 163 | 62,290 |
| **Total derivatives held or issued for trading** | 13,750 | 12,429 | 819,697 |
| **Derivatives held as fair value hedges** | | | |
| Interest rate and cross currency swaps | 4,742 | 11,010 | 170,686 |
| **Derivatives held as cash flow hedges** | | | |
| Interest rate and cross currency swaps | 481 | 29 | 15,038 |
| Forward foreign exchange contracts | - | 423 | 11,995 |
| **Total derivatives held as cash flow hedges** | 481 | 452 | 27,033 |
| **Total derivative financial instruments** | 18,973 | 23,891 | 1,017,416 |

The notional amounts indicate the volume of transactions and are neither indicative of the market risk nor credit risk. Refer note 45 for maturity profile of notional value of derivatives held for hedging purposes.

The net hedge ineffectiveness losses recognised in the consolidated income statement are as follows:

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Net change in the fair value of the hedged items attributable to risk hedged | **8,311** | 3,555 |
| Net change in the fair value of the hedging instruments | **(8,305)** | (3,586) |
| **Net hedge ineffectiveness gains/(losses)** | **6** | (31) |

The hedge ineffectiveness losses in 2025 and 2024 mainly pertains to borrowings due to mismatch in timing of the cash flows between hedge instrument and hedge item.

As at December 31, 2025, the Group received cash collateral of AED 3,350 million (December 31, 2024 – AED 6,239 million) and bonds with fair value of AED 1,562 million (December 31, 2024 – AED 2,122 million) against positive fair value of derivative assets.

As at December 31, 2025, the Group placed cash collateral of AED 9,068 million (December 31, 2024 – AED 4,675 million) and bonds with fair value of AED 9,497 million (December 31, 2024 – AED 6,805 million) against the negative fair value of derivative liabilities.

These collaterals are governed by collateral service agreements under International Swaps and Derivatives Association (ISDA) agreements.

## 10. Investment securities, net

| | UAE AED million | Other GCC(*) countries AED million | Rest of the world AED million | Total AED million |
|---|---|---|---|---|
| **As at December 31, 2025** | | | | |
| **At fair value through other comprehensive income (FVTOCI)** | | | | |
| **Quoted:** | | | | |
| Government securities | **13,510** | **13,631** | **35,449** | **62,590** |
| Bonds – Banks and financial institutions | **1,395** | **1,239** | **4,826** | **7,460** |
| Bonds – Others | **7,443** | **2,394** | **3,648** | **13,485** |
| Equities and funds(**) | **465** | **44** | **54** | **563** |
| **Total quoted** | **22,813** | **17,308** | **43,977** | **84,098** |
| **Unquoted:** | | | | |
| Equities and funds | **116** | **1** | **28** | **145** |
| **Total investment securities at fair value through other comprehensive income** | **22,929** | **17,309** | **44,005** | **84,243** |
| **At amortised cost** | | | | |
| **Quoted:** | | | | |
| Government securities | **13,363** | **13,171** | **21,246** | **47,780** |
| Bonds – Banks and financial institutions | **1,549** | **1,559** | **10,282** | **13,390** |
| Bonds – Others | **10,595** | **2,216** | **7,921** | **20,732** |
| **Total quoted** | **25,507** | **16,946** | **39,449** | **81,902** |
| Less: Allowance for impairment (Note 43.3) | **(3)** | **(2)** | **(3)** | **(8)** |
| **Total investment securities at amortised cost** | **25,504** | **16,944** | **39,446** | **81,894** |
| **Total investment securities, net** | **48,433** | **34,253** | **83,451** | **166,137** |

(*) Gulf Cooperation Council
(**) includes investments in perpetual bonds





| | UAE AED million | Other GCC(*) countries AED million | Rest of the world AED million | Total AED million |
|---|---|---|---|---|
| **As at December 31, 2024** | | | | |
| **At fair value through other comprehensive income (FVTOCI)** | | | | |
| **Quoted:** | | | | |
| Government securities | 11,336 | 6,874 | 19,281 | 37,491 |
| Bonds – Banks and financial institutions | 867 | 113 | 1,377 | 2,357 |
| Bonds – Others | 6,328 | 2,101 | 1,795 | 10,224 |
| Equities and funds(**) | 626 | 36 | 163 | 825 |
| **Total quoted** | 19,157 | 9,124 | 22,616 | 50,897 |
| **Unquoted:** | | | | |
| Equities and funds | 71 | 1 | 24 | 96 |
| **Total investment securities at fair value through other comprehensive income** | 19,228 | 9,125 | 22,640 | 50,993 |
| **At amortised cost** | | | | |
| **Quoted:** | | | | |
| Government securities | 15,009 | 15,210 | 26,898 | 57,117 |
| Bonds – Banks and financial institutions | 1,566 | 1,574 | 8,359 | 11,499 |
| Bonds – Others | 11,457 | 2,729 | 9,216 | 23,402 |
| **Total quoted** | 28,032 | 19,513 | 44,473 | 92,018 |
| Less: Allowance for impairment (Note 43.3) | (5) | (3) | (14) | (22) |
| **Total investment securities at amortised cost** | 28,027 | 19,510 | 44,459 | 91,996 |
| **Total investment securities, net** | 47,255 | 28,635 | 67,099 | 142,989 |

(*) Gulf Cooperation Council
(**) includes investments in perpetual bonds

For Islamic investing assets included in the above table, refer note 24.

As at December 31, 2025, the allowance for impairment on debt instruments designated at FVTOCI amounting to AED 32 million (December 31, 2024 – AED 52 million) (Note 43.3) is included in revaluation reserve of investments carried at FVTOCI.

The Group hedges certain fixed and floating rate investments securities amounting to AED 106,615 million (December 31, 2024 – AED 92,180 million) for interest rate and foreign currency risks through interest rate and currency swaps and designates these as fair value and cash flow hedges, respectively. The net negative fair value of these swaps as at December 31, 2025, was AED 3,922 million (December 31, 2024 – net positive fair value of AED 3,322 million).

The Group entered into repurchase agreements whereby bonds were pledged and held by counterparties as collateral. The risks and rewards relating to the investments pledged remains with the Group. The bonds placed as collateral are governed under Global Master Repurchase Agreements (GMRA). The following table reflects the carrying value of these bonds and the associated financial liabilities:

| | As at December 31, 2025 | | As at December 31, 2024 | |
|---|---|---|---|---|
| | Carrying value of pledged securities(*) AED million | Carrying value of associated liabilities AED million | Carrying value of pledged securities AED million | Carrying value of associated liabilities AED million |
| Repurchase financing | **44,496** | **41,764** | 45,478 | 44,351 |

(*) includes securities of AED 4,591 million (December 31, 2024 – AED nil) received as collateral by the Group (Note 8)

Further, the Group pledged investment securities with fair value amounting to AED 9,493 million (December 31, 2024 – AED 7,511 million) as collateral against margin calls. The risks and rewards on these pledged investments securities remains with the Group.

## 11. Loans and advances to customers, net

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Overdrafts (retail and corporate) | **16,294** | 15,504 |
| Retail loans – mortgages | **19,368** | 19,396 |
| Retail loans – others | **46,179** | 46,403 |
| Corporate loans | **292,477** | 240,558 |
| Credit cards | **6,192** | 5,818 |
| Other facilities | **30,455** | 29,595 |
| **Gross loans and advances to customers at amortised cost** | **410,965** | 357,274 |
| Less: Allowance for impairment (Note 43.3) | **(7,934)** | (9,834) |
| **Total loans and advances to customers at amortised cost, net** | **403,031** | 347,440 |
| Loans and advances to customers mandatorily measured at FVTPL | **2,936** | 3,198 |
| **Total loans and advances to customers, net** | **405,967** | 350,638 |

For Islamic financing assets included in the above table, refer note 24.

The Group hedges certain fixed and floating rate loans and advances amounting to AED 66,164 million (December 31, 2024 – AED 22,826 million) for interest rate and foreign currency risk using interest rate and cross currency swaps and designates these swaps as fair value and cash flow hedges, respectively. The net negative fair value of these swaps as at December 31, 2025, was AED 889 million (December 31, 2024 – net positive fair value of AED 212 million).

## 12. Investment in associates and joint venture

| | AED million |
|---|---|
| **As at January 1, 2024** | 371 |
| Share in profit of associates | 11 |
| Transferred to investment securities | (53) |
| **As at December 31, 2024** | 329 |
| Share in profit of associates | **9** |
| Dividend received from associates | **(18)** |
| Addition during the year | **2** |
| Disposal during the year | **(16)** |
| **As at December 31, 2025** | **306** |

Details of investment in associates and joint venture as at December 31, 2025, are as follows:





| Name of associate/joint venture | Effective ownership interest 2025 | Effective ownership interest 2024 | Country of incorporation | Principal activities |
|---|---|---|---|---|
| Four N Property LLC | **35.00%** | 35.00% | UAE | Residential facilities for lower income group |
| NMC Holdco SPV Ltd | **40.98%** | 40.51% | UAE | Healthcare services |
| EL Fouadeya Development Company | **25.00%** | 25.00% | Egypt | Real estate contracting services |
| Relaam Real Estate LLC (formerly known as Abu Dhabi Commercial Properties LLC) | **20.00%** | 20.00% | UAE | Real estate property management and advisory services |
| Brinks Managed Services Limited | **51.00%** | - | UAE | Private security activities, computer maintenance and information technology services |
| Indebted Debt Collection LLC | **50.00%** | - | UAE | Debt collection services |

For balances and transactions with associates and joint venture, refer note 37.

## 13. Investment properties

| | AED million |
|---|---|
| **As at January 1, 2024** | 1,741 |
| Additions during the year | 2 |
| Disposals during the year | (49) |
| Revaluation of investment properties | 27 |
| Impact of currency translation | (5) |
| **As at December 31, 2024** | 1,716 |
| Additions during the year | **88** |
| Disposals during the year | **(641)** |
| Revaluation of investment properties | **30** |
| **As at December 31, 2025** | **1,193** |

For the year 2025, net gain from investment properties includes net gain of AED 21 million (2024 – net gain of AED 0.03 million) on disposal of investment properties.

Additions during the year represents properties acquired on settlement of loans and advances. These being non-cash transactions have not been reflected in the consolidated statement of cash flows.

### Fair valuations

Valuations are carried out by registered independent valuers having an appropriate recognised professional qualification and experience in the location and category of the property being valued. In estimating the fair values of the properties, the highest and best use of the properties is their current use.

The valuation methodologies considered by external valuers include:

- Direct comparable method: This method seeks to determine the value of the property from transactions of comparable properties in the vicinity applying adjustments to reflect differences to the subject property.
- Investment method: This method is used to assess the value of the property by capitalising the net operating income of the property at an appropriate yield an investor would expect for an investment of the duration of the interest being valued.

All investment properties of the Group are primarily located within the UAE.

## 14. Other assets, net

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Interest receivable | **6,333** | 5,195 |
| Prepayments | **103** | 161 |
| Acceptances (Note 21) | **26,149** | 12,956 |
| Others | **2,410** | 1,713 |
| **Gross other assets** | **34,995** | 20,025 |
| Less: Allowance for impairment (Note 43.3) | **(25)** | (21) |
| **Total other assets, net** | **34,970** | 20,004 |

## 15. Property and equipment, net

| | Freehold properties and improvements AED million | Leasehold improvements AED million | Furniture, equipment, and vehicles AED million | Computer equipment, and accessories AED million | Capital work in progress AED million | Total AED million |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| **As at January 1, 2024** | 1,520 | 337 | 255 | 486 | 132 | 2,730 |
| Additions during the year | 68 | 9 | 12 | 33 | 14 | 136 |
| Transfers during the year | - | 19 | 6 | 10 | (35) | - |
| Disposals during the year | (5) | - | (4) | - | (35) | (44) |
| Impact of currency translation | (26) | (14) | (7) | (10) | (36) | (93) |
| **As at December 31, 2024** | 1,557 | 351 | 262 | 519 | 40 | 2,729 |
| Additions during the year | **5** | **11** | **5** | **16** | **95** | **132** |
| Transfers during the year | **(35)** | **66** | **6** | **32** | **(69)** | **-** |
| Disposals during the year | **(587)** | **(3)** | **(30)** | **(10)** | **(14)** | **(644)** |
| Impact of currency translation | **5** | **1** | **1** | **3** | **7** | **17** |
| **As at December 31, 2025** | **945** | **426** | **244** | **560** | **59** | **2,234** |
| **Accumulated depreciation** | | | | | | |
| **As at January 1, 2024** | 708 | 268 | 207 | 384 | - | 1,567 |
| Charge for the year (Note 32) | 64 | 15 | 9 | 53 | - | 141 |
| Disposals during the year | (5) | - | (3) | - | - | (8) |
| Transfers during the year | (53) | 29 | 24 | - | - | - |
| Impact of currency translation | (1) | (9) | (5) | (3) | - | (18) |
| **As at December 31, 2024** | 713 | 303 | 232 | 434 | - | 1,682 |
| Charge for the year (Note 32) | **59** | **25** | **10** | **45** | **-** | **139** |
| Disposals during the year | **(238)** | **(2)** | **(27)** | **(10)** | **-** | **(277)** |
| Impact of currency translation | **(1)** | **-** | **1** | **1** | **-** | **1** |
| **As at December 31, 2025** | **533** | **326** | **216** | **470** | **-** | **1,545** |
| **Carrying amount** | | | | | | |
| **As at December 31, 2025** | **412** | **100** | **28** | **90** | **59** | **689** |
| **As at December 31, 2024** | 844 | 48 | 30 | 85 | 40 | 1,047 |

During the year, the Group reclassified computer software from property and equipment to intangible assets amounting to AED 700 million (net of depreciation) (Note 16). This reclassification was reflected with effect from January 1, 2024, and accordingly the balances as at January 1, 2024, for cost and accumulated depreciation has been reclassified. These amounts have been reclassified for better presentation to align with the nature of the respective asset and has no impact on the total equity or total comprehensive income.





## 16. Intangible assets, net

| | | Other intangible assets | | | | |
|---|---|---|---|---|---|---|
| | Goodwill AED million | Trademark and license AED million | Core deposits AED million | Customer relationships AED million | Computer software AED million | Total AED million |
| **Cost or valuation** | | | | | | |
| As at January 1, 2024 | 6,754 | 190 | 457 | 84 | 1,935 | 9,420 |
| Additions during the year | - | - | - | - | 276 | 276 |
| Impact of currency translation | - | (26) | - | - | (18) | (44) |
| **As at December 31, 2024** | 6,754 | 164 | 457 | 84 | 2,193 | 9,652 |
| Additions during the year | **-** | **-** | **-** | **-** | **220** | **220** |
| Impact of currency translation | **-** | **2** | **-** | **-** | **2** | **4** |
| **As at December 31, 2025** | **6,754** | **166** | **457** | **84** | **2,415** | **9,876** |
| **Accumulated amortisation** | | | | | | |
| As at January 1, 2024 | - | - | 369 | 67 | 1,345 | 1,781 |
| Amortisation for the year (Note 32) | - | - | 38 | 13 | 164 | 215 |
| Impact of currency translation | - | - | - | - | (16) | (16) |
| **As at December 31, 2024** | - | - | 407 | 80 | 1,493 | 1,980 |
| Amortisation for the year (Note 32) | **-** | **-** | **38** | **4** | **195** | **237** |
| Impact of currency translation | **-** | **-** | **-** | **-** | **1** | **1** |
| **As at December 31, 2025** | **-** | **-** | **445** | **84** | **1,689** | **2,218** |
| **Carrying amount** | | | | | | |
| **As at December 31, 2025** | **6,754** | **166** | **12** | **-** | **726** | **7,658** |
| As at December 31, 2024 | 6,754 | 164 | 50 | 4 | 700 | 7,672 |

Refer note 15 for more details about reclass of computer software to intangible assets from property and equment,net

### Goodwill

On May 1, 2019, Union National Bank PJSC (or "UNB") merged with Abu Dhabi Commercial Bank PJSC in an all-stock transaction. The merged entity subsequently completed 100% acquisition of Al Hilal Bank PJSC (or "AHB"). Based on the purchase price allocation exercise performed by an external consultant following the merger and acquisition, the Bank recognised AED 785 million as intangible assets and AED 6,735 million as goodwill.

On October 1, 2010, the Bank acquired the retail banking, wealth management and small and medium enterprise businesses (the "Business") of The Royal Bank of Scotland ("RBS") in the UAE for a consideration of AED 169 million. Based on the fair valuation and purchase price allocation exercise performed by an external consultant immediately following the acquisition in 2010, the Bank recognised AED 143 million as intangible assets which were fully amortised during the previous years and AED 19 million as goodwill.

## Impairment assessment of goodwill

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the revenue generating CGUs. 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 CGU's fair value less costs of disposal and its value in use.

The carrying amount of CGU is derived using a capital allocation model where the Group's core equity capital is allocated to the CGUs. The Group determines the recoverable amounts of its CGUs based on higher of fair value less cost to sell (FVLCS) or value in use (VIU).

Value in use is estimated using discounted cash flow (DCF) model, which reflects the specifics of the banking business and its regulatory environment. The model calculates the present value of the estimated future earnings that are distributable to shareholders after fulfilling the respective regulatory capital requirements and the risk appetite of the Group. The DCF model uses earnings projections which are discounted to their present value by using discount rate of 8.07% p.a.. Earnings projections beyond the initial five-year period are adjusted to derive a sustainable level using a terminal growth rate of 3.90% p.a.. The DCF value of a CGU is sensitive to the projections of distributable earnings, the discount rate applied and the terminal growth rate.

FVLCS of CGUs are estimated based on data from comparable companies' price to book (P/B) ratio and adding control premium to the same.

No impairment loss on above goodwill was recognised during the year (2024 – AED nil) since the recoverable amount of the CGU's were higher than the respective CGU's carrying amounts.

## Other intangible assets

| | |
|---|---|
| **Trademark and license** | AHB has built a strong franchise and has a reputation as a progressive Islamic bank offering a wide range of client centric Shari'ah compliant retail banking products. The AHB brand plays a key part in generating revenues for the Bank. |
| **Egypt license** | This has been recognised as an intangible asset as Central Bank of Egypt has not issued a new banking license to any entity for the past 20 years and has therefore restricted engagement in banking activities to banks already licensed and operating in Egypt. The license plays a key part in generating revenues for the Bank. Egypt license was valued considering the market approach using comparable transactions. |
| **Core deposits** | The value of core deposit intangible asset arises from the fact that the deposit base of the Group represents a cheaper source of funding than wholesale or money market funding. The spread between the cost of deposit funding and the cost of wholesale/ money market funding represents the value of the core deposit intangible. |
| **Customer relationships** | Customer relationship intangible assets represent the value attributable to the business expected to be generated from customers that existed as at the acquisition date. In determining the fair value of customer relationships, trade finance customers were considered. These relationships are expected to generate material recurring income in the form of fees and commission. |

No impairment loss on above other intangible assets were recognised during the year (2024 – AED nil).





## 17. Due to banks

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Vostro balances | **1,793** | 1,002 |
| Margin deposits | **3,207** | 4,895 |
| Time deposits | **14,086** | 5,380 |
| **Total due to banks** | **19,086** | 11,277 |

## 18. Deposits from customers

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Time deposits | **267,610** | 234,976 |
| Current account deposits | **179,027** | 149,574 |
| Savings deposits | **49,794** | 32,483 |
| Long term government deposits | **149** | 215 |
| Margin deposits | **3,195** | 3,812 |
| **Total deposits from customers** | **499,775** | 421,060 |

For Islamic deposits included in the above table, refer note 24.

The Group hedges customer deposits amounting to AED 62,027 million (December 31, 2024 – AED 32,788 million) for foreign currency and interest rate risks using foreign exchange and interest rate swaps and designates these swaps as either cash flow or fair value hedges. The net positive fair value of these swaps as at December 31, 2025 was AED 173 million (December 31, 2024 – net negative fair value of AED 23 million).

## 19. Euro commercial paper

The details of euro commercial paper ("ECP") issuances under the Bank's ECP programme are as follows:

| Currency (CCY) | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| US dollar (USD) | **3,913** | 2,147 |
| Euro (EUR) | **2,684** | 1,280 |
| Great Britain pound (GBP) | **2,123** | 2,726 |
| **Total euro commercial paper** | **8,720** | 6,153 |

The Group hedges euro commercial paper amounting to AED 4,807 million (December 31, 2024 – AED 4,006 million) for foreign currency using foreign exchange swaps and designates these swaps as cash flow hedges. The net positive fair value of these hedge contracts as at December 31, 2025, was AED 2 million (December 31, 2024 – net negative fair value of AED 140 million).

The effective interest rate on zero coupon ECPs ranges between 2.12% p.a. to 4.55% p.a. (December 31, 2024 – between 2.995% p.a. to 5.53% p.a.).

Reconciliation of ECP movement to cash flows arising from financing activities is as follows:

| | AED million |
|---|---|
| **As at January 1, 2024** | 7,778 |
| Net proceeds from issuances | 12,706 |
| Repayments | (14,639) |
| Other movements | 308 |
| **As at December 31, 2024** | 6,153 |
| Net proceeds from issuances | **21,398** |
| Repayments | **(19,219)** |
| Other movements | **388** |
| **As at December 31, 2025** | **8,720** |

Net proceeds from issuances include effects of changes in foreign exchange rates. Other movements include discount amortised.

## 20. Borrowings

The details of borrowings as at December 31, 2025 are as follows:

| Instrument | Currency (CCY) | Within 1 year AED million | 1-3 years AED million | 3-5 years AED million | Over 5 years AED million | Total AED million |
|---|---|---|---|---|---|---|
| Global medium term notes | Australian dollar (AUD) | - | 861 | 144 | - | 1,005 |
| | Chinese renminbi (CNH) | 358 | 169 | - | - | 527 |
| | Swiss franc (CHF) | - | - | 475 | - | 475 |
| | Hong Kong dollar (HKD) | - | 96 | - | - | 96 |
| | US dollar (USD) | 1,638 | 6,220 | 8,523 | 15,394 | 31,775 |
| | Indonesian rupiah (IDR) | - | - | 447 | - | 447 |
| | | 1,996 | 7,346 | 9,589 | 15,394 | 34,325 |
| Bilateral loans | US dollar (USD) | - | 4,991 | 733 | - | 5,724 |
| | Kazakhstan tenge (KZT) | - | 60 | - | - | 60 |
| Certificate of deposits issued | Great Britain pound (GBP) | 3,225 | - | - | - | 3,225 |
| | US dollar (USD) | 1,609 | - | - | - | 1,609 |
| | Hong Kong dollar (HKD) | 216 | - | - | - | 216 |
| | Chinese renminbi (CNH) | 52 | - | - | - | 52 |
| | Euro (EUR) | 989 | - | - | - | 989 |
| Subordinated notes – fixed rate | US dollar (USD) | - | - | - | 1,830 | 1,830 |
| Borrowings through repurchase agreements | US dollar (USD) | 40,108 | 1,654 | - | - | 41,762 |
| | Egyptian pound (EGP) | - | - | - | 2 | 2 |
| **Total borrowings** | | **48,195** | **14,051** | **10,322** | **17,226** | **89,794** |

The Group hedges borrowings amounting to AED 43,305 million for foreign currency and interest rate risks using either interest rate or cross currency swaps and designates these swaps as either fair value or cash flow hedges. The net negative fair value of these swaps as at December 31, 2025 was AED 9,802 million.





The details of borrowings as at December 31, 2024 are as follows:

| Instrument | Currency (CCY) | Within 1 year AED million | 1-3 years AED million | 3-5 years AED million | Over 5 years AED million | Total AED million |
|---|---|---|---|---|---|---|
| Global medium-term notes | Australian dollar (AUD) | - | 797 | 50 | 80 | 927 |
| | Chinese renminbi (CNH) | - | 500 | - | - | 500 |
| | Swiss franc (CHF) | - | - | - | 417 | 417 |
| | Hong Kong dollar (HKD) | 73 | - | - | - | 73 |
| | US dollar (USD) | 1,102 | 5,684 | 5,662 | 15,658 | 28,106 |
| | Indonesian rupiah (IDR) | - | - | 423 | - | 423 |
| | | 1,175 | 6,981 | 6,135 | 16,155 | 30,446 |
| Bilateral loans | US dollar (USD) | 734 | 2,562 | 2,420 | - | 5,716 |
| | Kazakhstan tenge (KZT) | - | 72 | - | - | 72 |
| Certificate of deposits issued | Great Britain pound (GBP) | 5,399 | - | - | - | 5,399 |
| | US dollar (USD) | 311 | - | - | - | 311 |
| | Euro (EUR) | 627 | - | - | - | 627 |
| Subordinated notes - fixed rate | US dollar (USD) | - | - | - | 1,765 | 1,765 |
| Borrowings through repurchase agreements | US dollar (USD) | 35,746 | 8,603 | - | - | 44,349 |
| | Egyptian pound (EGP) | - | - | - | 2 | 2 |
| **Total borrowings** | | 43,992 | 18,218 | 8,555 | 17,922 | 88,687 |

The Group hedges borrowings amounting to AED 44,043 million for foreign currency and interest rate risks using either interest rate or cross currency swaps and designates these swaps as either fair value or cash flow hedges. The net negative fair value of these swaps as at December 31, 2024 was AED 9,615 million.

Interests are payable in arrears and the contractual coupon rates as at December 31, 2025, are as follows:

| Instrument | Currency (CCY) | Within 1 year | 1-3 years | 3-5 years | Over 5 years |
|---|---|---|---|---|---|
| Global medium term notes | AUD | - | Fixed rate between 3.10% p.a. to 4.50% p.a. and quarterly coupons between 90 to 94 basis points over bank bill swap rate (BBSW) | Fixed rate between 2.696% p.a. to 2.80% p.a. | - |
| | CNH | Fixed rate between 3.35% p.a. to 3.38% p.a. | Fixed rate between 3.20% p.a. to 3.415% p.a. | - | - |
| | CHF | - | - | Fixed rate of 2.023% p.a. | - |
| | HKD | - | Fixed rate of 4.16% p.a. | - | - |
| | USD | Fixed rate between 1.63% p.a. to 1.72% p.a. | Fixed rate between 3.50% p.a. to 5.38% p.a. and quarterly coupon between 88 to 166 basis points over SOFR | Fixed rate of 5.50% p.a. and quarterly coupons between 100 to 140 basis points over SOFR | Fixed rate between 4.65% p.a. to 5.00% p.a. and zero coupon with an internal rate between 3.271% p.a. to 5.785% p.a.(*) |
| | IDR | - | - | Fixed rate between 7.50% p.a. to 8.16% p.a. | - |
| Bilateral loans | USD | - | Monthly coupon between 68 to 85 basis point over SOFR | Monthly coupon of 78 basis points over SOFR | - |
| | KZT | - | Fixed rate between 8.50% p.a.to 9.50% p.a. | - | - |
| Certificate of deposits issued | GBP | Zero coupon with an internal rate between 4.11% p.a. to 4.33% p.a. | - | - | - |
| | USD | Zero coupon with an internal rate between 3.91% p.a. to 4.50% p.a. | - | - | - |
| | HKD | Zero coupon with an internal rate between 2.25% p.a. to 3.94% p.a. | - | - | - |
| | CNH | Zero coupon with an internal rate of 1.80% p.a. | - | - | - |
| | EUR | Zero coupon with an internal rate between 2.12% p.a. to 2.21% p.a. | - | - | - |
| Subordinated notes – fixed rate | USD | - | - | - | Fixed rate of 5.36% p.a. from issue date but excluding the first reset date (March 10, 2030)(**) payable on semi-annual basis |
| Borrowings through repurchase agreements | USD | Fixed rate of 4.13 % p.a., monthly coupon be-tween 25 to 52 basis points over SOFR, quarterly coupons between 0 to 65 basis points over SOFR, and semi-annual coupons between negative 20 to positive 41 basis points over SOFR | Quarterly coupons between 57 to 58 basis points over SOFR | - | - |
| | EGP | - | - | - | Fixed rate between 0.50% p.a. to 3.50% p.a. |

(*) includes AED 14,907 million accreting notes for maturities ranging from 30 years to 40 years with internal rate of return ranging from 3.271% p.a. to 5.785% p.a. and are callable at the end of every 5th, 6th, 7th, or 10th year from issue date.
(**) first callable on September 10, 2029, if the subordinated notes are not redeemed on or prior to the reset date, interest will be payable from (and including) the reset date at a fixed rate equal to the relevant five year reset
rate (5 year US Treasury rate) plus margin of 1.677% p.a.





The subordinated fixed rate note qualifies as Tier 2 capital in accordance with capital guidance issued by the UAE Central Bank (Note 49).

Refer note 10 for details of bonds pledged as collateral against borrowings through repurchase agreements.

Further, the Group received net cash collateral of AED 242 million (December 31, 2024 – AED nil) against margin calls.

Reconciliation of borrowings movement to cash flows arising from financing activities is as follows:

| | AED million |
|---|---|
| **As at January 1, 2024** | 76,653 |
| Net proceeds from issuances | 113,498 |
| Repayments | (99,079) |
| Other movements | (2,385) |
| **As at December 31, 2024** | 88,687 |
| Net proceeds from issuances | **91,200** |
| Repayments | **(91,037)** |
| Other movements | **944** |
| **As at December 31, 2025** | **89,794** |

Net proceeds from issuances include effects of changes in foreign exchange rates on borrowings. Other movements include interest capitalised on callable accreting notes, discount amortised and changes in fair value hedges.

## 21. Other liabilities

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Interest payable | **3,818** | 4,197 |
| Recognised liability for defined benefit obligation | **528** | 518 |
| Deferred income | **1,904** | 1,287 |
| Acceptances (Note 14) | **26,149** | 12,956 |
| Impairment allowance on letters of credit, guarantees and other commitments (Note 43.3) | **393** | 574 |
| Others(*) | **6,482** | 6,647 |
| **Total other liabilities** | **39,274** | 26,179 |

(*) includes AED 268 million (December 31, 2024 – AED 157 million) pertaining to lease liability

### Defined benefit obligation

The Group provides gratuity benefits to its eligible employees in UAE. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out in the last quarter of 2025 by a registered actuary in the UAE. The present value of the defined benefit obligation and the related current and past service cost were measured using the Projected Unit Credit Method.

Key assumptions used in the actuarial valuation are as follows:

| | |
|---|---|
| Discount rate: | 4.79% p.a. (2024 – 4.99% p.a.) |
| Salary increment rate: | 2.50% p.a. (2024 – 2.00% p.a.) |

Demographic assumptions for mortality, resignation and retirement were used in valuing the liabilities and benefits under the plan.

The liability would be higher by AED 17 million (December 31, 2024 – AED 17 million) had the discount rate used in the assumption been lower by 0.50% and the liability would be lower by AED 16 million (December 31, 2024 – AED 16 million) had the discount rate used in the assumption been higher by 0.50%. Similarly, the liability would be higher by AED 17 million (December 31, 2024 – AED 17 million) had the salary increment rate used in the assumption been higher by 0.50% and the liability would be lower by AED 16 million (December 31, 2024 – AED 16 million) had the salary increment rate used in the assumption been lower by 0.50%.

The movement in defined benefit obligation is as follows:

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Opening balance | **518** | 467 |
| Net charge during the year(*) | **82** | 70 |
| Actuarial loss on defined benefit obligation | **21** | 41 |
| Benefits paid | **(93)** | (60) |
| **Closing balance** | **528** | 518 |

(*) recognised under "staff expense" in the consolidated income statement

### Defined contribution

Under defined contribution plans, the Group pays contributions to Abu Dhabi Retirement Pensions and Benefits Fund for UAE National employees and to respective pension funds for other employees including GCC Nationals. The charge for the year in respect of these contributions is AED 104 million (2024 – AED 105 million). As at December 31, 2025, pension payable of AED 0.5 million has been classified under 'Other liabilities – others' (December 31, 2024 – AED 0.6 million).

## 22. Share capital

| | Authorised | Issued and fully paid | |
|---|---|---|---|
| | AED million | As at December 31 2025 AED million | As at December 31 2024 AED million |
| Ordinary shares of AED 1 each | 10,000 | 7,912 | 7,320 |

In the Annual General Meeting held on February 27, 2025, the shareholders of the Bank approved cash dividend of AED 4,319 million.

### Rights issue

On October 13, 2025, the Bank's shareholders approved rights issue to raise AED 6,100 million by way of issuing 592,228,700 new shares at an issue price of AED 10.3 per share, representing the nominal value of AED 1 per share and a share premium of AED 9.3 per share. The share premium has been recorded under legal reserve.

| | AED million |
|---|---|
| Ordinary share capital issued | 592 |
| Legal reserve | 5,508 |
| | 6,100 |

### Dividends

For the year ended December 31, 2025, the Board of Directors has proposed to pay a cash dividend of AED 4,985 million, being AED 0.63 dividend per share and representing 63% of the paid-up capital (December 31, 2024 – cash dividend of AED 4,319 million, being AED 0.59 dividend per share and representing 59% of the paid-up capital). This is subject to the approval of the shareholders in the Annual General Meeting.





## 23. Other reserves

Reserves movement for the year ended December 31, 2025:

| | Employees' incentive plan shares, net AED million | Statutory reserve AED million | Legal reserve AED million | General reserve AED million | Contingency reserve AED million | Foreign currency translation reserve AED million | Cash flow hedge reserve AED million | Impairment reserve - general AED million | Revaluation reserve of investments designated at at FVTOCI AED million | Attributable to equity holders of the Bank AED million | Non-controlling interests AED million | Total AED million |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **As at January 1, 2025** | (175) | 3,660 | 5,872 | 2,000 | 150 | (712) | 254 | 781 | (748) | 11,082 | (1) | 11,081 |
| Exchange difference arising on translation of foreign operations | - | - | - | - | - | 83 | - | - | - | 83 | - | 83 |
| Net fair value changes on cash flow hedges | - | - | - | - | - | - | (188) | - | - | (188) | - | (188) |
| Net fair value changes on cash flow hedges reclassified to consolidated income statement | - | - | - | - | - | - | 113 | - | - | 113 | - | 113 |
| Net fair value changes of debt instruments designated at FVTOCI | - | - | - | - | - | - | - | - | 776 | 776 | - | 776 |
| Changes in allowance for expected credit losses on debt instrument designated at FVTOCI | - | - | - | - | - | - | - | - | (20) | (20) | - | (20) |
| Amounts reclassified to consolidated income statement for debt instruments designated at FVTOCI | - | - | - | - | - | - | 11 | - | (98) | (87) | - | (87) |
| Related tax impact | - | - | - | - | - | - | - | - | 45 | 45 | - | 45 |
| Net fair value changes of equity instruments designated at FVTOCI | - | - | - | - | - | - | - | - | (4) | (4) | - | (4) |
| Related tax impact on fair value changes of equity instruments designated at FVTOCI | - | - | - | - | - | - | - | - | 47 | 47 | - | 47 |
| Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI (net of tax) | - | - | - | - | - | - | - | - | 806 | 825 | - | 825 |
| **Total other comprehensive income/(loss) for the year** | - | - | - | - | - | 83 | (64) | - | 806 | 825 | - | 825 |
| Acquisition of shares | (270) | - | - | - | - | - | - | - | - | (270) | - | (270) |
| Share premium pertaining to rights issuance (Note 22) | - | - | 5,508 | - | - | - | - | - | - | 5,508 | - | 5,508 |
| Transfers from retained earnings | - | 296 | - | - | - | - | - | 736 | - | 1,032 | - | 1,032 |
| Shares – vested portion (Note 25) | 110 | - | - | - | - | - | - | - | - | 110 | - | 110 |
| **As at December 31, 2025** | (335) | 3,956 | 11,380 | 2,000 | 150 | (629) | 190 | 1,517 | 58 | 18,287 | (1) | 18,286 |

For more information on reserves, refer note 49.

## 23. Other reserves

Reserves movement for the year ended December 31, 2024:

| | Employees' incentive plan shares, net AED million | Statutory reserve AED million | Legal reserve AED million | General reserve AED million | Contingency reserve AED million | Foreign currency translation reserve AED million | Cash flow hedge reserve AED million | Impairment reserve - general AED million | Revaluation reserve of investments designated at at FVTOCI AED million | Attributable to equity holders of the Bank AED million | Non-controlling interests AED million | Total AED million |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **As at January 1, 2024** | (80) | 3,660 | 5,872 | 2,000 | 150 | (226) | 302 | - | (1,086) | 10,592 | (1) | 10,591 |
| Exchange difference arising on translation of foreign operations | - | - | - | - | - | (492) | - | - | - | (492) | - | (492) |
| Net gain on hedge of net investment in foreign operations | - | | | | | 6 | - | | | 6 | | 6 |
| Net fair value changes on cash flow hedges | - | - | - | - | - | - | (108) | - | - | (108) | - | (108) |
| Net fair value changes on cash flow hedges reclassified to consolidated income statement | - | - | - | - | - | - | 60 | - | - | 60 | - | 60 |
| Net fair value changes of debt instruments designated at FVTOCI | - | - | - | - | - | - | - | - | 65 | 65 | - | 65 |
| Changes in allowance for expected credit losses on debt instrument designated at FVTOCI | - | - | - | - | - | - | - | - | (2) | (2) | - | (2) |
| Amounts reclassified to consolidated income statement for debt instruments designated at FVTOCI | - | - | - | - | - | - | - | - | 257 | 257 | - | 257 |
| Related tax impact | - | - | - | - | - | - | - | - | (1) | (1) | - | (1) |
| Net fair value changes of equity instruments designated at FVTOCI | - | - | - | - | - | - | - | - | 34 | 34 | - | 34 |
| Related tax impact on fair value changes of equity instruments designated at FVTOCI | - | - | - | - | - | - | - | - | (2) | (2) | - | (2) |
| Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI (net of tax) | - | - | - | - | - | - | - | - | (13) | (13) | - | (13) |
| **Total other comprehensive (loss)/income for the year** | - | - | - | - | - | (486) | (48) | - | 338 | (196) | - | (196) |
| Acquisition of shares | (166) | - | - | - | - | - | - | - | - | (166) | - | (166) |
| Amounts transferred within equity upon creation of impairment reserve – general | - | - | - | - | - | - | - | 781 | - | 781 | - | 781 |
| Shares – vested portion (Note 25) | 71 | - | - | - | - | - | - | - | - | 71 | - | 71 |
| **As at December 31, 2024** | (175) | 3,660 | 5,872 | 2,000 | 150 | (712) | 254 | 781 | (748) | 11,082 | (1) | 11,081 |

For more information on reserves, refer note 49.





### Impairment reserve – general

As per the new 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 1.50% 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.

The computation of non-distributable impairment reserve - general as at December 31, 2025 is as follows:

| | AED million |
|---|---|
| Minimum provision for stage 1 and stage 2 as per CBUAE requirements | **6,414** |
| Less: Stage 1 and stage 2 impairment provision taken against income | **4,897** |
| **Shortfall in stage 1 and stage 2 provision to meet minimum CBUAE requirements** | **1,517** |
| Balance of impairment reserve - general as at December 31, 2024 | 781 |
| Add: Transfer from retained earnings during the year | **736** |
| **Balance of impairment reserve - general as at December 31, 2025** | **1,517** |

## 24. Islamic financing

### Islamic financing assets

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Murabaha | **33,801** | 30,581 |
| Ijara financing | **13,730** | 13,474 |
| Salam | **422** | 403 |
| Others | **1,201** | 912 |
| **Gross Islamic financing assets** | **49,154** | 45,370 |
| Less: Allowance for impairment | **(826)** | (1,206) |
| **Net Islamic financing assets** | **48,328** | 44,164 |

### Islamic investing assets

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| **At fair value through other comprehensive income (FVTOCI)** | | |
| Sukuk investments | **11,389** | 6,763 |
| Equities | **71** | 127 |
| | **11,460** | 6,890 |
| **At amortised cost** | | |
| Sukuk investments | **5,884** | 7,078 |
| Less: Allowance for impairment | **(2)** | (4) |
| | **5,882** | 7,074 |
| **Net Islamic investing assets** | **17,342** | 13,964 |

### Income from Islamic financing and investing products

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Murabaha | **2,320** | 2,076 |
| Ijara financing | **765** | 740 |
| Salam | **23** | 26 |
| Sukuk investments | **629** | 548 |
| Others | **176** | 126 |
| Total income from Islamic financing and investing products | **3,913** | 3,516 |

**Islamic deposits**

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Current account deposits | **21,717** | 19,761 |
| Margin deposits | **343** | 274 |
| Mudaraba savings deposits(*) | **24,765** | 19,616 |
| Mudaraba term deposits | **586** | 636 |
| Murabaha deposits | **737** | 1,170 |
| Wakala deposits | **22,846** | 23,832 |
| **Total Islamic deposits** | **70,994** | 65,289 |

(*) includes AED 15 million pertaining to investment risk reserve (IRR) as at December 31, 2025 (December 31, 2024 – AED 13 million).

**Distribution on Islamic deposits and profit paid to sukuk holders**

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Mudaraba savings and term deposits | **246** | 127 |
| Murabaha deposits | **38** | 63 |
| Wakala deposits | **1,026** | 1,123 |
| Islamic sukuk notes and reverse murabaha | **6** | 7 |
| **Total distribution on Islamic deposits and profit paid to sukuk holders** | **1,316** | 1,320 |

## 25. Employees' incentive plan shares, net

The Group operates Deferred Compensation Plan (the "Plan") to recognise and retain good performing employees. Under the Plan, the employees are granted shares of the Bank when they meet the vesting conditions at a price prevailing at the grant date. These shares are acquired and held by a subsidiary of the Bank until vesting conditions are met. The Board Nomination Compensation HR and Governance Committee determines and approves the shares to be granted to employees based on the Group's key performance indicators.

During the year ended December 31, 2025, the Group had the following incentive plan in force:

| **Grant date** | **January 1, 2025** | **January 1, 2024** | **January 1, 2023** | **January 1, 2023** | **January 1, 2022** |
|---|---|---|---|---|---|
| Number of shares granted (million) | 15 | 11 | 4 | 3 | 3 |
| Fair value of the granted shares at the grant date (AED million) | 139 | 96 | 40 | 23 | 26 |
| **Final vesting date** | **December 31, 2027** | **December 31, 2026** | **December 31, 2026** | **December 31, 2025** | **December 31, 2025** |

Vesting conditions – In service from the grant date till respective vesting date or meeting special conditions during the vesting period (death or disability).





The movement of plan shares (in million) is as follows:

| | 2025 | 2024 |
|---|---|---|
| Opening balance | **19** | 10 |
| Granted during the year | **15** | 11 |
| Exercised during the year | **(5)** | (2) |
| Forfeited during the year | **(1)** | - |
| **Closing balance** | **28** | 19 |
| **Amount of "Plan" cost recognised under "staff expenses" in the consolidated income statement (AED million)** | **110** | 71 |

Total number of un-allotted shares under the Plan as at December 31, 2025, were 17 million shares (December 31, 2024 – 9 million shares). These un-allotted shares include forfeited shares and shares purchased for future awards.

## 26. Capital notes

Additional Tier I capital notes (the "Capital Notes") are non-cumulative perpetual securities for which there is no fixed redemption date. These Capital Notes are direct, unsecured, conditional, and subordinated obligations of the Bank and (i) rank pari passu without any preference among themselves; (ii) rank subordinate and junior to all senior obligations; (iii) rank pari passu with all pari passu obligations; and (iv) rank in priority only to all junior creditors.

In case the Bank at its sole discretion elects not to make a coupon payment, the holders of the Capital Notes do not have a right to claim the coupon and an election by the Bank not to service the coupon is not considered an event of default. In addition, there are certain circumstances ("non-payment event") under which the Bank is prohibited from making a coupon payment on a relevant coupon payment date. Further, if the CBUAE notifies the Bank that it is, or will become, non-viable without (i) a write-down; or (ii) a public sector injection of capital, the rights of the holders of the Capital Notes under the Capital Notes shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the write-down amount determined by the CBUAE. This could result in Capital Notes being written down to zero and the Capital Notes being cancelled.

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 Capital Notes except notes, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until one coupon payment has been paid in full.

The following tables shows issuances of Capital Notes by the Bank as at December 31, 2025:

| Issuance | Currency | Interest rate | First call date | 2025 AED million | 2024 AED million |
|---|---|---|---|---|---|
| Government of Abu Dhabi AT1 Capital Notes | AED | Floating interest rate of 6 month-EIBOR plus 2.30% p.a. | February 23, 2027(*) | **6,000** | 6,000 |
| USD 750,000,000 AT1 Capital Notes | USD | Fixed rate of 8.00% p.a. from issue date but excluding the first reset date (May 27, 2029)(**) | November 27, 2028(*) | **2,755** | 2,755 |
| | | | | **8,755** | 8,755 |

(*) Call option is subject to prior approval of UAE Central Bank
(**) If the Capital Notes are not redeemed in accordance with the conditions on or prior to the first reset date, interest shall continue to be payable from (and including) the first reset date subject to and in accordance with the conditions at a fixed rate, to be reset on the first reset date and every five years thereafter, equal to relevant five-year reset rate (as defined in the conditions) plus a margin of 3.524% p.a.

## 27. Interest income

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Loans and advances to banks | **3,368** | 3,392 |
| Loans and advances to customers | **20,882** | 19,945 |
| Investment securities | **6,960** | 6,880 |
| **Total interest income** | **31,210** | 30,217 |

## 28. Interest expense

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Deposits from banks | **595** | 425 |
| Deposits from customers | **12,967** | 12,908 |
| Euro commercial paper | **422** | 330 |
| Borrowings(*) | **5,135** | 5,525 |
| **Total interest expense** | **19,119** | 19,188 |

(*) includes AED 13 million (2024 – AED 10 million) for interest expense on lease liabilities

## 29. Net fees and commission income

| | 2025 AED million | 2024 AED million |
|---|---|---|
| **Fees and commission income** | | |
| Card related fees | **1,938** | 1,750 |
| Loan processing fees | **1,287** | 1,076 |
| Accounts related fees | **581** | 361 |
| Trade finance commission | **793** | 696 |
| Asset management and investment services | **267** | 218 |
| Other fees | **1,108** | 947 |
| **Total fees and commission income** | **5,974** | 5,048 |
| **Fees and commission expense** | | |
| Card related fees | **(1,399)** | (1,101) |
| Loan processing fees | **(112)** | (64) |
| Others | **(856)** | (782) |
| **Total fees and commission expense** | **(2,367)** | (1,947) |
| **Net fees and commission income** | **3,607** | 3,101 |

## 30. Net trading income

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Net gain from dealing in foreign currencies | **1,124** | 837 |
| Net gain from financial assets at fair value through profit or loss and derivatives(*) | **1,592** | 1,227 |
| **Net trading income** | **2,716** | 2,064 |

(*) includes net loss of AED 282 million from financial assets mandatorily measured at FVTPL (2024 – net loss of AED 68 million)

## 31. Other operating income

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Property management income | **18** | 17 |
| Net loss from disposal of investment securities(*) | **(186)** | (318) |
| Net gain from hedging derivatives(*) | **628** | 489 |
| Dividend income | **28** | 34 |
| Others(**) | **633** | 840 |
| **Total other operating income** | **1,121** | 1,062 |

(*) includes realised gain of AED 172 million (2024 – AED 56 million) on sale of investments carried at amortised cost and its related hedges
(**) includes gain of AED 405 million (2024 – gain of AED 730 million) on sale/extinguishment of loans and advances

## 32. Operating expenses

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Staff expenses | **3,543** | 3,360 |
| General administrative expenses | **2,255** | 2,257 |
| Depreciation on property and equipment (Note 15)(*) and right of use assets | **211** | 199 |
| Amortisation of intangible assets (Note 16)(*) | **237** | 215 |
| **Total operating expenses** | **6,246** | 6,031 |

(*) during the year, the Group reclassified computer software from property and equipment to intangible assets (refer Note 15 and 16). Accordingly, amortisation of computer software has been shown under amortisation of intangible assets for both years

## 33. Impairment charge

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Financial instruments carried at amortised cost – net charge(*) | **3,983** | 3,350 |
| Debt instruments designated at FVTOCI – net release | **(19)** | (2) |
| Commitment and contingent liabilities – net (release)/charge | **(157)** | 67 |
| Less: Recoveries/modifications during the year | **(704)** | (541) |
| **Total impairment charge** (Note 43.3) | **3,103** | 2,874 |

(*) includes net release of AED 12 million (2024 – net release of AED 2 million) on investment securities at amortised cost





## 34. Taxation

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance issued Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law"), introducing a federal corporate tax regime in the UAE. The Corporate Tax Law applies to accounting periods beginning on or after June 1, 2023.

Below is the summary of total income tax expense recognised in consolidated income statement

| | 2025 AED million | 2024 AED million |
|---|---|---|
| **Current tax expense** | | |
| Related to current year | **1,400** | 1,114 |
| Related to prior years | **(6)** | 16 |
| **Total current tax expense** | **1,394** | 1,130 |
| **Deferred tax** | | |
| Related to current year | **2** | (7) |
| Related to prior years | **2** | 43 |
| **Total deferred tax expense** | **4** | 36 |
| **Total income tax expense recognised in consolidated income statement** | **1,398** | 1,166 |

In addition to the above, during the year, the Bank recognised an income tax expense of AED 4 million (2024 - AED 3 million) in the consolidated statement of comprehensive income.

Tax rates differ between jurisdictions in which the Group operates in. The tax rate applicable in the UAE is 9% for taxable profits exceeding AED 375,000. The overall effective tax rate for the Group, including all applicable jurisdictions, is 10.88% (2024 - 11.02%).

The income tax expense for the year reconciles to the profit before income tax as follows:

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Profit before taxation | **12,843** | 10,585 |
| Prima facie tax expense at 9% (2024: 9%) | **1,156** | 953 |
| **Tax effect of difference:** | | |
| Tax effect of exempt income | **(6)** | 1 |
| Tax effect of non-deductible expenses | **11** | 5 |
| Tax effect of different tax rate of subsidiaries operating in foreign jurisdiction | **148** | 133 |
| Changes in deferred tax | **5** | 43 |
| Unrecoverable withholding tax | **87** | 31 |
| Others | **(3)** | - |
| **Income tax expense** | **1,398** | 1,166 |

## Domestic Minimum Top-up Tax (DMTT)

The judgments and estimations used for the assessment and computation of the current and deferred tax for the year ended December 31, 2025 are adequate and appropriate as per requirements of IAS 12 and prevailing laws and regulation in UAE. All foreign branches and subsidiaries have made adequate provision for taxes on income based on assessments and computations according to the laws of the respective countries. Recognized deferred tax assets are measured at the tax rates enacted or substantively enacted at the year end and represent those amounts that are probable of realization taking into account management's estimates of future taxable profit. The amount recognized

for all deductible temporary differences, unused tax losses and income tax reductions has been limited to the amount that, based on management's best estimate, is more likely than not to be realised.

Further, the UAE Ministry of Finance enacted the DMTT, aligned with the OECD Pillar Two Global Anti-Base Erosion Model Rules and is effective in the UAE for financial years commencing on or after January 01, 2025. Under the DMTT, the UAE tax rate increases from 9% to 15% for multinational enterprises operating in the UAE with consolidated global revenues of EUR 750 million or more in at least two of the four financial years immediately preceding the financial year.

The Group has assessed the implications of the DMTT across all jurisdictions in which it operates. This assessment includes a detailed evaluation of the Initial Phase of International Activity Exclusion (IAE), which if applicable, reduces the UAE tax rate from 15% to 9%. Based on the Group's assessment as at December 31, 2025, the Group meets the eligibility criteria for the IAE. Accordingly, the tax rate applicable for the year in the UAE is 9%.

The Group has applied the temporary exception issued by the International Accounting Standards Board (IASB) in May 2023 from the accounting requirements for deferred taxes under IAS 12. Accordingly, the Group does not recognise or disclose information relating to deferred tax assets and liabilities arising from Pillar Two income taxes.

## 35. Earnings per share

### Basic and diluted earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Bank and the weighted average number of equity shares outstanding. Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding for the dilutive effects of potential equity shares held on account of employees' incentive plan.

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Profit for the year attributable to the equity holders of the Bank | **11,446** | 9,421 |
| Less: Coupons paid on capital notes (Note 26) | **(642)** | (686) |
| **Net adjusted profit for the year attributable to the equity holders of the Bank (a)** | **10,804** | 8,735 |
| | Number of shares in million | |
| Weighted average number of shares in issue throughout the year | **7,494** | 7,487 |
| Less: Weighted average number of shares resulting from employees' incentive plan shares | **(44)** | (16) |
| **Weighted average number of equity shares in issue during the year for basic earnings per share (b)** | **7,450** | 7,471 |
| Add: Weighted average number of shares resulting from employees' incentive plan shares | **44** | 16 |
| **Weighted average number of equity shares in issue during the year for diluted earnings per share (c)** | **7,494** | 7,487 |
| **Basic earnings per share (AED) (a)/(b)** | **1.45** | 1.17 |
| **Diluted earnings per share (AED) (a)/(c)** | **1.44** | 1.17 |





## 36. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flow comprise the following statement of financial position amounts:

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Cash and balances with central banks (Note 6) | **63,020** | 46,224 |
| Deposits and balances due from banks (excluding loans and advances to banks) (Note 7) | **28,230** | 19,535 |
| | **91,250** | 65,759 |
| Less: Cash and balances with central banks and deposits and balances due from banks – with original maturity of more than three months | **(15,634)** | (4,649) |
| Less: Restricted balance with Central Bank | **(50)** | - |
| **Total cash and cash equivalents** | **75,566** | 61,110 |

## 37. Related party transactions

The Group enters into transactions with the parent and its related entities, associates, joint ventures, funds under management, directors, senior management and their related entities and the Government of Abu Dhabi (ultimate controlling party and its related entities) in the ordinary course of business at agreed upon interest and commission rates.

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, being the directors, chief executive officer and members of Management Executive Committee. Details of all transactions in which a Director and/or related parties might have actual or potential conflicts are provided to the Board of Directors (the "Board") for its review and approval. Where a Director has interests that Director neither participates in the discussions nor votes on such matters. The Bank's policy is, so far as possible, to engage in transactions with related parties only on arm's length terms and in accordance with relevant laws and regulations. The Board Secretariat maintains a conflicts and related parties register which is regularly reviewed by the Board Corporate Governance Committee. In addition, the Board maintains awareness of other commitments of its Directors and senior management. The Bank has implemented a Directors' Conflict of Interest policy. As a result of written declarations submitted by each of the Board members, the Board recognises that the other commitments of the Directors do not conflict with their duties or that, where conflicts arise, the Board is sufficiently aware, and policies are in place to minimise the risks. For senior management, the Bank has implemented Code of Conduct and Conflict of Interest policy, where they are required to disclose the entities in which they or their relatives are or deemed to be interested.

Transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

### Parent and ultimate controlling party

Mubadala Investment Company holds 60.69% of the Bank's issued and fully paid-up share capital through its wholly owned subsidiaries. The Government of Abu Dhabi owns 100% of Mubadala Investment Company and so the ultimate controlling party is the Government of Abu Dhabi.

Related party balances and transactions of the Group included in the consolidated statement of financial position and consolidated income statement are as follows:

| | Ultimate controlling party and its related parties AED million | Directors and their related parties AED million | Senior management personnel and their related parties AED million | Associates, joint ventures and funds under management AED million | Total AED million |
|---|---|---|---|---|---|
| **Balances as at December 31, 2025** | | | | | |
| Deposits and balances due from banks | **53** | **-** | **-** | **-** | **53** |
| Financial assets at fair value through profit or loss | **48** | **-** | **-** | **-** | **48** |
| Derivative financial instruments - assets | **1,101** | **9** | **-** | **-** | **1,110** |
| Investment securities | **31,392** | **-** | **-** | **294** | **31,686** |
| Loans and advances to customers(*) | **66,547** | **3,672** | **47** | **3,127** | **73,393** |
| Other assets | **835** | **5** | **-** | **24** | **864** |
| Due to banks | **37** | **-** | **-** | **-** | **37** |
| Derivative financial instruments - liabilities | **1,333** | **5** | **-** | **-** | **1,338** |
| Deposits from customers | **105,323** | **546** | **19** | **1,628** | **107,516** |
| Other liabilities | **1,359** | **3** | **17** | **11** | **1,390** |
| Capital notes | **6,000** | **-** | **-** | **-** | **6,000** |
| Commitments and contingent liabilities | **41,508** | **70** | **3** | **61** | **41,642** |
| **Transactions for the year ended December 31, 2025** | | | | | |
| Interest income, Islamic financing income and non-interest income(**) | **5,691** | **212** | **2** | **(247)** | **5,658** |
| Interest expense and Islamic profit distribution | **4,176** | **13** | **-** | **59** | **4,248** |
| Impairment charge/(release) | **1** | **-** | **-** | **(38)** | **(37)** |
| Share in profit of associates | **-** | **-** | **-** | **9** | **9** |
| Coupons paid on capital notes | **421** | **-** | **-** | **-** | **421** |

(*) includes secured loans which are collateralised by tangible assets, including but not limited to real estate, cash, vehicles, shares and bonds
(**) includes net gain of AED 70 million on sale of property for AED 420 million under Ultimate controlling party and its related parties





| | Ultimate controlling party and its related parties AED million | Directors and their related parties AED million | Senior management personnel and their related parties AED million | Associates, joint ventures and funds under management AED million | Total AED million |
|---|---|---|---|---|---|
| **Balances as at December 31, 2024** | | | | | |
| Deposits and balances due from banks | 83 | - | - | - | 83 |
| Financial assets at fair value through profit or loss | 23 | - | - | 53 | 76 |
| Derivative financial instruments - assets | 730 | 18 | - | - | 748 |
| Investment securities | 33,300 | - | - | 256 | 33,556 |
| Loans and advances to customers(*) | 70,315 | 4,114 | 32 | 3,416 | 77,877 |
| Other assets | 970 | 6 | - | 3 | 979 |
| Due to banks | 527 | - | - | - | 527 |
| Derivative financial instruments - liabilities | 1,927 | 25 | - | - | 1,952 |
| Deposits from customers | 110,532 | 905 | 45 | 1,243 | 112,725 |
| Other liabilities | 1,430 | 5 | 15 | 1 | 1,451 |
| Capital notes | 6,000 | - | - | - | 6,000 |
| Commitments and contingent liabilities | 33,102 | 47 | 4 | 186 | 33,339 |
| **Transactions for the year ended December 31, 2024** | | | | | |
| Interest income, Islamic financing income and non-interest income | 5,328 | 258 | 1 | 78 | 5,665 |
| Interest expense and Islamic profit distribution | 4,956 | 22 | 1 | 51 | 5,030 |
| Impairment charge | 10 | - | - | - | 10 |
| Share in profit of associates | - | - | - | 11 | 11 |
| Coupons paid on capital notes | 465 | - | - | - | 465 |

(*) includes secured loans which are collateralised by tangible assets, including but not limited to real estate, cash, vehicles, shares and bonds.

As at December 31, 2025, funds under management held 956,413 shares (December 31, 2024 – 1,234,262 shares) of the Bank. During the year, the Bank paid cash dividend of AED 0.7 million (2024 – cash dividend of AED 0.9 million) to these funds.

Remuneration of senior management employees and Board of Directors fees and expenses during the year are as follows:

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Short term benefits (including retirement benefits) | **49** | 44 |
| Post-employment benefits | **4** | 3 |
| Variable pay benefits | **27** | 26 |
| **Total remuneration** | **80** | 73 |
| **Board of Directors fees and expenses** | **41** | 36 |

In addition to the above, the key management personnel were granted long term deferred compensation including share-based payments of AED 48 million (2024 – AED 36 million).

## 38. Commitments and contingent liabilities

The Group has the following commitments and contingent liabilities:

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| Letters of credit | **14,284** | 7,407 |
| Guarantees | **90,696** | 78,925 |
| Commitments to extend credit(*) | **96,521** | 66,279 |
| **Total commitments on behalf of customers** | **201,501** | 152,611 |
| Commitments for future capital expenditure and others | **527** | 544 |
| Commitments to invest in investment securities | **432** | 7 |
| **Total commitments and contingent liabilities** | **202,460** | 153,162 |

(*) includes AED 12,484 million (December 31, 2024 – AED 11,184 million) for undrawn credit card limits

### Credit-related commitments

Credit-related commitment includes commitments to extend credit, letters of credit and guarantees which are designed to meet the requirements of the Bank's customers. Irrevocable commitments to extend credit represent contractual commitments to make loans and advances and revolving credits. Revocable commitments to extend credit represent commitments to make loan and advances and revolving credits which can be cancelled by the Bank unconditionally without any contractual obligations. Commitments generally have fixed expiry dates or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Letters of credit and guarantees commit the Bank to make payments on behalf of customers, contingent upon the failure of the customer to perform under the terms of the contract. Commitments and contingent liabilities which have been entered into on behalf of customers and for which there are corresponding obligations from customers, are not included in assets and liabilities. The Bank's maximum exposure to credit loss, in the event of non-performance by the other party and where all counterclaims, collateral or security proves valueless, is represented by the contractual nominal amount of these instruments included in the table above. These commitments and contingent obligations are subject to the Bank's normal credit approval processes.

## 39. Operating segments

The Group has five reportable segments as described below. These segments offer different products and services and are managed separately based on the Group's management and internal reporting structure. The Group's Management Executive Committee (the Chief Operating Decision Maker "CODM") is responsible for allocation of resources to these segments, whereas, the Group's Performance Management Committee, based on delegation from CODM reviews the performance of these segments on a regular basis.

The following summary describes the operations in each of the Group's reportable segments:

| | |
|---|---|
| **Retail banking** | comprises of retail products and wealth management including Islamic financing. It includes loans, deposits and other transactions and balances with retail customers. |
| **Private banking** | comprises of high-net-worth customers, asset management, brokerage, Islamic financing and investment in associates. It includes loans, deposits and other transactions and balances with corporate and private accounts of high-net-worth individuals and fund management activities. |
| **Corporate and investment banking** | comprises of business banking, cash management, trade finance, corporate finance, small and medium enterprise financing, investment banking, Islamic financing, infrastructure and asset finance, government and public enterprises. It includes loans, deposits and other transactions and balances with corporate customers. |
| **Investments and treasury** | comprises of central treasury operations, management of the Group's investment portfolio and interest rate, currency and commodity derivative portfolio and Islamic financing. Investments and treasury undertake the Group's funding and centralised financial risk management activities through borrowings, issue of debt securities and use of derivatives for risk management. It also undertakes trading and corporate finance activities and investing in liquid assets such as short-term placements, corporate and government debt securities. |
| **Others** | comprises of operations of subsidiaries not included in other segments, real estate management income of associate and rental income earned from properties of the Group. |





Information regarding the results of each reportable segment is shown below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Performance Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within these industries.

The following is an analysis of the Group's revenue and results by operating segments:

| For the year ended December 31, 2025 | Retail banking AED million | Private banking AED million | Corporate and investment banking AED million | Investments and treasury AED million | Others AED million | Total AED million |
|---|---|---|---|---|---|---|
| Net interest income | **2,683** | **1,478** | **4,278** | **3,647** | **5** | **12,091** |
| Net income from Islamic financing and investing products | **1,513** | **115** | **591** | **378** | **-** | **2,597** |
| **Total net interest income and income from Islamic financing and investing products** | **4,196** | **1,593** | **4,869** | **4,025** | **5** | **14,688** |
| Non-interest income | **1,663** | **248** | **3,891** | **1,388** | **305** | **7,495** |
| **Operating income** | **5,859** | **1,841** | **8,760** | **5,413** | **310** | **22,183** |
| Operating expenses | **(3,285)** | **(319)** | **(2,078)** | **(438)** | **(126)** | **(6,246)** |
| **Operating profit before impairment charge** | **2,574** | **1,522** | **6,682** | **4,975** | **184** | **15,937** |
| Impairment (charge)/release | **(564)** | **(2,811)** | **235** | **37** | **-** | **(3,103)** |
| **Profit/(loss) after impairment charge** | **2,010** | **(1,289)** | **6,917** | **5,012** | **184** | **12,834** |
| Share in profit of associates | **-** | **8** | **-** | **-** | **1** | **9** |
| **Profit/(loss) before taxation** | **2,010** | **(1,281)** | **6,917** | **5,012** | **185** | **12,843** |
| Income tax (charge)/release | **(220)** | **116** | **(746)** | **(525)** | **(23)** | **(1,398)** |
| **Profit/(loss) for the year** | **1,790** | **(1,165)** | **6,171** | **4,487** | **162** | **11,445** |
| **As at December 31, 2025** | | | | | | |
| **Total assets** | **73,496** | **42,791** | **374,582** | **281,492** | **1,293** | **773,654** |
| **Total liabilities** | **111,515** | **64,247** | **294,993** | **212,798** | **1,360** | **684,913** |

| For the year ended December 31, 2024 | Retail banking AED million | Private banking AED million | Corporate and investment banking AED million | Investments and treasury AED million | Others AED million | Total AED million |
|---|---|---|---|---|---|---|
| Net interest income | 2,505 | 1,206 | 3,488 | 3,823 | 7 | 11,029 |
| Net income from Islamic financing and investing products | 1,336 | 97 | 541 | 222 | - | 2,196 |
| **Total net interest income and income from Islamic financing and investing products** | 3,841 | 1,303 | 4,029 | 4,045 | 7 | 13,225 |
| Non-interest income | 1,480 | 228 | 3,621 | 791 | 134 | 6,254 |
| **Operating income** | 5,321 | 1,531 | 7,650 | 4,836 | 141 | 19,479 |
| Operating expenses | (3,477) | (307) | (1,859) | (307) | (81) | (6,031) |
| **Operating profit before impairment charge** | 1,844 | 1,224 | 5,791 | 4,529 | 60 | 13,448 |
| Impairment (charge)/release | (461) | (1,520)) | (898) | 5 | - | (2,874) |
| **Profit/(loss) after impairment charge** | 1,383 | (296) | 4,893 | 4,534 | 60 | 10,574 |
| Share in (loss)/profit of associates | - | (5) | - | - | 16 | 11 |
| **Profit/(loss) before taxation** | 1,383 | (301) | 4,893 | 4,534 | 76 | 10,585 |
| Income tax (charge)/release | (190) | 27 | (488) | (508) | (7) | (1,166) |
| **Profit/(loss) for the year** | 1,193 | (274) | 4,405 | 4,026 | 69 | 9,419 |
| **As at December 31, 2024** | | | | | | |
| **Total assets** | 71,701 | 47,511 | 299,037 | 232,618 | 1,947 | 652,814 |
| **Total liabilities** | 91,603 | 58,804 | 225,427 | 200,204 | 1,209 | 577,247 |

## Other disclosures

The following is the analysis of the total operating income of each segment between income from external parties and inter-segment.

| | External | | Inter-segment | |
|---|---|---|---|---|
| | 2025 AED million | 2024 AED million | 2025 AED million | 2024 AED million |
| Retail banking | **4,695** | 4,357 | **1,164** | 964 |
| Private banking | **1,298** | 1,221 | **543** | 310 |
| Corporate and investment banking | **13,873** | 13,698 | **(5,113)** | (6,048) |
| Investments and treasury | **2,007** | 62 | **3,406** | 4,774 |
| Others | **310** | 141 | **-** | - |
| **Total operating income** | **22,183** | 19,479 | **-** | - |

## Geographical information

The Group operates in two principal geographic areas i.e. domestic and international. The United Arab Emirates is designated as domestic area which represents the operations of the Group that originates from branches and subsidiaries in the UAE. International area represents the operations of the Group that originates from its subsidiaries and branches outside the UAE. The information regarding the Group's revenue from continuing operations and non-current assets by geographical location are detailed as follows:

| | Domestic | | International | |
|---|---|---|---|---|
| | 2025 AED million | 2024 AED million | 2025 AED million | 2024 AED million |
| **Income** | | | | |
| Net interest income and income from Islamic financing and investing products | **13,853** | 12,431 | **835** | 794 |
| Non-interest income | **7,345** | 6,151 | **150** | 103 |
| **Non-current assets** | | | | |
| Investment in associates and joint venture | **306** | 329 | **-** | - |
| Investment properties | **1,193** | 1,715 | **-** | 1 |
| Property and equipment, net | **544** | 915 | **145** | 132 |
| Intangible assets, net | **7,563** | 7,583 | **95** | 89 |
| Right of use assets, net | **240** | 97 | **35** | 42 |





# 40. Financial instruments

## Categories of financial instruments

The following tables analyse the Group's financial assets and financial liabilities in accordance with categories of financial instruments under IFRS 9 as at December 31, 2025.

| | Measured at FVTPL AED million | Hedging derivatives AED million | Debt instruments classified at FVTOCI AED million | Equity instruments designated at FVTOCI AED million | Amortised cost AED million | Total AED million |
|---|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | | |
| **Assets** | | | | | | |
| Cash and balances with central banks, net | **-** | **-** | **-** | **-** | **63,019** | **63,019** |
| Deposits and balances due from banks, net | **-** | **-** | **-** | **-** | **56,594** | **56,594** |
| Financial assets at fair value through profit or loss | **21,686** | **-** | **-** | **-** | **-** | **21,686** |
| Derivative financial instruments | **12,645** | **2,515** | **-** | **-** | **-** | **15,160** |
| Investment securities, net | **-** | **-** | **83,535** | **708** | **81,894** | **166,137** |
| Loans and advances to customers, net | **2,936** | **-** | **-** | **-** | **403,031** | **405,967** |
| Other assets, net | **-** | **-** | **-** | **-** | **34,863** | **34,863** |
| **Total financial assets** | **37,267** | **2,515** | **83,535** | **708** | **639,401** | **763,426** |
| **Liabilities** | | | | | | |
| Due to banks | **-** | **-** | **-** | **-** | **19,086** | **19,086** |
| Derivative financial instruments | **11,269** | **16,995** | **-** | **-** | **-** | **28,264** |
| Deposits from customers | **-** | **-** | **-** | **-** | **499,775** | **499,775** |
| Euro commercial paper | **-** | **-** | **-** | **-** | **8,720** | **8,720** |
| Borrowings | **-** | **-** | **-** | **-** | **89,794** | **89,794** |
| Other liabilities | **25** | **-** | **-** | **-** | **36,817** | **36,842** |
| **Total financial liabilities** | **11,294** | **16,995** | **-** | **-** | **654,192** | **682,481** |

| | Measured at FVTPL AED million | Hedging derivatives AED million | Debt instruments classified at FVTOCI AED million | Equity instruments designated at FVTOCI AED million | Amortised cost AED million | Total AED million |
|---|---|---|---|---|---|---|
| **As at December 31, 2024** | | | | | | |
| **Assets** | | | | | | |
| Cash and balances with central banks, net | - | - | - | - | 46,223 | 46,223 |
| Deposits and balances due from banks, net | - | - | - | - | 50,214 | 50,214 |
| Financial assets at fair value through profit or loss | 12,870 | - | - | - | - | 12,870 |
| Derivative financial instruments | 13,750 | 5,223 | - | - | - | 18,973 |
| Investment securities, net | - | - | 50,072 | 921 | 91,996 | 142,989 |
| Loans and advances to customers, net | 3,198 | - | - | - | 347,440 | 350,638 |
| Other assets, net | - | - | - | - | 19,834 | 19,834 |
| **Total financial assets** | 29,818 | 5,223 | 50,072 | 921 | 555,707 | 641,741 |
| **Liabilities** | | | | | | |
| Due to banks | - | - | - | - | 11,277 | 11,277 |
| Derivative financial instruments | 12,429 | 11,462 | - | - | - | 23,891 |
| Deposits from customers | - | - | - | - | 421,060 | 421,060 |
| Euro commercial paper | - | - | - | - | 6,153 | 6,153 |
| Borrowings | - | - | - | - | 88,687 | 88,687 |
| Other liabilities | - | - | - | - | 24,374 | 24,374 |
| **Total financial liabilities** | 12,429 | 11,462 | - | - | 551,551 | 575,442 |

## 41. Fair value hierarchy

### Fair value measurements recognised in the consolidated financial statements

The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

### Quoted market prices – Level 1

Financial instruments are classified as Level 1 if their values are observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions.

### Valuation techniques using observable inputs - Level 2

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuation based on observable inputs includes financial instruments such as swaps and forwards which are valued using market standard pricing techniques and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

The category includes derivative financial instruments such as over the counter (OTC) derivatives, commodity derivatives, foreign exchange spot and forward contracts, certain investment securities, financial assets at FVTPL, euro commercial paper and borrowings. Valuation of the derivative financial instruments is made through discounted cash flow method using the applicable yield curve for the duration of the instruments for non-optional derivatives and standard option pricing models such as Black-Scholes and other valuation models for derivatives with options.





The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Group's financial instruments such as credit risk and funding costs. Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. Credit valuation adjustment is calculated by applying Monte-carlo simulation models.

Collateral and netting arrangements are taken into account where applicable. The Group applies credit value adjustments to all relevant OTC positions with the exception of positions settled through central clearing houses.

Funding value adjustment (FVA) reflects the impact of funding associated with collateralised and partly collateralised OTC positions. The Group calculates the FVA by applying estimated future funding costs to the expected future exposure that the Group will be required to fund as a result of the uncollateralised component of the OTC portfolio (i.e. the uncollateralised component of a collateralised portfolio and the entire uncollateralised portfolio).

### Valuation techniques using significant unobservable inputs – Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market.

Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations, or other analytical techniques. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Financial instruments under this category mainly include private equity instruments, funds and loans and advances to customers mandatorily measured at FVTPL. The carrying values of these investments are adjusted as follows:

a) Private equity instruments – using the latest available net book value;

b) Funds – based on the net asset value provided by the fund manager; and

c) Loans and advances to customers mandatorily measured at FVTPL – multiplying relevant market multiples to actual earnings before interest, tax, depreciation and amortisation (EBITDA).

Investment properties are classified as Level 3 as their valuation incorporates significant unobservable inputs. The significant unobservable inputs used in the fair value measurement of the Group's investment properties are rental income and capitalisation rates. Significant decrease in rental income, or increase in capitalisation rates, in isolation would result in a significant lower fair value measurement. Generally, a change in the assumption used for rental income should be accompanied by a change in the assumption for capitalisation rates in the same direction as increase in rental income raises the expectations of the seller to earn from the investment property. Therefore, the effects of these changes partially offset each other. Refer note 13 in respect of valuation methodology used for investment properties.

Except as detailed in the following table, the 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.

| | Notes | Level 1 Quoted market prices AED million | Level 2 Observable inputs AED million | Level 3 Significant unobservable inputs AED million | Total fair value AED million | Carrying value AED million |
|---|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | | |
| **Assets at fair value** | | | | | | |
| Financial assets at fair value through profit or loss | 8 | 11,152 | 10,504 | 30 | 21,686 | 21,686 |
| Derivative financial instruments | 9 | 47 | 15,113 | - | 15,160 | 15,160 |
| Investment securities, net | 10 | | | | | |
| - At fair value through other comprehensive income | | 82,710 | 1,388 | 145 | 84,243 | 84,243 |
| - At amortised cost | | 75,662 | 4,961 | - | 80,623 | 81,894 |
| Loans and advances to customers mandatorily measured at FVTPL | 11 | - | - | 2,936 | 2,936 | 2,936 |
| Investment properties | 13 | - | - | 1,193 | 1,193 | 1,193 |
| **Total** | | 169,571 | 31,966 | 4,304 | 205,841 | 207,112 |
| **Liabilities at fair value** | | | | | | |
| Derivative financial instruments | 9 | 66 | 28,198 | - | 28,264 | 28,264 |
| **Liabilities at amortised cost** | | | | | | |
| Euro commercial paper | 19 | - | 8,726 | - | 8,726 | 8,720 |
| Borrowings | 20 | 15,307 | 75,000 | - | 90,307 | 89,794 |
| **Total** | | 15,373 | 111,924 | - | 127,297 | 126,778 |
| **As at December 31, 2024** | | | | | | |
| **Assets at fair value** | | | | | | |
| Financial assets at fair value through profit or loss | 8 | 1,401 | 11,439 | 30 | 12,870 | 12,870 |
| Derivative financial instruments | 9 | 1 | 18,972 | - | 18,973 | 18,973 |
| Investment securities, net | 10 | | | | | |
| - At fair value through other comprehensive income | | 48,667 | 2,230 | 96 | 50,993 | 50,993 |
| - At amortised cost | | 89,822 | - | - | 89,822 | 91,996 |
| Loans and advances to customers mandatorily measured at FVTPL | 11 | - | - | 3,198 | 3,198 | 3,198 |
| Investment properties | 13 | - | - | 1,716 | 1,716 | 1,716 |
| **Total** | | 139,891 | 32,641 | 5,040 | 177,572 | 179,746 |
| **Liabilities at fair value** | | | | | | |
| Derivative financial instruments | 9 | 2 | 23,889 | - | 23,891 | 23,891 |
| **Liabilities at amortised cost** | | | | | | |
| Euro commercial paper | 19 | - | 6,156 | - | 6,156 | 6,153 |
| Borrowings | 20 | 12,553 | 75,479 | - | 88,032 | 88,687 |
| **Total** | | 12,555 | 105,524 | - | 118,079 | 118,731 |

The Group's OTC derivatives in the trading book are classified as Level 2 as they are valued using inputs that can be observed in the market.





Reconciliation showing the movement in fair values of Level 3 investments designated at FVTOCI and FVTPL and loans and advances to customers mandatorily measured at FVTPL is as follows:

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| **Opening balance** | **3,324** | 3,360 |
| Net additions during the year | **93** | 78 |
| Disposals including capital refunds during the year | **(76)** | (2) |
| Adjustment through income/other comprehensive income statement during the year | **(230)** | (112) |
| **Closing balance** | **3,111** | 3,324 |

Net loss of AED 48 million (2024 – net gains of AED 0.7 million) was realised on disposal of Level 3 equity investments designated at FVTOCI and were transferred to retained earnings.

There were no significant transfers between Level 1 and Level 2 investments and no change in valuation techniques used during the year.

## 42. Risk management

### Risk governance framework

The risk governance framework is based on the overall strong corporate governance structure in the Group. The Group has a formally documented Enterprise Risk Management (ERM) policy that covers the following:

- Establish principles of risk management that are common across all risks and lines of defence.
- Details the governance structure, roles and responsibilities of all stakeholders in relation to risk management.
- Outlines the risk strategy and risk appetite.
- Outline approach to risk management across the risk management lifecycle.

The Group's governance structure is anchored by a robust and effective Board, reinforced by specialized Board Committees, tasked with executing their roles and responsibilities. The Board Risk Committee (BRC) oversees management, monitoring and review of financial and non-financial risks. It works with management to define risk appetite and strategy as appropriate for particular sectors, geographic regions and customer types.

It periodically reviews and monitors compliance with the Group's overall risk appetite and makes recommendations to the Board based on current and emerging risks.

The BRC receives on a regular basis, portfolio level briefings from the Group Chief Risk Officer (GCRO) along with deep dives on risk issues, including ADCB's portfolio trends, policy parameters, operational resilience, UAE and other market risk profiles, key risk indicators, results of stress testing and changes to the assumptions, liquidity measures, capital adequacy and planning. The BRC is authorized to investigate or seek any information relating to any activity within its terms of reference. The BRC also conducts 'deep dive' reviews on a rolling basis of different sections of the consolidated group risk information report.

The Management Executive Committee (MEC) has primary responsibility for implementing, overseeing, and taking ownership for the enforcement of risk strategy and internal control directives laid down by the Board and Board committees.

In addition to MEC, other management level committees that actively manage risk and compliance include:

- Assets and Liabilities Management Committee (ALCO),
- Risk Management Committee (RMC),
- Model Risk Management Committee (MRMC),
- Management Recoveries Committee (MRC),
- Management Credit Committee (MCC), and
- Management Compliance Committee.

The Risk Management function headed by the GCRO reports independently to BRC and administratively to the Group Chief Executive Officer (GCEO). The risk function is independent of the origination, trading, and sales function to ensure balance in risk reward decision is not compromised and to ensure transparency of decisions in accordance with laid down standards and policies. The risk function is also independent of the credit underwriting division which is headed by the Group Chief Credit Officer. The risk function exercises control over all areas of risks. Each key risk function is established as independent unit under the Group Risk Management and has functional heads leading them. These includes credit, market, liquidity, operational, fraud, Shari'ah, reputational, data management, information security, ESG (Environment, Social Governance), model risk and digital risk.

The risk function also oversees Group's international branches and subsidiaries.

Board Audit Committee (BAC) provides assistance to the Board to fulfil its duties to ensure and oversee the Group's financial statements, independence and performance of the Group's external and internal auditors, adherence with legal and regulatory requirements and internal policies and internal control over financial reporting. BAC also has oversight of the Bank's compliance activities (financial crime prevention, anti-money laundering, know your customer requirements, etc.) and CBUAE standards and regulations that affect the operations of the Bank.

The Internal Audit division (IAD) aims to apply a systematic and disciplined approach to evaluating and improving the effectiveness of the Group's risk management, control, and governance processes. The IAD reports directly to BAC. The IAD consists of a team of auditors, whose tasks are, among other things, to evaluate the quality of the Group's lending portfolio, controls in operational processes and the integrity of the Group's information systems and databases. The IAD auditors, alongside the compliance department, also ensure that transactions undertaken by the Group are conducted in compliance with applicable legal and regulatory requirements and in accordance with the Group's internal procedures, thereby minimising the risk of fraudulent, improper, or illegal practices.

### Three lines of defence model

ADCB has an activity-based three lines of defence model. The lines of defence structure are put in place to ensure a clear segregation between risk ownership (First line of defence), risk oversight and stewardship (Second line of defence) and independent assurance (Third line of defence) to support the effective identification, assessment, management and reporting of risks.

### Risk appetite

The Group's risk appetite framework is based on a comprehensive perspective of its business model, organisational capabilities and skills and financial strength. By taking this holistic perspective, The Group ensures that the defined risk appetite measures are well grounded in the Group capabilities and realistically achievable. It not only broadens the perspective on potential risks, but also mitigating actions and ambitions to improve its risk management capabilities. The risk appetite is formally articulated through the RAS (risk appetite statement) which is approved by the Board. The Group's risk appetite statement has the following key call-outs:

- Covers 18 areas of risk articulated via qualitative and quantitative metrics.
- Framework covers ADCB Group and each subsidiary / international branch develops its RAS within the Group's framework. The RAS is reviewed on an annual basis.
- A separate reporting for Islamic window.
- Regular update to the Board Risk Committee via a dashboard to monitor all metrics.

### Risk identification, assessment and mitigation

The Group identify and assess various types of risk and the risk management policies are designed to measure, monitor and control these risks. The Group also conducts regular stress tests to understand potential vulnerabilities and inform capital and liquidity decisions and also regularly scans the threat landscape and introduces new policies and functions to complement its suite of policies. In 2024, the Group introduced and/or strengthened several key polices and controls with respect to subsidiary oversight, climate risk stress tests, investment lending policies and digital risk.

### Culture and training

Regular training and development is recognized as an essential element in the successful execution of the Bank's risk strategy and ERM framework. Comprehensive ongoing training as well as specific learning and development opportunities are provided to employees including the following:

- Foundational basic awareness: Introductory training at all levels, including risk content within the Bank's induction programme for all new joiners, and mandatory eLearning for all existing employees.
- Role specific tailored content: Role specific training across all departments with deep dives on specific topics such as climate change.
- Advanced specialist certificates: Carefully selected specialized international certificates to support colleagues with deeper understanding of specific topics such as Islamic banking, sustainable finance and ESG.

Communication relating to risk management, policies, procedures are coordinated to ensure messages are delivered effectively to relevant recipients. Broad range of communication methods including circulars, memos, emails, town halls, etc. are used based on the urgency.



ABU DHABI COMMERCIAL BANK PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

## 43. Credit risk management

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities), investments in debt securities and derivatives that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

The GCRO together with Group Chief Credit Officer are responsible for managing the Group's credit risk by:

- Ensuring that the Group has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's stated policies and procedures, IFRS and relevant supervisory guidance.
- Identifying, assessing and measuring credit risk across the Group.
- Formulating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location, etc.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Group's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Group's processes for measuring ECL including monitoring of credit risk, incorporation of forward looking information and the method used to measure ECL.
- Ensuring that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL. Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.
- Managing the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

The Group wide credit policies and standards are approved by BRC. These govern all delegated lending authorities and include policies, standards, metrics, strategies and procedures specific to each of the different business segments and are decided based on the macro economic conditions, the risk appetite of the Group, market data and internal skill sets and capabilities. They are regularly reviewed and modified to ensure they stay current, relevant and protect the Group's interest in changing operating conditions. In addition to Group wide policies, there are underwriting standards set for each portfolio segment. The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

The BRC that has been delegated by the Board for the implementation of adequate policies, procedures, processes, systems and controls for assessing the Group's overall credit and concentration risk including expected credit losses are maintained in line with or above regulatory requirements has reviewed and approved the impact of new credit risk management standards.

## Risk ratings

### Internal credit risk ratings

In order to measure credit risk, Group Risk Management has developed credit risk rating to categorise exposures according to their degree of risk of default. The Group's credit risk rating framework comprises of 10 categories and 21 risk grades. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The Group uses various qualitative and quantitative factors such as borrower financial strength, industry risk factors, management quality, operational efficiency, company standing, liquidity, capital structure, peer group analysis, etc. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. The Group uses several internal rating models to effecttively rate customers based on the customer segment. These rating models have been developed internally or externally purchased models have been modified by model development teams and validated on a regular basis in line with ADCB's model risk management policy. The rating models have been calibrated based on ADCB's default rate history. The Group also has an LGD rating scale and assigns LGD rating to each of its corporate customers.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure. The following data are typically used to monitor the Group's exposures:

- Financial ratios – absolute values, peer analyis;
- Industry risk;
- Qualitative factors such as management strength, concentrations, etc.;
- Payment record, including payment ratios and ageing analysis;
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For retail exposures: internally generated data of customer behaviour, affordability metrics, etc.; and
- For corporate exposures: information obtained by periodic review of customer files including review of audited financial statements and market data.

The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The table below provides an indicative mapping of the Group's internal credit risk grades to external ratings.

| Rating category | Moody's | S&P | Fitch | Description |
|---|---|---|---|---|
| 1 | Aaa | AAA | AAA | Investment grade |
| 2 | Aa1 - Aa3 | AA+ - AA- | AA+ - AA- | Investment grade |
| 3 | A1 - A3 | A+ - A- | A+ - A- | Investment grade |
| 4 | Baa1 - Baa3 | BBB+ - BBB- | BBB+ - BBB- | Investment grade |
| 5 | Ba1 - Ba3 | BB+ - BB- | BB+ - BB- | Non-investment grade |
| 6 | B1 - B3 | B+ - B- | B+ - B- | Non-investment grade |
| 7 | Caa1 - Caa3 | CCC - CCC- | CCC - C | Watch list |
| 8-10 | Default | Default | Default | Default |

Some of these grades are further sub-classified with a plus or a minus sign. Lower grades are indicative of a lower likelihood of default. Credit grades 1-7 are assigned to performing customers or accounts while credit grades 8 – 10 are assigned to stage 3 or defaulting customers.





Credit ratings are used by the Group to decide the maximum lending amount per customer group and also to set minimum pricing thresholds. The Bank also uses these internal ratings as an input to the IFRS 9 ECL model and these ratings are also used to determine the staging of the customer.

Retail customers or individual borrowers are not assigned a credit rating under this structure. However, retail banking division uses behaviour scoring for its customers.

The internal credit grade system is not intended to replicate external credit grades but factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agency is typically assigned a higher internal credit grade. The basis for determining ECL is as follows:

| IFRS 9 Staging | Basis for determining ECL |
|---|---|
| Stage 1 | 12 months ECL |
| Stage 2 | Lifetime ECL |
| Stage 3 including POCI | Lifetime ECL and credit impairment based on discounted cash flow model |

The quality of credit risk exposure is disclosed in note 43.2.

### External credit risk ratings

The table below presents the external credit ratings of the Group's deposits and balances due from banks, gross, debt securities, gross based on S&P's rating scale. Debt issuer level ratings are used in case ratings are not available at issuance level. Wherever S&P's ratings are not available, comparable Fitch or Moody's equivalent ratings scale is used. Internal ratings are used for structured funding arrangements that are part of the financial assets at fair value through profit and loss (FVTPL).

| | As at December 31, 2025 | | | | As at December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| Ratings | Deposits and balances due from banks, gross AED million | Debt securities at FVTPL AED million | Debt securities at amortised cost, gross AED million | Debt securities designated at FVTOCI AED million | Deposits and balances due from banks, gross AED million | Debt securities at FVTPL AED million | Debt securities at amortised cost, gross AED million | Debt securities designated at FVTOCI AED million |
| AAA to AA- | **2,775** | **5,885** | **45,516** | **39,309** | 4,412 | 1,277 | 45,486 | 28,759 |
| A+ to A- | **29,561** | **31** | **26,449** | **33,465** | 23,535 | - | 34,440 | 11,968 |
| BBB+ to BBB- | **5,689** | **148** | **9,348** | **6,970** | 5,129 | 35 | 10,420 | 5,564 |
| BB+ to B- | **16,745** | **5,511** | **201** | **3,604** | 16,256 | 1,582 | 1,211 | 3,572 |
| CCC+ to C- | **158** | **-** | **-** | **-** | 73 | - | - | - |
| UAE Sovereigns | **-** | **-** | **215** | **152** | - | - | 281 | 149 |
| Unrated | **1,772** | **-** | **173** | **35** | 915 | - | 180 | 60 |
| | **56,700** | **11,575** | **81,902** | **83,535** | 50,320 | 2,894 | 92,018 | 50,072 |

Internal ratings of UAE Sovereigns debt securities with comparable external ratings are as follows:

| | Internal rating | External rating | 2025 AED million | 2024 AED million |
|---|---|---|---|---|
| UAE Sovereigns | Grades 2 to 3 | AA to A- | **367** | 430 |
| Unrated | Grades 3- to 4 | A- | **173** | 173 |
| | Grades 5 to 6 | BB+ to BB | **35** | 67 |
| | | | **575** | 670 |

Structured funding arrangements amounting to AED 10,081 million (December 31, 2024 – AED 9,893 million) (Note 8) carried at fair value through profit or loss are internally rated between grades 5 to 6.

## Significant increase in credit risk (SICR)

As explained in note 3.8(h), the Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group uses different criteria to determine whether credit risk has increased significantly. The criteria used are qualitative as well as quantitative such as significant increase in point-in-time (PIT) PD since origination, 30 days past due (DPD) and restructured in the last 12 months.

The SICR indicators per type of asset and the rating deterioration that are determined to be significant are summarised below.

### SICR – from stage 1 to stage 2 for non-retail loans and advances, debt instruments and money market instruments

Criteria to determine whether credit risk has increased significantly are as follows:

- Annualized lifetime PD is 3 times or more than the PD at origination
- Customer level DPD more than 30 days past due (DPD)
- All other criteria as per CBUAE such as 3 or more deferrals in the last 24-month period

### SICR – from stage 1 to stage 2 for retail loans and advances and credit cards

Criteria to determine whether credit risk has increased significantly are as follows:

- greater than 30 DPD;
- at least three times 30 DPD or more in the last 12 months;
- at least two times 60 DPD or more in the last 12 months.

In addition to above rating deterioration criteria, the Group also considers other qualitative SICR indicators as required in IFRS 9 and CBUAE regulations.

For retail loans and advances and credit cards, SICR is assessed at a portfolio level through metrics such as:

- the extent of salary credits into personal loan customer accounts (currently a portfolio threshold of 85% or lower will trigger a SICR review); and
- Al Etihad Credit Bureau (AECB) alerts pertaining to occurrence of delinquency with other banks, but regular with ADCB, (currently a portfolio threshold of 2% or higher will trigger a SICR review).

### Default - Stage 3

The Group employs customer level staging for non-retail customers. All non-retail customers that have faciliities that are 90 DPD or that have assessed as unlikely to pay are classified as stage 3. The unlikeliness to pay assessement is undertaken using a mix of qualitative and quantitative criteria.

Loan commitments are assessed along with the category of loan the Group is committed to provide, i.e. commitments to provide mortgages are assessed using similar criteria to mortgage loans while commitments to provide a corporate loan are assessed using similar criteria to corporate loans.

In addition, the Group also follows a probation period for backward transition of staging -

An account has to be in stage 2 for a minimum of 12 months (cure period) for it to move to stage 1 and an account in stage 3 has to move to stage 2 before moving to stage 1. The probation period can extend to 24 months depending on the repayment frequency of the facility.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit risk are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted. The Group performs periodic back-testing on the models used to ensure that the models are still performing and predict well the default and loss rates for the Bank and take action in a timely manner in case of non-performance.

## Incorporation of forward-looking information

The Group uses forward-looking macro-economic variables in its measurement of ECL. The Group Chief Economist provides the macro-economic forecasts and scenarios which are also supplemented by external feed of other variables by Moody's.

The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and has macro-economic models that forecast relationships between macro-economic variables and credit losses.

During the year, the Group changed its macro-economic variables forecast in line with the prevailing market conditions. The Group has multiple macroeconomic models to cater the portfolio size and ensure homogeneity within the segments.





The table below summarises the principal macro-economic indicators included in the economic scenarios used as at December 31, 2025 for the years 2026 to 2028, for UAE which is the country where the Group primarily operates and therefore is the country that has a material impact on ECLs. The base case economic scenario is having a weightage of 50% while the optimistic and pessimistic scenarios have respectively 20% and 30% weightage.

| List of macro-economic variables used | Definition | Scenario | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| Oil price, Brent USD | Price per barrel | Base | 62.1 | 63.5 | 64.9 |
| | | Upside | 66.6 | 64.7 | 65.9 |
| | | Downside | 39.1 | 57.4 | 63.3 |
| Real GDP growth | % change | Base | 4.2% | 3.8% | 3.9% |
| | | Upside | 6.6% | 3.9% | 4.0% |
| | | Downside | -2.1% | 3.6% | 5.9% |
| Real non-oil GDP growth | % change | Base | 4.4% | 3.5% | 3.6% |
| | | Upside | 6.7% | 3.9% | 3.8% |
| | | Downside | -2.2% | 2.6% | 5.6% |
| Consumer inflation | % annual average | Base | 1.7% | 1.8% | 2.0% |
| | | Upside | 1.8% | 1.9% | 2.0% |
| | | Downside | 0.9% | 1.3% | 1.8% |
| Dubai real estate sale prices | % change | Base | 4.1% | 4.8% | 4.8% |
| | | Upside | 7.2% | 5.7% | 4.7% |
| | | Downside | -10.4% | -0.4% | 5.9% |

Predicted relationships between the key indicators and default rates on various portfolios of financial assets have been developed based on analysing historical data of more than five years.

## Measurement of ECL

The key inputs used for measuring ECL are:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated based on customer risk profile, adjusted to take into account the future economic conditions that will impact PD.LGD is an estimate of the loss arising on default. It is either based on Basel LGD for low default portfolio or on internal ADCB experience in term of workout process and recovery data. The internal models take into consideration all the collected amounts, the time to recovery, the discount rate, the exposure at default and all direct and indirect costs. The seniority of the facility and the type of collateral are important criteria and are considered in the LGD calculation. For ECL calculation, the LGD are converted to point-in time to reflect the economic forecast in each scenario.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. For such financial instruments the Group measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period. However, the Group does not enforce in the normal day-to-day management the contractual right to cancel these financial instruments. This is because these financial instruments are managed on a collective basis and are cancelled only when the Group becomes aware of an increase in credit risk at the facility level.

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. The Group has ensured that the appropriate methodology is used when calculating ECL for both accounting and regulatory purposes.

## 43.1 Maximum exposure to credit risk

The gross exposure to credit risk for on balance sheet items is their carrying value. For financial guarantees recorded off balance sheet, the gross exposure to credit risk is the maximum amount that the Group would have to pay if the guarantees were to be called upon. For loans and other credit related commitments that are irrevocable over the life of the respective facilities, the gross exposure to credit risk is the full amount of the committed facilities.

The following table presents the maximum exposure to credit risk for amortised cost financial instruments, derivative financial instruments, investment securities (bonds), financial instruments at fair value through profit or loss and off-balance sheet financial instruments as at December 31, 2025 and 2024, after allowance for impairment and netting where appropriate and after taking into account any collateral held or other credit risk mitigants (CRMs).

| | On-balance sheet AED million | Off-balance sheet AED million | Gross credit risk exposure AED million | Gross CRMs AED million | Maximum credit risk exposure AED million |
|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | |
| Cash and balances with central banks, net | **63,019** | **-** | **60,721** | **-** | **60,721** |
| Deposits and balances due from banks, net | **56,594** | **-** | **56,594** | **5,617** | **50,977** |
| Financial assets at fair value through profit or loss | **21,686** | **-** | **21,656** | **10,017** | **11,639** |
| Derivative financial instruments | **15,160** | **-** | **15,160** | **12,453** | **2,707** |
| Investment securities, net | **166,137** | **-** | **165,429** | **-** | **165,429** |
| Loans and advances to customers, net(*) | **405,967** | **173,206** | **579,173** | **168,828** | **410,345** |
| Other assets, net | **34,970** | **-** | **34,863** | **13,087** | **21,776** |
| **Total** | **763,533** | **173,206** | **933,596** | **210,002** | **723,594** |
| **As at December 31, 2024** | | | | | |
| Cash and balances with central banks, net | 46,223 | - | 43,884 | - | 43,884 |
| Deposits and balances due from banks, net | 50,214 | - | 50,214 | 310 | 49,904 |
| Financial assets at fair value through profit or loss | 12,870 | - | 12,787 | 9,893 | 2,894 |
| Derivative financial instruments | 18,973 | - | 18,973 | 17,007 | 1,966 |
| Investment securities, net | 142,989 | - | 142,068 | - | 142,068 |
| Loans and advances to customers, net(*) | 350,638 | 127,882 | 478,521 | 171,638 | 306,883 |
| Other assets, net | 20,004 | - | 19,834 | 4,674 | 15,160 |
| **Total** | 641,911 | 127,882 | 766,281 | 203,522 | 562,759 |

(*) includes loans and advances to customers mandatorily measured at FVTPL (Note 11)





## 43.2 Gross exposure

An analysis of the Group's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. 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.

| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | |
| Balances with central banks (Note 6) | **60,722** | **-** | **-** | **-** | **60,722** |
| Deposits and balances due from banks (Note 7) | **56,697** | **3** | **-** | **-** | **56,700** |
| Investment securities at amortised cost (Note 10) | **81,902** | **-** | **-** | **-** | **81,902** |
| Investment securities designated at FVTOCI (Note 10) | **83,535** | **-** | **-** | **-** | **83,535** |
| Loans and advances to customers (Note 11)(*) | **385,451** | **16,847** | **8,075** | **592** | **410,965** |
| Other assets (Note 14) | **34,598** | **253** | **35** | **2** | **34,888** |
| Letters of credit, guarantees and other commitments (Note 38) | **164,266** | **5,226** | **3,589** | **125** | **173,206** |
| **Total gross exposure** | **867,171** | **22,329** | **11,699** | **719** | **901,918** |
| **As at December 31, 2024** | | | | | |
| Balances with central banks (Note 6) | 43,885 | - | - | - | 43,885 |
| Deposits and balances due from banks (Note 7) | 50,312 | 8 | - | - | 50,320 |
| Investment securities at amortised cost (Note 10) | 92,018 | - | - | - | 92,018 |
| Investment securities designated at FVTOCI (Note 10) | 50,072 | - | - | - | 50,072 |
| Loans and advances to customers (Note 11)(*) | 329,941 | 17,696 | 8,695 | 942 | 357,274 |
| Other assets (Note 14) | 19,489 | 353 | 9 | 4 | 19,855 |
| Letters of credit, guarantees and other commitments (Note 38) | 113,000 | 11,371 | 3,385 | 126 | 127,882 |
| **Total gross exposure** | 698,717 | 29,428 | 12,089 | 1,072 | 741,306 |

(*) excludes loans and advances to customers mandatorily measured at FVTPL

The table below summarises gross exposure as at year end per class of exposure/asset, internal rating and stage:

| As at December 31, 2025 | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| Grades 1 - 4 | **397,490** | **497** | **-** | **-** | **397,987** |
| Grades 5 - 6 | **139,842** | **9,549** | **127** | **-** | **149,518** |
| Grade 7 | **4,435** | **5,033** | **625** | **-** | **10,093** |
| Grades 8 - 10 | **-** | **-** | **6,624** | **549** | **7,173** |
| Unrated | **77,603** | **2,024** | **734** | **45** | **80,406** |
| **Gross financial instruments carried at amortised cost** | **619,370** | **17,103** | **8,110** | **594** | **645,177** |
| **Debt instruments designated at FVTOCI** | | | | | |
| Grades 1 - 4 | **78,100** | **-** | **-** | **-** | **78,100** |
| Grades 5 - 6 | **5,435** | **-** | **-** | **-** | **5,435** |
| **Gross debt instruments designated at FVTOCI** | **83,535** | **-** | **-** | **-** | **83,535** |
| **Commitments and contingent liabilities** | | | | | |
| Grades 1 - 4 | **118,865** | **181** | **-** | **-** | **119,046** |
| Grades 5 - 6 | **44,876** | **3,088** | **175** | **-** | **48,139** |
| Grade 7 | **10** | **1,957** | **70** | **-** | **2,037** |
| Grades 8 - 10 | **-** | **-** | **3,344** | **125** | **3,469** |
| Unrated | **515** | **-** | **-** | **-** | **515** |
| **Total commitments and contingent liabilities** | **164,266** | **5,226** | **3,589** | **125** | **173,206** |

Unrated exposure in financial instruments carried at amortised cost comprising mainly of retail loans and credit card exposures can be further classified as below:

| As at December 31, 2025 | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| Performing (Grades 1 - 6) | **77,603** | **1,564** | **-** | **-** | **79,167** |
| Watch list (Grade 7) | **-** | **460** | **-** | **-** | **460** |
| Non-performing (Grades 8 - 10) | **-** | **-** | **734** | **45** | **779** |
| **Total** | **77,603** | **2,024** | **734** | **45** | **80,406** |





| As at December 31, 2024 | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| Grades 1 - 4 | 330,674 | 682 | - | - | 331,356 |
| Grades 5 - 6 | 123,017 | 9,717 | 32 | - | 132,766 |
| Grade 7 | 6,021 | 5,688 | 59 | - | 11,768 |
| Grades 8 - 10 | - | - | 7,965 | 889 | 8,854 |
| Unrated | 75,933 | 1,970 | 648 | 57 | 78,608 |
| **Gross financial instruments carried at amortised cost** | 535,645 | 18,057 | 8,704 | 946 | 563,352 |
| **Debt instruments designated at FVTOCI** | | | | | |
| Grades 1 - 4 | 45,219 | - | - | - | 45,219 |
| Grades 5 - 6 | 4,853 | - | - | - | 4,853 |
| **Gross debt instruments designated at FVTOCI** | 50,072 | - | - | - | 50,072 |
| **Commitments and contingent liabilities** | | | | | |
| Grades 1 - 4 | 76,643 | 756 | - | - | 77,399 |
| Grades 5 - 6 | 35,787 | 8,293 | 79 | - | 44,159 |
| Grade 7 | 169 | 2,322 | 22 | - | 2,513 |
| Grades 8 - 10 | - | - | 3,284 | 126 | 3,410 |
| Unrated | 401 | - | - | - | 401 |
| **Total commitments and contingent liabilities** | 113,000 | 11,371 | 3,385 | 126 | 127,882 |

Unrated exposure in financial instruments carried at amortised cost comprising mainly of retail loans and credit card exposures can be further classified as below:

| As at December 31, 2024 | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| Performing (Grades 1 - 6) | 75,933 | 772 | - | - | 76,705 |
| Watch list (Grade 7) | - | 1,198 | - | - | 1,198 |
| Non-performing (Grades 8 - 10) | - | - | 648 | 57 | 705 |
| **Total** | 75,933 | 1,970 | 648 | 57 | 78,608 |

The movement of gross exposure is as follows

| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| **Balance as at January 1, 2025** | **535,645** | **18,057** | **8,704** | **946** | **563,352** |
| - Transfer from stage 1 to stage 2 | **(8,441)** | **8,441** | **-** | **-** | **-** |
| - Transfer from stage 1 to stage 3 | **(837)** | **-** | **837** | **-** | **-** |
| - Transfer from stage 2 to stage 1 | **2,261** | **(2,261)** | **-** | **-** | **-** |
| - Transfer from stage 2 to stage 3 | **-** | **(5,136)** | **5,136** | **-** | **-** |
| - Transfer from stage 3 to stage 2 | **-** | **930** | **(930)** | **-** | **-** |
| Other movements within the same stage | **(230)** | **(1,274)** | **29** | **(63)** | **(1,538)** |
| New financial assets originated/purchased | **250,090** | **2,448** | **261** | **-** | **252,799** |
| Financial assets derecognised | **(159,650)** | **(4,147)** | **(368)** | **(58)** | **(164,223)** |
| Adjustments to gross carrying value due to changes in estimated cash flows | **-** | **-** | **-** | **8** | **8** |
| Net amounts written-off | **-** | **-** | **(5,572)** | **(239)** | **(5,811)** |
| Impact of currency translation | **532** | **45** | **13** | **-** | **590** |
| **Balance as at December 31, 2025** | **619,370** | **17,103** | **8,110** | **594** | **645,177** |
| **Debt instruments designated at FVTOCI** | | | | | |
| **Balance as at January 1, 2025** | **50,072** | **-** | **-** | **-** | **50,072** |
| Other movements within the same stage | **3,155** | **-** | **-** | **-** | **3,155** |
| New financial assets purchased | **40,073** | **-** | **-** | **-** | **40,073** |
| Financial assets derecognised | **(9,941)** | **-** | **-** | **-** | **(9,941)** |
| Impact of currency translation | **176** | **-** | **-** | **-** | **176** |
| **Balance as at December 31, 2025** | **83,535** | **-** | **-** | **-** | **83,535** |
| **Commitments and contingent liabilities** | | | | | |
| **Balance as at January 1, 2025** | **113,000** | **11,371** | **3,385** | **126** | **127,882** |
| - Transfer from stage 1 to stage 2 | **(559)** | **559** | **-** | **-** | **-** |
| - Transfer from stage 1 to stage 3 | **(33)** | **-** | **33** | **-** | **-** |
| - Transfer from stage 2 to stage 1 | **4,131** | **(4,131)** | **-** | **-** | **-** |
| - Transfer from stage 2 to stage 3 | **-** | **(564)** | **564** | **-** | **-** |
| Other movements within the same stage | **(2,978)** | **(135)** | **(153)** | **-** | **(3,266)** |
| New financial assets originated/purchased | **79,461** | **834** | **7** | **-** | **80,302** |
| Financial assets derecognised | **(28,883)** | **(2,723)** | **(247)** | **(1)** | **(31,854)** |
| Impact of currency translation | **127** | **15** | **-** | **-** | **142** |
| **Balance as at December 31, 2025** | **164,266** | **5,226** | **3,589** | **125** | **173,206** |





| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| **Balance as at January 1, 2024** | 466,269 | 18,643 | 9,495 | 1,587 | 495,994 |
| - Transfer from stage 1 to stage 2 | (5,739) | 5,739 | - | - | - |
| - Transfer from stage 1 to stage 3 | (496) | - | 496 | - | - |
| - Transfer from stage 2 to stage 1 | 1,531 | (1,531) | - | - | - |
| - Transfer from stage 2 to stage 3 | - | (3,634) | 3,634 | - | - |
| - Transfer from stage 3 to stage 2 | - | 71 | (71) | - | - |
| Other movements within the same stage | (8,587) | (20) | (425) | (353) | (9,385) |
| New financial assets originated/purchased | 219,594 | 2,713 | 238 | - | 222,545 |
| Financial assets derecognised | (133,768) | (3,578) | (570) | (164) | (138,080) |
| Adjustments to gross carrying value due to changes in estimated cash flows | - | - | - | 193 | 193 |
| Net amounts written-off | - | - | (3,980) | (317) | (4,297) |
| Impact of currency translation | (3,159) | (346) | (113) | - | (3,618) |
| **Balance as at December 31, 2024** | 535,645 | 18,057 | 8,704 | 946 | 563,352 |
| **Debt instruments designated at FVTOCI** | | | | | |
| **Balance as at January 1, 2024** | 40,527 | - | - | - | 40,527 |
| Other movements within the same stage | 179 | - | - | - | 179 |
| New financial assets purchased | 26,928 | - | - | - | 26,928 |
| Financial assets derecognised | (16,079) | - | - | - | (16,079) |
| Impact of currency translation | (1,483) | - | - | - | (1,483) |
| **Balance as at December 31, 2024** | 50,072 | - | - | - | 50,072 |
| **Commitments and contingent liabilities** | | | | | |
| **Balance as at January 1, 2024** | 113,615 | 11,217 | - | 195 | 125,027 |
| - Transfer from stage 1 to stage 2 | (4,189) | 4,189 | - | - | - |
| - Transfer from stage 1 to stage 3 | (114) | - | 114 | - | - |
| - Transfer from stage 2 to stage 1 | 372 | (372) | - | - | - |
| - Transfer from stage 2 to stage 3 | - | (3,339) | 3,339 | - | - |
| Other movements within the same stage | (6,435) | (389) | (72) | - | (6,896) |
| New financial assets originated/purchased | 53,963 | 2,136 | 5 | - | 56,104 |
| Financial assets derecognised | (43,415) | (1,961) | - | (69) | (45,445) |
| Impact of currency translation | (797) | (110) | (1) | - | (908) |
| **Balance as at December 31, 2024** | 113,000 | 11,371 | 3,385 | 126 | 127,882 |

## 43.3 Expected credit losses

Impairment allowance as at December 31, 2025, is as follows:

| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | |
| Balances with central banks (Note 6) | **1** | **-** | **-** | **-** | **1** |
| Deposits and balances due from banks (Note 7) | **106** | **-** | **-** | **-** | **106** |
| Investment securities at amortised cost (Note 10) | **8** | **-** | **-** | **-** | **8** |
| Investment securities designated at FVTOCI (Note 10)(*) | **32** | **-** | **-** | **-** | **32** |
| Loans and advances to customers (Note 11) | **1,296** | **3,164** | **3,383** | **91** | **7,934** |
| Other assets (Note 14) | **17** | **-** | **8** | **-** | **25** |
| Letters of credit, guarantees and other commitments (Note 21) | **41** | **11** | **334** | **7** | **393** |
| **Total allowance for impairment** | **1,501** | **3,175** | **3,725** | **98** | **8,499** |

(*) recognised under "Revaluation reserve of investments designated at FVTOCI"

| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **As at December 31, 2024** | | | | | |
| Balances with central banks (Note 6) | 1 | - | - | - | 1 |
| Deposits and balances due from banks (Note 7) | 106 | - | - | - | 106 |
| Investment securities at amortised cost (Note 10) | 22 | - | - | - | 22 |
| Investment securities designated at FVTOCI (Note 10)(*) | 52 | - | - | - | 52 |
| Loans and advances to customers (Note 11) | 1,392 | 3,242 | 4,981 | 219 | 9,834 |
| Other assets (Note 14) | 12 | 1 | 8 | - | 21 |
| Letters of credit, guarantees and other commitments (Note 21) | 46 | 83 | 389 | 56 | 574 |
| **Total allowance for impairment** | 1,631 | 3,326 | 5,378 | 275 | 10,610 |

(*) recognised under "Revaluation reserve of investments designated at FVTOCI"





The table below summarises impairment allowance as at year end per class of exposure/asset, internal rating and stage:

| As at December 31, 2025 | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| Grades 1 - 4 | **52** | **2** | **-** | **-** | **54** |
| Grades 5 - 6 | **690** | **941** | **57** | **-** | **1,688** |
| Grade 7 | **7** | **2,033** | **90** | **-** | **2,130** |
| Grades 8 - 10 | **-** | **-** | **2,699** | **86** | **2,785** |
| Unrated(*) | **679** | **188** | **545** | **5** | **1,417** |
| **Allowance for impairment** | **1,428** | **3,164** | **3,391** | **91** | **8,074** |
| **Debt instruments designated at FVTOCI** | | | | | |
| Grades 1 - 4 | **4** | **-** | **-** | **-** | **4** |
| Grades 5 - 6 | **28** | **-** | **-** | **-** | **28** |
| **Allowance for impairment** | **32** | **-** | **-** | **-** | **32** |
| **Commitments and contingent liabilities** | | | | | |
| Grades 1 - 4 | **9** | **-** | **-** | **-** | **9** |
| Grades 5 - 6 | **31** | **4** | **19** | **-** | **54** |
| Grade 7 | **-** | **7** | **1** | **-** | **8** |
| Grades 8 - 10 | **-** | **-** | **314** | **7** | **321** |
| Unrated | **1** | **-** | **-** | **-** | **1** |
| **Allowance for impairment** | **41** | **11** | **334** | **7** | **393** |

(*) Stage 2 expected credit losses include AED 127 million towards performing exposure

| As at December 31, 2024 | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| Grades 1 - 4 | 48 | 1 | - | - | 49 |
| Grades 5 - 6 | 670 | 226 | 18 | - | 914 |
| Grade 7 | 131 | 2,825 | 12 | - | 2,968 |
| Grades 8 - 10 | - | - | 4,456 | 212 | 4,668 |
| Unrated(*) | 684 | 191 | 503 | 7 | 1,385 |
| **Allowance for impairment** | 1,533 | 3,243 | 4,989 | 219 | 9,984 |
| **Debt instruments designated at FVTOCI** | | | | | |
| Grades 1 - 4 | 3 | - | - | - | 3 |
| Grades 5 - 6 | 49 | - | - | - | 49 |
| **Allowance for impairment** | 52 | - | - | - | 52 |
| **Commitments and contingent liabilities** | | | | | |
| Grades 1 - 4 | 12 | - | - | - | 12 |
| Grades 5 - 6 | 33 | 38 | 12 | - | 83 |
| Grade 7 | 1 | 45 | 2 | - | 48 |
| Grades 8 - 10 | - | - | 375 | 56 | 431 |
| **Allowance for impairment** | 46 | 83 | 389 | 56 | 574 |

(*) Stage 2 expected credit losses include AED 118 million towards performing exposure

The movement in impairment allowances is as follows:

| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| **Balance as at January 1, 2025** | **1,533** | **3,243** | **4,989** | **219** | **9,984** |
| - Transfer from stage 1 to stage 2 | **(149)** | **149** | **-** | **-** | **-** |
| - Transfer from stage 1 to stage 3 | **(27)** | **-** | **27** | **-** | **-** |
| - Transfer from stage 2 to stage 1 | **46** | **(46)** | **-** | **-** | **-** |
| - Transfer from stage 2 to stage 3 | **-** | **(58)** | **58** | **-** | **-** |
| - Transfer from stage 3 to stage 2 | **-** | **356** | **(356)** | **-** | **-** |
| Other movements within the same stage | **(95)** | **(502)** | **4,296** | **103** | **3,802** |
| New financial assets originated/purchased | **567** | **131** | **149** | **-** | **847** |
| Financial assets derecognised | **(354)** | **(110)** | **(202)** | **-** | **(666)** |
| Changes to methodologies, assumptions, and risk parameters(*) | **(94)** | **(2)** | **-** | **-** | **(96)** |
| **Gross (release)/charge for the year** | **(106)** | **(82)** | **3,972** | **103** | **3,887** |
| Recoveries | **-** | **-** | **(583)** | **-** | **(583)** |
| **Net (release)/charge for the year** | **(106)** | **(82)** | **3,389** | **103** | **3,304** |
| Adjustments to gross carrying value | **-** | **-** | **-** | **8** | **8** |
| Net amounts written-off | **-** | **-** | **(4,989)** | **(239)** | **(5,228)** |
| Impact of currency translation | **1** | **3** | **2** | **-** | **6** |
| **Balance as at December 31, 2025** | **1,428** | **3,164** | **3,391** | **91** | **8,074** |
| **Debt instruments designated at FVTOCI** | | | | | |
| **Balance as at January 1, 2025** | **52** | **-** | **-** | **-** | **52** |
| Other movements within the same stage | **(4)** | **-** | **-** | **-** | **(4)** |
| New financial assets originated/purchased | **11** | **-** | **-** | **-** | **11** |
| Financial assets derecognized | **(26)** | **-** | **-** | **-** | **(26)** |
| Changes to methodologies, assumptions, and risk parameters(*) | **(1)** | **-** | **-** | **-** | **(1)** |
| **Net release for the year** | **(20)** | **-** | **-** | **-** | **(20)** |
| **Balance as at December 31, 2025** | **32** | **-** | **-** | **-** | **32** |
| **Commitments and contingent liabilities** | | | | | |
| **Balance as at January 1, 2025** | **46** | **83** | **389** | **56** | **574** |
| - Transfer from stage 1 to stage 2 | **(1)** | **1** | **-** | **-** | **-** |
| - Transfer from stage 2 to stage 1 | **10** | **(10)** | **-** | **-** | **-** |
| - Transfer from stage 2 to stage 3 | **-** | **(19)** | **19** | **-** | **-** |
| Other movements within the same stage | **(2)** | **(28)** | **(25)** | **(49)** | **(104)** |
| New financial assets originated/purchased | **15** | **-** | **-** | **-** | **15** |
| Financial assets derecognised | **(11)** | **(8)** | **(49)** | **-** | **(68)** |
| Changes to methodologies, assumptions, and risk parameters(*) | **(16)** | **(8)** | **-** | **-** | **(24)** |
| **Net release for the year** | **(5)** | **(72)** | **(55)** | **(49)** | **(181)** |
| **Balance as at December 31, 2025** | **41** | **11** | **334** | **7** | **393** |

(*) included in 'Recoveries/modifications during the year' (Note 33)



ABU DHABI COMMERCIAL BANK PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

| | Stage 1 AED million | Stage 2 AED million | Stage 3 AED million | POCI AED million | Total AED million |
|---|---|---|---|---|---|
| **Financial instruments carried at amortised cost** | | | | | |
| **Balance as at January 1, 2024** | 2,062 | 3,492 | 4,793 | 509 | 10,856 |
| - Transfer from stage 1 to stage 2 | (24) | 24 | - | - | - |
| - Transfer from stage 1 to stage 3 | (11) | - | 11 | - | - |
| - Transfer from stage 2 to stage 1 | 64 | (64) | - | - | - |
| - Transfer from stage 2 to stage 3 | - | (604) | 604 | - | - |
| - Transfer from stage 3 to stage 2 | - | 28 | (28) | - | - |
| Other movements within the same stage | (730) | 351 | 3,648 | (147) | 3,122 |
| New financial assets originated/purchased | 494 | 121 | 134 | - | 749 |
| Financial assets derecognised | (298) | (73) | (131) | (19) | (521) |
| Changes to methodologies, assumptions, and risk parameters(*) | (16) | (17) | 1 | - | (32) |
| **Gross (release)/charge for the year** | (521) | (234) | 4,239 | (166) | 3,318 |
| Recoveries | - | - | (493) | - | (493) |
| **Net (release)/charge for the year** | (521) | (234) | 3,746 | (166) | 2,825 |
| Adjustments to gross carrying value | - | - | - | 193 | 193 |
| Net amounts written-off | - | - | (3,487) | (317) | (3,804) |
| Impact of currency translation | (8) | (15) | (63) | - | (86) |
| **Balance as at December 31, 2024** | 1,533 | 3,243 | 4,989 | 219 | 9,984 |
| **Debt instruments designated at FVTOCI** | | | | | |
| **Balance as at January 1, 2024** | 54 | - | - | - | 54 |
| Other movements within the same stage | 1 | - | - | - | 1 |
| New financial assets originated/purchased | 15 | - | - | - | 15 |
| Financial assets derecognized | (18) | - | - | - | (18) |
| Changes to methodologies, assumptions, and risk parameters(*) | (1) | - | - | - | (1) |
| **Net release for the year** | (3) | - | - | - | (3) |
| Impact of currency translation | 1 | - | - | - | 1 |
| **Balance as at December 31, 2024** | 52 | - | - | - | 52 |
| **Commitments and contingent liabilities** | | | | | |
| **Balance as at January 1, 2024** | 126 | 322 | - | 76 | 524 |
| - Transfer from stage 1 to stage 2 | (6) | 6 | - | - | - |
| - Transfer from stage 1 to stage 3 | (35) | - | 35 | - | - |
| - Transfer from stage 2 to stage 1 | 1 | (1) | - | - | - |
| - Transfer from stage 2 to stage 3 | - | (231) | 231 | - | - |
| Other movements within the same stage | 1 | 25 | 123 | - | 149 |
| New financial assets originated/purchased | 18 | 3 | - | - | 21 |
| Financial assets derecognised | (47) | (36) | - | (20) | (103) |
| Changes to methodologies, assumptions, and risk parameters(*) | (10) | (5) | - | - | (15) |
| **Net (release)/ charge for the year** | (78) | (239) | 389 | (20) | 52 |
| Impact of currency translation | (2) | - | - | - | (2) |
| **Balance as at December 31, 2024** | 46 | 83 | 389 | 56 | 574 |

(*) included in 'Recoveries/modifications during the year' (Note 33)

## 43.4 Concentration of credit risk

Concentration of credit risk arises when a number of counterparties or exposures have comparable economic characteristics or such counterparties are engaged in similar activities or operate in the same geographical areas or economic sectors that would impact their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The analysis of credit risk concentrations presented below are based on the location of the counterparty or customer or country of risk in which they are engaged.

### (a) Credit risk concentration by geographical sector

| | Domestic (UAE) AED million | Other GCC countries AED million | Asia AED million | Europe AED million | USA AED million | Rest of the world AED million | Total AED million |
|---|---|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | | | |
| Balances with central banks, net | **57,504** | **-** | **368** | **-** | **-** | **2,849** | **60,721** |
| Deposits and balances due from banks, net | **5,023** | **10,809** | **11,012** | **13,363** | **5,970** | **10,417** | **56,594** |
| Financial assets at fair value through profit or loss | **6,042** | **445** | **3,483** | **151** | **13** | **11,522** | **21,656** |
| Derivative financial instruments | **2,583** | **106** | **121** | **11,294** | **4** | **1,052** | **15,160** |
| Investment securities – bonds, net | **47,852** | **34,208** | **24,712** | **27,865** | **15,666** | **15,126** | **165,429** |
| Loans and advances to customers, net | **294,273** | **23,160** | **23,629** | **23,186** | **6,274** | **35,445** | **405,967** |
| Other assets, net | **8,148** | **4,871** | **9,243** | **7,598** | **579** | **4,424** | **34,863** |
| **Total** | **421,425** | **73,599** | **72,568** | **83,457** | **28,506** | **80,835** | **760,390** |
| **Commitment and contingent liabilities** | **127,727** | **10,016** | **11,073** | **15,239** | **2,260** | **6,891** | **173,206** |
| **As at December 31, 2024** | | | | | | | |
| Balances with central banks, net | 41,717 | - | 204 | - | - | 1,963 | 43,884 |
| Deposits and balances due from banks, net | 3,806 | 10,631 | 8,681 | 13,309 | 4,811 | 8,976 | 50,214 |
| Financial assets at fair value through profit or loss | 1,336 | 1,119 | 3,501 | 35 | - | 6,796 | 12,787 |
| Derivative financial instruments | 1,638 | 31 | 109 | 16,997 | - | 198 | 18,973 |
| Investment securities – bonds, net | 46,558 | 28,598 | 27,276 | 15,391 | 13,299 | 10,946 | 142,068 |
| Loans and advances to customers, net | 275,557 | 18,417 | 13,724 | 15,542 | 353 | 27,045 | 350,638 |
| Other assets, net | 5,871 | 717 | 6,139 | 3,491 | 172 | 3,444 | 19,834 |
| **Total** | 376,483 | 59,513 | 59,634 | 64,765 | 18,635 | 59,368 | 638,398 |
| **Commitment and contingent liabilities** | 97,999 | 5,662 | 8,174 | 10,432 | 1,270 | 4,345 | 127,882 |





### (b) Credit risk concentration by economic/industry sector

The economic activity sector composition of the loans and advances to customers is as follows:

| | As at December 31, 2025 | | | As at December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Within the UAE AED million | Outside the UAE AED million | Total AED million | Within the UAE AED million | Outside the UAE AED million | Total AED million |
| **Economic activity sector** | | | | | | |
| Agriculture | **61** | **110** | **171** | 93 | 127 | 220 |
| Energy | **5,130** | **24,517** | **29,647** | 1,596 | 12,526 | 14,122 |
| Trading | **25,711** | **14,962** | **40,673** | 16,578 | 12,213 | 28,791 |
| Real estate investment | **44,917** | **1,649** | **46,566** | 48,306 | 1,677 | 49,983 |
| Hospitality | **5,388** | **-** | **5,388** | 6,794 | - | 6,794 |
| Transport and communication | **8,662** | **9,125** | **17,787** | 1,952 | 6,625 | 8,577 |
| Personal | **74,573** | **1,161** | **75,734** | 75,525 | 1,032 | 76,557 |
| Government and public sector entities | **79,755** | **13,736** | **93,491** | 88,160 | 10,779 | 98,939 |
| Financial institutions(*) | **18,504** | **27,246** | **45,750** | 15,292 | 16,494 | 31,786 |
| Manufacturing | **3,374** | **11,159** | **14,533** | 4,287 | 9,148 | 13,435 |
| Services(**) | **8,666** | **2,131** | **10,797** | 8,884 | 712 | 9,596 |
| Others | **27,046** | **6,318** | **33,364** | 17,472 | 4,200 | 21,672 |
| **Gross loans and advances to customers** | **301,787** | **112,114** | **413,901** | 284,939 | 75,533 | 360,472 |
| Less: Allowance for impairment (Note 43.3) | | | **(7,934)** | | | (9,834) |
| **Total loans and advances to customers, net** | | | **405,967** | | | 350,638 |

(*) includes investment companies
(**) includes loans and advances to customers mandatorily measured at FVTPL

The industry sector composition of other exposures is as follows:

| | Commercial and business AED million | Personal AED million | Public sector AED million | Government AED million | Banks and financial institutions AED million | Total AED million |
|---|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | | |
| Balances with central banks, net | **-** | **-** | **-** | **60,721** | **-** | **60,721** |
| Deposits and balances due from banks, net | **-** | **-** | **-** | **-** | **56,594** | **56,594** |
| Financial assets at fair value through profit or loss | **357** | **-** | **40** | **14,618** | **6,641** | **21,656** |
| Derivative financial instruments | **1,318** | **12** | **1,435** | **220** | **12,175** | **15,160** |
| Investment securities – bonds, net | **6,821** | **-** | **27,391** | **110,368** | **20,849** | **165,429** |
| Other assets, net | **18,315** | **584** | **531** | **1,345** | **14,088** | **34,863** |
| **Total** | **26,811** | **596** | **29,397** | **187,272** | **110,347** | **354,423** |
| **Contingent liabilities** | **97,733** | **1,301** | **50,220** | **4,563** | **19,389** | **173,206** |
| **As at December 31, 2024** | | | | | | |
| Balances with central banks, net | - | - | - | 43,884 | - | 43,884 |
| Deposits and balances due from banks, net | - | - | - | - | 50,214 | 50,214 |
| Financial assets at fair value through profit or loss | 95 | - | 23 | 6,550 | 6,119 | 12,787 |
| Derivative financial instruments | 400 | 21 | 258 | 365 | 17,929 | 18,973 |
| Investment securities – bonds, net | 6,808 | - | 26,812 | 94,593 | 13,855 | 142,068 |
| Other assets, net | 10,291 | 652 | 757 | 1,097 | 7,037 | 19,834 |
| **Total** | 17,594 | 673 | 27,850 | 146,489 | 95,154 | 287,760 |
| **Contingent liabilities** | 71,179 | 1,551 | 37,039 | 1,612 | 16,501 | 127,882 |

## 43.5 Credit risk measurement and mitigation policies

Loans and advances to customers is the main source of credit risk although the Group can also be exposed to other forms of credit risk through, for example, loans to banks, loan commitments and debt securities. The Group's risk management policies and processes are designed to identify and analyse risk, to set appropriate risk appetite and to monitor the risks and adherence to limits by means of reliable and timely data. The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing the lending limits where appropriate.

### Collateral

The Group holds collateral against various credit risk exposures in the form of mortgage interests over property, other registered securities over assets, fixed deposits and guarantees. Estimates of fair value of the collateral (including shares) are updated on a regular basis. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. The principal collateral types for loans and advances are:

- Cash and marketable securities;
- Mortgages over residential and commercial properties;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities; and
- Guarantees





The estimated fair value of collateral and other security enhancements held against various credit risk exposures for the year ended December 31, 2025 was AED 357,544 million (December 31, 2024 – AED 311,184 million).

Collateral held as security against impaired loans primarily relates to commercial and residential properties and securities. Where the estimated fair value of collateral held exceeds the outstanding loan, any excess on realisation is paid back to the customers and is not available for offset against other loans.

### Write-off

Financial assets are written off when a debtor fails to engage in a repayment plan and the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments more than 180 days past due for retail and SME loans. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made susbequently, these are recognised as deduction from impairment charge in the consolidated income statement (Note 33).

### Reversal of impairment

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the consolidated income statement in the period in which it occurs.

### Derivatives

The Group maintains strict control limits on net open derivative positions (i.e. the difference between purchase and sale contracts), by both amount and term. At any time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e. positive fair value of assets), which in relation to derivatives is a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers together with potential exposures from market movements.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risks arising from the Group's market transactions on any single day.

The following table represents internal credit ratings of derivative financial instruments:

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| **Internal risk grades** | | |
| Grades 1 to 4 | **13,498** | 18,142 |
| Grades 5 to 6 | **1,518** | 789 |
| Unrated | **144** | 42 |
| | **15,160** | 18,973 |

### Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of statement of financial position assets and liabilities, as transactions are usually settled on a gross basis, hence the impact of netting in practice is immaterial.

However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a year, as it is affected by each transaction subject to the arrangement.

### 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 fair value of instruments that are favourable to the Group. The Group enters into derivative contracts with financial institutions and corporates which are of satisfactory credit standing as per the Group's independent credit assessment. Credit risk in derivatives is mitigated through

limit control and master netting arrangements and collateral agreements.

### 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 will be subject to the same credit management policies as for loans and advances. Collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

## 44. Interest rate risk framework, measurement, and monitoring

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 of interest rate gaps, economic value of equity and earnings at risk and by matching the re-pricing profile of assets and liabilities.

Interest rate risk in banking book (IRRBB) refers to the current or prospective risk to the Group's capital and earnings arising from adverse movements in interest rates that affect the Group's banking book positions. Excessive IRRBB can pose significant threat to a Group's capital base and/or earnings if not managed prudently. Changes in interest rates affect the underlying economic value of the Group's banking book assets, liabilities, and off balance sheet instruments by changing the present value of future cash flows. Changes in interest rates also affect Group's earnings by increasing or decreasing its earnings at risk (EaR)/net interest income (NII). The Group manages IRRBB through both economic value and earnings-based measures. In general, the sources of interest rate risk can include gap risk, yield curve risk, basis risk and option risk.

Overall interest rate risk positions are managed by the Group's Treasury division, where the objective of managing IRRBB is to manage the exposure to interest rate risk in the Banking Book within acceptable limits using approved products within the mandates available to the first line functions. Where possible, risks are managed via on balance sheet matching of assets and liabilities and central aggregation of risk. However, Treasury also hedges specific transactions and residual exposures through the use of derivatives.

Financial assets and liabilities exposed to interest rate risk are assets and liabilities with either a fixed or a floating contractual rate of interest. A significant portion of the Group's loans and advances, deposits, and balances due from banks, investment securities, deposits from customers, due to banks, and borrowings fall under this category. Interest rate sensitivity position of floating rate financial instruments is based on either repricing date or maturity date while that of fixed rate financial instruments is based on maturity date.

Derivative financial instruments (other than those designated in a hedge relationship) and trading book assets and liabilities (excluding non-interest bearing) are included in the 'less than 3 months' column at their fair value. Derivative financial instruments designated in a hedge relationship are included according to their contractual next re-pricing date or maturity date if floating rate and maturity date if fixed rate instrument.

Financial assets that are considered as non-rate sensitive mainly comprise of investments in equity and mutual funds, commodity and currency derivatives and cash and balances with central banks excluding overnight and certificate of deposits. Likewise, financial liabilities that are considered as non-rate sensitive mainly comprise of equity, non-interest-bearing liabilities, and non-remunerated, indeterminate maturing deposits.

The off-balance sheet gap represents the net notional amounts of the off-balance sheet financial instruments, such as interest rate and cross currency interest rate swaps which are used to manage interest rate risk.

The Group uses financial simulation tools to periodically measure and monitor interest rate sensitivity. The results are analysed and monitored by the Asset and Liability Committee (ALCO).



ABU DHABI COMMERCIAL BANK PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The Group's interest rate sensitivity position based on contractual repricing arrangements as at December 31, 2025, is as follows:

| | Less than 3 months AED million | 3 months to less than 6 months AED million | 6 months to less than 1 year AED million | 1 year to less than 3 years AED million | Over 3 years AED million | Non-interest bearing items AED million | Total AED million |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and balances with central banks, net | **24,385** | **-** | **-** | **-** | **-** | **38,634** | **63,019** |
| Deposits and balances due from banks, net | **44,092** | **6,556** | **5,200** | **27** | **-** | **719** | **56,594** |
| Financial assets at fair value through profit or loss | **21,656** | **-** | **-** | **-** | **-** | **30** | **21,686** |
| Derivative financial instruments | **11,632** | **20** | **5** | **4** | **-** | **3,499** | **15,160** |
| Investment securities, net | **12,894** | **12,544** | **8,419** | **43,723** | **87,850** | **707** | **166,137** |
| Loans and advances to customers, net(*) | **310,582** | **22,758** | **14,638** | **29,847** | **36,028** | **(7,886)** | **405,967** |
| Investment in associates and joint venture | **-** | **-** | **-** | **-** | **-** | **306** | **306** |
| Investment properties | **-** | **-** | **-** | **-** | **-** | **1,193** | **1,193** |
| Other assets, net | **1,379** | **-** | **-** | **-** | **-** | **33,591** | **34,970** |
| Property and equipment, net | **-** | **-** | **-** | **-** | **-** | **689** | **689** |
| Intangible assets, net | **-** | **-** | **-** | **-** | **-** | **7,658** | **7,658** |
| Right of use assets, net | **-** | **-** | **-** | **-** | **-** | **275** | **275** |
| **Total assets** | **426,620** | **41,878** | **28,262** | **73,601** | **123,878** | **79,415** | **773,654** |
| **Liabilities and equity** | | | | | | | |
| Due to banks | **10,983** | **3,465** | **3,284** | **-** | **-** | **1,354** | **19,086** |
| Derivative financial instruments | **25,719** | **1** | **3** | **52** | **-** | **2,489** | **28,264** |
| Deposits from customers | **245,729** | **47,954** | **78,803** | **3,439** | **8,403** | **115,447** | **499,775** |
| Euro commercial paper | **5,335** | **2,961** | **424** | **-** | **-** | **-** | **8,720** |
| Borrowings | **58,322** | **1,391** | **2,833** | **6,526** | **20,722** | **-** | **89,794** |
| Other liabilities | **25** | **-** | **-** | **-** | **-** | **39,249** | **39,274** |
| Equity | **-** | **-** | **-** | **-** | **-** | **88,741** | **88,741** |
| **Total liabilities and equity** | **346,113** | **55,772** | **85,347** | **10,017** | **29,125** | **247,280** | **773,654** |
| **On-balance sheet gap** | **80,507** | **(13,894)** | **(57,085)** | **63,584** | **94,753** | **(167,865)** | **-** |
| **Off-balance sheet gap** | **(12,362)** | **10,132** | **41,559** | **(13,100)** | **(33,412)** | **7,183** | **-** |
| **Total interest rate sensitivity gap** | **68,145** | **(3,762)** | **(15,526)** | **50,484** | **61,341** | **(160,682)** | **-** |
| **Cumulative interest rate sensitivity gap** | **68,145** | **64,383** | **48,857** | **99,341** | **160,682** | **-** | **-** |

(*) non-interest bearing items under loans and advances to customers include mainly impairment allowances.

The Group's interest rate sensitivity position based on contractual repricing arrangements as at December 31, 2024, was as follows:

| | Less than 3 months AED million | 3 months to less than 6 months AED million | 6 months to less than 1 year AED million | 1 year to less than 3 years AED million | Over 3 years AED million | Non-interest bearing items AED million | Total AED million |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and balances with central banks, net | 15,567 | - | - | - | - | 30,656 | 46,223 |
| Deposits and balances due from banks, net | 37,084 | 8,156 | 4,222 | 1 | - | 751 | 50,214 |
| Financial assets at fair value through profit or loss | 12,787 | - | - | - | - | 83 | 12,870 |
| Derivative financial instruments | 15,575 | 7 | 25 | 303 | - | 3,063 | 18,973 |
| Investment securities, net | 7,550 | 7,694 | 7,791 | 40,774 | 78,259 | 921 | 142,989 |
| Loans and advances to customers, net | 272,833 | 15,013 | 12,395 | 17,098 | 44,463 | (11,164) | 350,638 |
| Investment in associates and joint venture | - | - | - | - | - | 329 | 329 |
| Investment properties | - | - | - | - | - | 1,716 | 1,716 |
| Other assets, net | 710 | - | - | - | - | 19,294 | 20,004 |
| Property and equipment, net | - | - | - | - | - | 1,047 | 1,047 |
| Intangible assets, net | - | - | - | - | - | 7,672 | 7,672 |
| Right of use assets, net | - | - | - | - | - | 139 | 139 |
| **Total assets** | 362,106 | 30,870 | 24,433 | 58,176 | 122,722 | 54,507 | 652,814 |
| **Liabilities and equity** | | | | | | | |
| Due to banks | 7,240 | 2,204 | 918 | - | - | 915 | 11,277 |
| Derivative financial instruments | 20,774 | - | - | - | 1 | 3,116 | 23,891 |
| Deposits from customers | 187,359 | 46,869 | 68,618 | 4,454 | 9,153 | 104,607 | 421,060 |
| Euro commercial paper | 4,439 | 1,714 | - | - | - | - | 6,153 |
| Borrowings | 56,858 | 3,186 | 73 | 6,277 | 22,293 | - | 88,687 |
| Other liabilities | - | - | - | - | - | 26,179 | 26,179 |
| Equity | - | - | - | - | - | 75,567 | 75,567 |
| **Total liabilities and equity** | 276,670 | 53,973 | 69,609 | 10,731 | 31,447 | 210,384 | 652,814 |
| **On-balance sheet gap** | 85,436 | (23,103) | (45,176) | 47,445 | 91,275 | (155,877) | - |
| **Off-balance sheet gap** | 16,832 | (4,966) | 22,784 | (12,330) | (22,320) | - | - |
| **Total interest rate sensitivity gap** | 102,268 | (28,069) | (22,392) | 35,115 | 68,955 | (155,877) | - |
| **Cumulative interest rate sensitivity gap** | 102,268 | 74,199 | 51,807 | 86,922 | 155,877 | - | - |

Non-interest bearing items include mainly impairment allowances under loans and advances to customers.





## 45. Liquidity risk framework, measurement, and monitoring

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replenish funds when they are withdrawn. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## Liquidity risk management process

The Group's Board of Directors (BOD) (via the BRC) approved liquidity risk appetite framework establishes the minimum liquidity required to survive a stress environment for a stipulated time horizon. The BOD has delegated to MEC the responsibility of liquidity management which is overseen on their behalf by ALCO on a day-to-day basis. ALCO monitors liquidity ratios and other indicators and regularly revises and calibrates the liquidity management policies to ensure that the Group is in a position to meet its obligations as they fall due. ALCO also ensures that the Bank remains compliant with all regulatory and internal policy guidelines pertaining to liquidity risk.

The Group's liquidity management process, as carried out within the Group and monitored by the Group's Treasury division, includes:

- Monitoring of liquidity position on a daily, weekly, and monthly basis. This entails forecasting of cash inflows/outflows and ensuring that the Group can meet the required outflows;
- Conducting regular liquidity stress testing of the Group's liquidity position under a variety of scenarios covering both normal and more severe market conditions with triggers and suggested actions;
- Ensuring compliance with the liquidity ratios such as Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) as stipulated by CBUAE and internally approved management triggers for liquidity risk;
- Conducting regular enterprise-wide liquidity stress test which estimates liquidity requirements under idiosyncratic and systemic stress conditions. The enterprise-wide stress test incorporates diverse liquidity triggers linked to the Bank's Early Warning Indicator (EWI) framework like currency de-peg, failure of a major local bank, credit rating downgrades as model inputs; and
- Monitoring of depositor concentration to ensure that the Group's deposit funding is well diversified.

Monitoring composition of funding sources at a granular level includes setting triggers for avoiding concentration of funding by product. Some of the ratios monitored are as follows:

- Euro commercial paper to total liabilities and equity
- Wholesale funds to total liabilities and equity
- Money market deposits to total liabilities and equity
- Core deposits to customer deposits
- Offshore funds to total liabilities and equity

The Group has established several early warning indicators for liquidity risk in line with the CBUAE requirements and monitors them regularly. Some of the key early warning indicators are as follows:

- Credit rating downgrade
- Widening credit-default-swap levels
- Rising retail/wholesale funding costs
- Qualitative/event driven factors

The Group has also an established liquidity Contingency Funding Plan which is routinely tested.

## Tools for liquidity management

The Group through its Treasury division ensures that it has access to diverse sources of funding ranging from local customer deposits from its retail, corporate and institutional customers as well as international sovereign wealth funds and central banks to long term funding such as debt securities and subordinated liabilities issued under the global medium term note program.

Whilst the Group's debt securities and sub-debt typically are issued with maturities of greater than one year, deposits from banks and customers generally have shorter maturities which increases the liquidity risk of the Group. The Group's Treasury division manages this risk by:

- Diversification of funding sources and balancing between long term and short-term funding sources through borrowing under its global medium term notes issue programs;
- Monitoring the stickiness of liability portfolio and rewarding business units for sticky deposits through the fund transfer pricing process; and
- Investing in various short-term or medium term but highly marketable assets in line with Basel-III guidelines for High Quality Liquid Assets (HQLA) such as certificate of deposit with Central Bank, investment grade bonds that can be repurchased at short notices, etc.

The Bank has in place a contingent funding plan which lists out the trigger points to be monitored for invoking the contingent funding plan. The trigger points are based on market observable data points such as credit spreads and internal and external events such as decline in customer deposits and drying up of wholesale markets. The contingent funding plan clearly defines the roles and responsibilities and is updated with changing market conditions by ALCO

The table below summarises the maturity profile of the Group's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the end of the reporting period date to the contractual maturity date and do not take into account the effective maturities as indicated by the Group's deposit retention history and the availability of liquid funds. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

Derivative financial instruments (other than those designated in a hedge relationship) and trading portfolio assets and liabilities are included in 'less than 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of remaining maturity since they are not held for settlement according to such maturity and will frequently be settled before remaining maturity at fair value. Derivatives designated in a hedge relationship are included according to their remaining maturity at fair value. Investment securities in equities and mutual funds with no maturity are included in 'over 3 years'.





The maturity profile of the assets and liabilities as at December 31, 2025, was as follows:

| | Less than 3 months AED million | 3 months to less than 6 months AED million | 6 months to less than 1 year AED million | 1 year to less than 3 years AED million | Over 3 years AED million | Total AED million |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances with central banks, net | **63,019** | **-** | **-** | **-** | **-** | **63,019** |
| Deposits and balances due from banks, net | **28,169** | **9,375** | **7,819** | **8,974** | **2,257** | **56,594** |
| Financial assets at fair value through profit or loss | **21,686** | **-** | **-** | **-** | **-** | **21,686** |
| Derivative financial instruments | **12,886** | **154** | **112** | **719** | **1,289** | **15,160** |
| Investment securities, net | **10,059** | **11,544** | **7,958** | **44,153** | **92,423** | **166,137** |
| Loans and advances to customers, net | **77,514** | **17,909** | **34,040** | **91,484** | **185,020** | **405,967** |
| Investment in associates and joint venture | **-** | **-** | **-** | **-** | **306** | **306** |
| Investment properties | **-** | **-** | **-** | **1,193** | **-** | **1,193** |
| Other assets, net | **14,032** | **6,891** | **13,944** | **79** | **24** | **34,970** |
| Property and equipment, net | **-** | **-** | **-** | **-** | **689** | **689** |
| Intangible assets, net | **-** | **-** | **-** | **12** | **7,646** | **7,658** |
| Right of use assets, net | **-** | **-** | **-** | **-** | **275** | **275** |
| **Total assets** | **227,365** | **45,873** | **63,873** | **146,614** | **289,929** | **773,654** |
| **Liabilities and equity** | | | | | | |
| Due to banks | **9,562** | **3,203** | **6,321** | **-** | **-** | **19,086** |
| Derivative financial instruments | **11,330** | **70** | **130** | **1,215** | **15,519** | **28,264** |
| Deposits from customers | **360,950** | **47,986** | **78,845** | **3,441** | **8,553** | **499,775** |
| Euro commercial paper | **5,335** | **2,961** | **424** | **-** | **-** | **8,720** |
| Borrowings | **16,306** | **19,836** | **12,053** | **14,052** | **27,547** | **89,794** |
| Other liabilities | **19,222** | **5,597** | **13,295** | **289** | **871** | **39,274** |
| Equity | **-** | **-** | **-** | **-** | **88,741** | **88,741** |
| **Total liabilities and equity** | **422,705** | **79,653** | **111,068** | **18,997** | **141,231** | **773,654** |
| **Balance sheet liquidity gap** | **(195,340)** | **(33,780)** | **(47,195)** | **127,617** | **148,698** | **-** |
| **Off balance sheet** | | | | | | |
| **Financial guarantees and irrevocable commitments(*)** | **3,072** | **3,014** | **7,022** | **34,061** | **28,917** | **76,086** |
| **Derivatives held for hedging purpose (notional)** | **25,501** | **34,290** | **52,985** | **57,252** | **114,682** | **284,710** |

(*) due to the nature of the financial guarantees and irrevocable commitments, these instruments could be called earlier than the bucket under which reported.

The maturity profile of the assets and liabilities as at December 31, 2024, was as follows:

| | Less than 3 months AED million | 3 months to less than 6 months AED million | 6 months to less than 1 year AED million | 1 year to less than 3 years AED million | Over 3 years AED million | Total AED million |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances with central banks, net | 46,223 | - | - | - | - | 46,223 |
| Deposits and balances due from banks, net | 25,733 | 10,607 | 9,488 | 3,652 | 734 | 50,214 |
| Financial assets at fair value through profit or loss | 12,870 | - | - | - | - | 12,870 |
| Derivative financial instruments | 13,984 | 151 | 180 | 1,199 | 3,459 | 18,973 |
| Investment securities, net | 7,220 | 7,683 | 7,820 | 40,988 | 79,278 | 142,989 |
| Loans and advances to customers, net | 77,299 | 12,607 | 37,638 | 53,445 | 169,649 | 350,638 |
| Investment in associates and joint venture | - | - | - | - | 329 | 329 |
| Investment properties | - | - | - | 1,716 | - | 1,716 |
| Other assets, net | 8,512 | 3,056 | 8,274 | 111 | 51 | 20,004 |
| Property and equipment, net | - | - | - | - | 1,047 | 1,047 |
| Intangible assets, net | - | - | - | 55 | 7,617 | 7,672 |
| Right of use assets, net | - | - | - | - | 139 | 139 |
| **Total assets** | 191,841 | 34,104 | 63,400 | 101,166 | 262,303 | 652,814 |
| **Liabilities and equity** | | | | | | |
| Due to banks | 7,200 | 184 | 3,893 | - | - | 11,277 |
| Derivative financial instruments | 12,730 | 131 | 22 | 526 | 10,482 | 23,891 |
| Deposits from customers | 291,682 | 47,219 | 68,612 | 4,403 | 9,144 | 421,060 |
| Euro commercial paper | 4,439 | 1,714 | - | - | - | 6,153 |
| Borrowings | 17,908 | 15,398 | 10,686 | 18,218 | 26,477 | 88,687 |
| Other liabilities | 15,610 | 1,985 | 7,415 | 180 | 989 | 26,179 |
| Equity | - | - | - | - | 75,567 | 75,567 |
| **Total liabilities and equity** | 349,569 | 66,631 | 90,628 | 23,327 | 122,659 | 652,814 |
| **Balance sheet liquidity gap** | (157,728) | (32,527) | (27,228) | 77,839 | 139,644 | - |
| **Off balance sheet** | | | | | | |
| **Financial guarantees and irrevocable commitments(*)** | 1,778 | 3,479 | 8,935 | 9,129 | 24,798 | 48,119 |
| **Derivatives held for hedging purpose (notional)** | 14,883 | 7,823 | 31,129 | 40,490 | 103,393 | 197,718 |

(*) due to the nature of the financial guarantees and irrevocable commitments, these instruments could be called earlier than the bucket under which reported





The table below summarises the maturity profile of the Group's financial liabilities as at December 31, 2025, and 2024 based on contractual undiscounted repayment obligations. As interest payments up to contractual maturity are included in the table, totals do not match with the consolidated statement of financial position. The contractual maturities of liabilities other than derivatives have been determined based on the remaining period at the consolidated statement of financial position date to the contractual maturity date and do not take into account the effective expected maturities. Derivative financial instruments held for trading are included in "less than 3 months" bucket at their fair value while the cash flows for derivative financial instruments held for hedging are classified based on their contractual cash flows or next call date. The Group expects that many customers will not request repayment on the earliest date the Group could be required to pay, and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

| | Carrying amount AED million | Gross outflow AED million | Less than 3 months AED million | 3 months to less than 6 months AED million | 6 months to less than 1 year AED million | 1 year to less than 3 years AED million | Over 3 years AED million |
|---|---|---|---|---|---|---|---|
| **As at December 31, 2025** | | | | | | | |
| Due to banks | **19,086** | **19,372** | **9,594** | **3,256** | **6,522** | **-** | **-** |
| Derivative financial instruments | **28,264** | **18,508** | **10,976** | **404** | **157** | **1,305** | **5,666** |
| Deposits from customers | **499,775** | **510,117** | **365,534** | **48,658** | **81,026** | **3,628** | **11,271** |
| Euro commercial paper | **8,720** | **8,791** | **5,360** | **2,995** | **436** | **-** | **-** |
| Borrowings | **89,794** | **161,992** | **17,215** | **20,281** | **12,773** | **15,953** | **95,770** |
| **Total financial liabilities** | **645,639** | **718,780** | **408,679** | **75,594** | **100,914** | **20,886** | **112,707** |
| **As at December 31, 2024** | | | | | | | |
| Due to banks | 11,277 | 11,496 | 7,230 | 188 | 4,078 | - | - |
| Derivative financial instruments | 23,891 | 15,902 | 12,579 | 763 | (23) | 754 | 1,829 |
| Deposits from customers | 421,060 | 443,532 | 301,000 | 49,992 | 74,241 | 5,131 | 13,168 |
| Euro commercial paper | 6,153 | 6,202 | 4,457 | 1,745 | - | - | - |
| Borrowings | 88,687 | 161,730 | 18,872 | 16,554 | 10,936 | 20,660 | 94,708 |
| **Total financial liabilities** | 551,068 | 638,862 | 344,138 | 69,242 | 89,232 | 26,545 | 109,705 |

## 46. Market risk framework, measurement, and management

The Group's activities expose it primarily to market risk which is defined as the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates, commodity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group separates its exposure to market risk between trading and banking book as defined below:

### Market risk arising from trading book

Trading positions are held by the Treasury division and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. Realised and unrealised gains and losses on these positions are reported in consolidated income statement.

## Market risk arising from banking book

Market risk from banking book arises from execution of the Group's core business strategies, products, and services to its customers, that invariably create interest rate risk and open currency positions that the Group endeavours to manage through strategic positions to mitigate the inherent risk caused by these positions.

Banking book includes all positions that are not held for trading such as but not limited to the Group's investments in instruments designated at FVTOCI and amortised cost, loans and advances carried at amortised cost, derivatives used for hedging and other financial assets held for long term.

These exposures can result from a variety of factors including but not limited to re-pricing of gaps in assets, liabilities and off-balance sheet instruments and changes in the level and shape of market interest rate curves.

## Risk identification and classification

The RMC and BRC approves market risk policies for the Group. All business segments are responsible for the comprehensive identification and verification of market risks within their business units. Regular meetings are held between market risk management and heads of risk-taking businesses to discuss and decide on risk exposures in the context of the market environment.

## Management of market risk

The Board of Directors (via the BRC) have set risk limits based on the Value-at Risk (VaR), Stressed Value at Risk (SVaR), Greeks, sensitivity/stress analysis and foreign exchange open position limits which are closely monitored by the risk management division and reported regularly to the senior management, ALCO and BRC.

Treasury, Market and Liquidity Risk is responsible for the independent second line oversight of market risk. It is overseen by GCRO and BRC and performs the following primary functions:

- establishment of a comprehensive mark-to-market valuation policy framework;
- establishment of a comprehensive market risk policy framework;
- independent measurement, monitoring, and control of market risk;
- setting and monitoring of limits.

## Risk measurement

The following are the metrics used to measure the market risk, because no single measure can reflect all aspects of market risk. The Group uses various measurements, both statistical and non-statistical, including sensitivity analysis.

## Statistical risk measures

The Group measures the risk of loss arising from future potential adverse movements in market rates, prices and volatilities using a historical VaR methodology with a lookback period of 12 months. The VaR that the Group measures is an estimate, using a confidence level of 99% of the potential loss that is not expected to be exceeded if the current market positions were to be held unchanged for one day. This confidence level suggests that potential daily losses in excess of the VaR measure are likely to be experienced, once every hundred days. The Board has set limits for the acceptable level of risks in managing the trading and banking book.

The Group uses simulation models to assess the possible changes in the market value of the trading and banking book based on historical data. VaR models are usually designed to measure the market risk in a normal market environment and therefore bares inherent limitations because it is based on historical correlations and volatilities in market prices and assumes that future movements will follow a statistical distribution. It provides a measurement of losses that could be expected under a typical range of market conditions. VaR does not typically provide an indication of potential losses under periods of extreme stress, given the lookback period coverage. To supplement this measurement, a "Stressed" VaR (SVaR) is calculated based upon the same VaR model over a historical period of market stress.

The Group's VaR for the year ended December 31, 2025, is as below:

| Daily value at risk (VaR at 99% - 1 day) | 2025 AED million | 2024(*) AED million |
|---|---|---|
| Overall trading book risk | **(15)** | (29) |

(*) include incremental default charge of AED 10 million





## Non-statistical risk measures

Non-statistical risk measures, other than stress/sensitivity testing, include independent market valuations to ensure that the Group's valuations are satisfactory as well as the risk Greeks to ensure that trading is within the risk appetite thresholds. These measures provide additional information of the Group's exposures to non-linear risks.

## Sensitivity analysis

To complement VaR, the Group also carries out stress tests/sensitivity analysis of its portfolio to assess potential risks that may arise from extreme market events that are severe but plausible. The results of the stress tests are reported to the Group's ALCO and BRC.

## Interest rate risk - trading book

The following table depicts the sensitivity of fair valuations in the trading book to hypothetical and instantaneous changes in the level of interest rates - with other market risk factors held constant – which would have an impact on the Group's consolidated income statement:

Relative instantaneous rate move shifts for all tenors:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | +25bps AED million | -25bps AED million | +25bps AED million | -25bps AED million |
| AED | **21** | **(16)** | 20 | (11) |
| USD | **(26)** | **24** | - | 15 |

## Interest rate risk – non-trading book

The following table depicts the sensitivity of net interest income in the non-trading book to hypothetical and instantaneous changes in the level of interest rates - with other market risk factors held constant – which would have an impact on the Group's consolidated income statement:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | +25bps AED million | -25bps AED million | +25bps AED million | -25bps AED million |
| Sensitivity of net interest income | **129** | **(131)** | 134 | (119) |

The sensitivity on the consolidated income statement is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and financial liabilities, including the effect of hedging instruments.

## Currency 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 Bank's functional currency is the UAE Dirham. The Board of Directors has set limits on delta notional positions by currency. Positions are closely monitored and hedging strategies are used to ensure positions are maintained within established limits. As at December 31, 2025, the Group's net delta notional positions in major currencies are as below:

| | Net currency position long/(short) | |
|---|---|---|
| Currency | 2025 AED million | 2024 AED million |
| USD | **113,448** | 72,808 |
| EUR | **243** | 154 |
| GBP | **21** | 14 |
| INR | **221** | 224 |
| SAR | **647** | 2,593 |
| EGP | **1,518** | 690 |
| CHF | **(85)** | (43) |
| BHD | **(130)** | (516) |
| OMR | **(728)** | (1,323) |

The following table depicts the sensitivity of fair valuations in the trading and banking book to hypothetical, instantaneous changes in the level of foreign currency exchange rates - with other market risk factors held constant (including the USD-AED currency pair which is pegged) – which would have an impact on the Group's consolidated income statement:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Price shock in percentage | +5% AED million | -5% AED million | +5% AED million | -5% AED million |
| EUR-USD | **(25)** | **67** | 1 | 18 |
| GBP -USD | **4** | **12** | 2 | (2) |
| USD-INR | **13** | **(10)** | 12 | (11) |
| USD-SAR | **204** | **64** | 206 | (109) |
| USD-EGP | **82** | **(74)** | 42 | (38) |
| USD-CHF | **(1)** | **1** | - | 15 |
| USD-BHD | **6** | **(7)** | (27) | 25 |
| USD-OMR | **35** | **(38)** | (70) | 63 |

## 47. Operational risk management

### Overview

The Group defines operational risk as the risk of loss arising from inadequate or failed internal processes, people, and systems or from external events. While including legal risk, but excluding strategic and reputational risk, damage to the Group's reputation, legal or regulatory implications, financial losses and other factors are being considered when assessing impact of operational risk events.

Operational risk is inherent in all dimensions of the Bank, including all banking products, activities, processes, systems and third parties or outsourcing arrangements. Therefore, the effective management of operational risk is a fundamental element of the Group's risk management program.

The Board (via the BRC) is accountable for the effective management of operational risk. This includes defining the risk appetite for operational risk, approval of the Operational Risk Management Framework (ORMF), oversight of senior management to ensure that strategies, policies, and processes are reviewed and implemented effectively at all levels.

The objective of the Group is to manage and control operational risk in a proactive and cost-effective manner within targeted levels of operational risk consistent with a defined risk appetite. The Group's operational risk appetite sets out the amount of operational risk that it is willing to accept as a consequence of doing business. The Group have no appetite for certain type of operational risk events, such as system instability and ineffective business continuity planning and disaster recovery for critical systems, and in other cases, a certain amount of operational risk is accepted for the Group to achieve its business objectives. The Group primarily aims at early identification and assessment of operational risks allowing timely mitigation, as well as meaningful management reporting and continuous improvement of the control environment.

The strategy, approach, and design of the Group's ORMF is owned by the Group Operational Risk Management (GORM). In addition, this is overseen by a dedicated Operational Risk Working Group (ORWG) and MEC as applicable. The implementation of the ORMF is assigned to a decentralised risk community of Risk and Control Champions (RCCs) who execute this role either as a dedicated full-time responsibility or dual role in line with the inherent materiality of the exposure and complexity of operations of their specific organisational units.

The GORM function has continue to evolve and mature in the adoption of the ORMF for a consistent forward-looking risk awareness approach. In 2025, the usage of Operational Risk Management System (ORMS) is further ingrained into the risk culture and practices in managing inherent operational risk exposures, by focusing on the risks and associated controls for effective implementation of action plans to mitigate known issues, towards achieving the expected operational resilience outcomes. The ORMS functionality was further enhanced with the second phase implementation by embedding the output from ORMS and from the Business Continuity Program with the Group's intelligent analytics tool to create an integrated near-real time operational resilience dashboard.

### Operational Resilience

The Group continues to strengthen its Operational Risk Management framework towards an Operational Resilience Framework to ensure the ability to anticipate, withstand, respond to, and recover from disruptive events while maintaining critical services within defined tolerance levels. In 2025, the focus has been on embedding resilience across business processes, technology platforms, and third-party arrangements through enhanced scenario testing, impact tolerance assessments, and integration of resilience metrics into risk reporting. This approach aligns with regulatory expectations and industry best practices, ensuring that resilience is not only a compliance requirement but a strategic capability supporting the Group's long-term stability and customer trust.

### Three lines of defence

To create a robust control environment to manage risks, the Group uses an activity-based three lines of defence model. This model delineates management accountabilities and responsibilities for risk management and the control environment. The model underpins the Group's approach to risk management by clarifying responsibility, encouraging collaboration, and enabling efficient coordination of risk and control activities.

The three lines of defence are summarised below:

- First line of defence (Organisational Units): owns the risks and is responsible for identifying, recording, reporting, and managing them, and ensuring that appropriate controls and assessments are in place to mitigate them.
- The second line of defence (Group Operational Risk Management, Group Compliance, Fraud Risk Management, Information and Physical Security Governance, Data Management, Treasury Liquidity & Market Risk, Islamic Internal control, Digital Risk, Credit Policy, etc.): define their specific frameworks, policies and guidelines for managing specific risk areas, provide advice and guidance in relation to the risk, and challenges the first line of defence on effective risk management.
- The third line of defence (Group Internal Audit function): provides independent assurance of the adequacy of the design and operational effectiveness of the ORMF.

### Risk identification, monitoring, and reporting

The risk identification and assessment process involve risk assessment of operational risks inherent to the Group's licensed activities. Risk assessment methodology employs a structured Risk Assessment Framework (RAF) which comprises a series of a risk and control libraries, linked taxonomies, which enable consistent understanding of risks and related controls with regular review and updates to the Risk library.

The identification and early reporting of issues and operational risk events is a critical component and ensures transparency of the Group's operational risk management process. The escalation process ensures that relevant information is received by the impacted areas of the group and decision makers in a timely manner so that appropriate actions are taken.

Monitoring and reporting processes are in place for periodic monitoring of key operational risks. The reports are submitted to the BRC and Board (as part of Group Chief Risk Officer update) and to Group Heads for information and resolution.

### Outlook

There is a heightened operational risk outlook, in particular to Cyber Security and Technology Risk and Outsourcing Risk. The Group is persistent in assessing and addressing potential vulnerabilities on its technology infrastructure, vendors and business supply chains in building up resilience within its business.

The Group enhanced its operational risk management with renewed focus on promoting a strong operational risk culture across the first line, by continuous identification, monitoring and control of its exposures to operational risk, as well as a resilient back-up and recovery facilities for such eventualities.

### Fraud risk

Fraud risk management is a critical aspect of Group's banking operations, especially in today's environment where financial institutions are increasingly targeted by more sophisticated fraud techniques. The Bank mitigates fraud risk through various fraud prevention strategies & detection capabilities and aligning itself with industry standards in fraud prevention. Through the fraud investigations process, data analysis and following industry best practice, the Bank adopts a holistic and multi-layered fraud management approach in safeguarding customer assets, managing the Bank's fraud risk appetite and aligning itself with regulatory expectations. Fraud risks within the Bank are broadly categorized into external and internal fraud. External fraud typically involves customers or third parties attempting to exploit customers and vulnerabilities in the Bank's systems, such as through phishing, social engineering, malware attacks, or card skimming. Internal fraud involves employees or contractors misappropriating funds, manipulating data, embezzling funds or engaging in other dishonest activities. With the rise of the digital and FinTech-driven banking services, the exposure to external fraud has increased. As a result, the Bank has adopted

a multi-faceted approach to managing these risks, involving both technological tools and robust procedural safeguards.

The following measures are implemented to facilitate the effectiveness of the fraud risk management framework which comprises of Identification and Risk assessment, Detection and response, Preventive measures, Recommendations to first line of defence, Customer and staff education.

**Fraud incident response plan:** When a fraud attempt is detected, the Bank follows a structured incident response plan. This plan includes immediate action & steps to block or reverse fraudulent transactions.

**Collaboration with law enforcement and regulatory authorities:** The Bank works closely with law enforcement agencies, financial crime units, and regulatory bodies such as the UAE Central Bank and the Financial Intelligence Unit (FIU).

**Authentication technologies:** To prevent fraud, particularly in digital banking, the Bank has adopted advanced customer authentication technologies. This includes multi-factor authentication (MFA).

**Encryption and secure communication:** The Bank uses strong encryption protocols to protect sensitive customer data during transactions. By ensuring that all communications are encrypted end-to-end.

**Employee training and awareness:** The Bank focuses heavily on employee training/awareness to ensure that staff are aware of fraud risks and mitigation steps.

**Customer awareness:** The Bank has greater focus on customer awareness to keep them up to date on fraud trends and preventive measures. The Bank releases regular updates and awareness campaigns which are geared towards increasing customer awareness and vigilance.

## Business continuity management (BCM)

The BCM framework continues to evolve and mature, to provide the Bank with operational resilience, incident response and business continuity capabilities, aligned to industry best practices and CBUAE regulatory requirements, following any unexpected disruptive or major incidents.

The overarching goal of the Framework is to protect staff and to ensure the continuation of critical functions, products and services, within predefined tolerance levels, and to safeguard the Group's reputation and brand image, following any disruptive incidents.

Business continuity strategies and plans are exercised on an annual basis, to simulate incident scenarios, and to provide assurance that plans are effective, and include mobilising staff from a primary office location to their alternative location or remote working.

Regular incident response and crisis management training and business continuity awareness is also conducted so that staff have the knowledge and skillsets to respond to incidents and to minimise their operational impacts.

The Group continued its focus on assessing the operational resilience and recovery capabilities of the Group's critical third-party dependencies to ensure that supply chain risks have been assessed and any vulnerabilities identified and mitigated in advance of any disruptions to third parties, that could also adversely impact the Group's critical services and reputation.

## Risk management

For operational risk measurement and determination of the amount that the Group needs to hold to absorb potential operational losses, Group follows the standardised approach under Basel III. As at December 31, 2025, the capital charge including buffer requirements was AED 4,871 million (December 31, 2024 – AED 4,258 million).

## 48. Trust activities

As at December 31, 2025, the net asset value of the funds under the management of the Group amounted to AED 7,068 million (December 31, 2024 – AED 4,815 million).



ABU DHABI COMMERCIAL BANK PJSC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

## 49. Capital adequacy ratio and capital management

## Capital management process

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

- to comply with the capital requirements set by the CBUAE;
- to safeguard the Group's ability to continue as a going concern and increase the returns for the shareholders; and
- to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored on a regular basis by the Bank's management employing techniques based on the guidelines developed by the Basel Committee and the CBUAE.

In December 2022, CBUAE issued an update on Capital Adequacy Standards, replacing the earlier issued standards. The updated standards include requirements on internal and external review, additional guidelines on credit, market and operational risk and details for Pillar 2 requirements. The regulations ensure compliance with Basel III Capital Standards set out by the Basel Committee on Banking Supervision (BCBS).

CBUAE has issued an updated Pillar 2 - Internal Capital Adequacy Assessment (ICAAP) reporting guidelines on December 30, 2022, vide notice number CBUAE/BSD/2022/5280 for implementation and banks are required to comply and report Pillar 2 - ICAAP assessment based on updated guidelines. For operational risk, the CBUAE has given banks the option to use the basic indicator approach, or the standardised approach and the Group has chosen to use the standardised approach.

The Bank currently uses the approach defined below for Pillar 1 reporting:

**Credit risk:** Standardised approach is used by the Group in calculating its capital requirements for credit risk. This approach allows the use of external ratings from designated credit rating agencies, wherever available, in determining the appropriate risk weights. The risk weight is determined by the asset class and the external rating of the counterparty. The net exposure incorporates off balance sheet exposures after applying the credit conversion factors (CCF) and credit risk mitigants (CRM).

**Market risk:** For the regulatory market risk capital requirement, the Group uses the standardised approach.

**Operational risk:** Basel III includes a capital requirement for operational risk, again utilising three levels of sophistication. The capital required under the basic indicator approach is a simple percentage of gross revenues, whereas under the standardised approach it is one of three different percentages of total operating income under each of eight defined business lines. Both these approaches use an average of the last three financial years' revenues. The Group has adopted the standardised approach in determining the operational risk capital requirements.

The Group also prepares an annual comprehensive ICAAP document. This document is a detailed assessment by the Group of its risk profile, approaches to assess and measure various material risks, capital planning under regular and stress scenarios.

The Group's capital management is driven by long/short term strategies and organisational requirements with due consideration to the regulatory, economic, and commercial environment in which the Group operates.

**Capital supply**

As per Basel III requirements, total regulatory capital comprises of the following:

a) **Tier 1 capital**, composed of:
   (i) Common equity tier 1 (CET1) and
   (ii) Additional tier 1 (AT1).
b) **Tier 2 capital.**

**CET1 capital** includes paid-up share capital, share premium, retained earnings, legal reserves, statutory reserves, accumulated other comprehensive income, other disclosed reserves and non-controlling interest.

The following regulatory deductions and adjustments are applied in the calculation of CET1:

a) goodwill and other intangible assets;
b) cash flow hedge reserve;
c) employee's incentive plan shares
d) revaluation reserve of investments designated at FVTOCI
e) proposed cash dividend

**AT1 capital** comprises of instruments eligible for inclusion in AT1 capital (paragraph 55 of Basel III Accord).

**Tier 2 capital** includes collective provisions as per Basel guidelines and CBUAE rules, perpetual equity instruments issued by the Bank or its subsidiaries and not included in Tier 1 and their premium and instruments eligible for inclusion in Tier 2 capital such as hybrid (debt/equity) capital instruments and subordinated term loan.

## Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital and the Group's business strategy, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation by the Bank's risk and credit and finance functions and is subject to review by the ALCO as appropriate.

## Capital adequacy ratio

The Bank's capital adequacy ratio calculated in accordance with guidelines issued by the CBUAE after deducting proposed dividends from retained earnings is as below:

| | As at December 31 2025 AED million | As at December 31 2024 AED million |
|---|---|---|
| **Common equity tier 1 (CET1) capital** | | |
| Share capital (Note 22) | **7,912** | 7,320 |
| Share premium | **17,879** | 17,879 |
| Other reserves (Note 23) | **16,856** | 10,969 |
| Retained earnings | **35,840** | 30,469 |
| Regulatory deductions and adjustments | **(8,005)** | (8,291) |
| Proposed cash dividend (Note 22) | **(4,985)** | (4,319) |
| **Total CET1 capital** | **65,497** | 54,027 |
| **Additional tier 1 (AT1) capital** | | |
| Capital notes (Note 26) | **8,755** | 8,755 |
| **Total AT1 capital** | **8,755** | 8,755 |
| **Total tier 1 capital** | **74,252** | 62,782 |
| **Tier 2 capital** | | |
| Eligible general provision | **4,676** | 4,781 |
| Subordinated notes | **1,830** | 1,831 |
| **Total tier 2 capital** | **6,506** | 6,612 |
| **Total regulatory capital** | **80,758** | 69,394 |
| **Risk-weighted assets** | | |
| Credit risk | **427,627** | 382,468 |
| Market risk | **11,403** | 16,502 |
| Operational risk | **35,872** | 31,331 |
| **Total risk-weighted assets** | **474,902** | 430,301 |
| **CET1 ratio** | **13.79%** | 12.56% |
| **AT1 ratio** | **1.85%** | 2.03% |
| **Tier 1 ratio** | **15.64%** | 14.59% |
| **Tier 2 ratio** | **1.36%** | 1.54% |
| **Capital adequacy ratio** | **17.00%** | 16.13% |

As per Basel guidelines and in accordance with IAS 10 'Events after the Reporting Period', which does not allow proposed dividends to be recognised as a liability, the Bank's capital adequacy ratio before deducting proposed cash dividends from retained earnings is as below:

| | 2025 | 2024 |
|---|---|---|
| **CET1 ratio** | **14.84%** | 13.56% |
| **Tier 1 ratio** | **16.68%** | 15.59% |
| **Capital adequacy ratio** | **18.05%** | 17.13% |





In December 2010 (revised in June 2011), the Basel Committee on Banking Supervision issued Basel III, a global regulatory framework, to enhance international capital standards. Basel III is designed to materially improve the quality of regulatory capital and introduces a new minimum common equity capital requirement. Basel III also raises the minimum capital requirements and introduces capital conservation and countercyclical buffers to induce banking organisations to hold capital in excess of regulatory minimums. In November 2020, CBUAE issued an update to the Capital Adequacy Standards vide notice number CBUAE/BSD/N/2020/4980 superseding the previous notices. All requirements of revised guidelines are effective for capital reporting.

To achieve broader macro-prudential goal of protecting the banking sector from the periods of excess aggregate credit growth and in addition to the capital conservation buffer (CCB) requirement, banks may be required to implement the countercyclical buffer (CCyB). Banks must meet CCB and CCyB requirement by using CET1 capital. CBUAE has introduced a 0.50% CCyB requirement effective from January 1, 2026. Further, to reduce risks related to the failure of domestic systemically relevant institutions, CBUAE has introduced domestic systematically important banks (D-SIB) buffer of 0.50% for ADCB. The Bank is required to meet the following minimum capital ratios:

| **Capital ratios** | |
|---|---|
| CET1 including buffers | |
| - CET1 | **7.00%** |
| - CCB | **2.50%** |
| - D-SIB buffer | **0.50%** |
| - CCyB buffer | **0.08%** |
| **CET1 including buffers** | **10.08%** |
| Tier 1 | **11.58%** |
| **Minimum capital requirement** | **13.58%** |

## Common equity tier 1 (CET1) capital resources

**(a) Ordinary shareholders' funds**, which include the cumulative proceeds from the issuance of ordinary shares at their nominal value net of treasury shares. These instruments confer a share of ownership in the Bank and carry no obligations.

**(b) Statutory and Legal reserves:**

(i) Statutory reserve: As required by Article 241 of the UAE Federal Decree Law No. (32) of 2021 (as amended), 10% of the net profit for the year is transferred to the statutory reserve. The Bank may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. Accordingly, an amount of AED 296 million has been transferred to statutory reserve during the year (2024 – AED nil). The statutory reserve is not available for distribution.

(ii) Legal reserve: In accordance with the Articles of Association of the Bank and Decretal Federal Law No. (14) of 2018, 10% of the net profit for the year is transferred to the legal reserve. The Bank may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. Accordingly, no transfers were made to legal reserve during the year (2024 – AED nil). The legal reserve is not available for distribution.

**(c) General and Contingency reserves:**

(i) General reserve: In accordance with the Articles of Association of the Bank, a further percentage of net profit for the year can be transferred to the general reserve based on the recommendation of the Board of Directors. This reserve may only be used for the purposes recommended by the Board of Directors and approved by the shareholders.

(ii) Contingency reserve: The contingency reserve is established to cover unforeseen future risks or contingencies which may arise from general banking risks.

(iii) Retained earnings which represent the cumulative profits not distributed to shareholders, and other eligible reserves.

**(d) Regulatory deductions and adjustments:**

(i) Goodwill and other intangible assets including computer software which are not integral to hardware.

(ii) Cash flow hedge reserve: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in equity. However, it is limited to 45% of positive balance of cash flow hedge reserve relating to financial instruments that are carried at fair value.

(iii) Employees' incentive plan shares: The Bank grants equity-settled share-based payments to employees. These shares are acquired by the Bank for its employees and are deducted from capital.

(iv) Revaluation reserve of investments designated at FVTOCI: This includes the cumulative net change in the fair value of investments measured at fair value through other comprehensive income. However, it is limited to 45% if the balance is positive.

(v) Proposed cash dividend.

### Additional tier 1 (AT1) capital resources

This represents Tier 1 regulatory capital notes issued by the Bank and subscribed mainly by the Department of Finance, Government of Abu Dhabi (Note 26).

**Tier 2 capital resources**

(a) Collective impairment limited to 1.25% of credit risk-weighted assets.

(b) Eligible subordinated notes (Note 20).

## 50. Social contributions

The Group made the following social contributions during the year:

| | 2025 AED million | 2024 AED million |
|---|---|---|
| Donations | **1** | 3 |
| Sponsorships | **16** | 10 |
| **Total social contributions** | **17** | 13 |

## 51. Legal proceedings

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's consolidated financial statements, if disposed unfavourably.