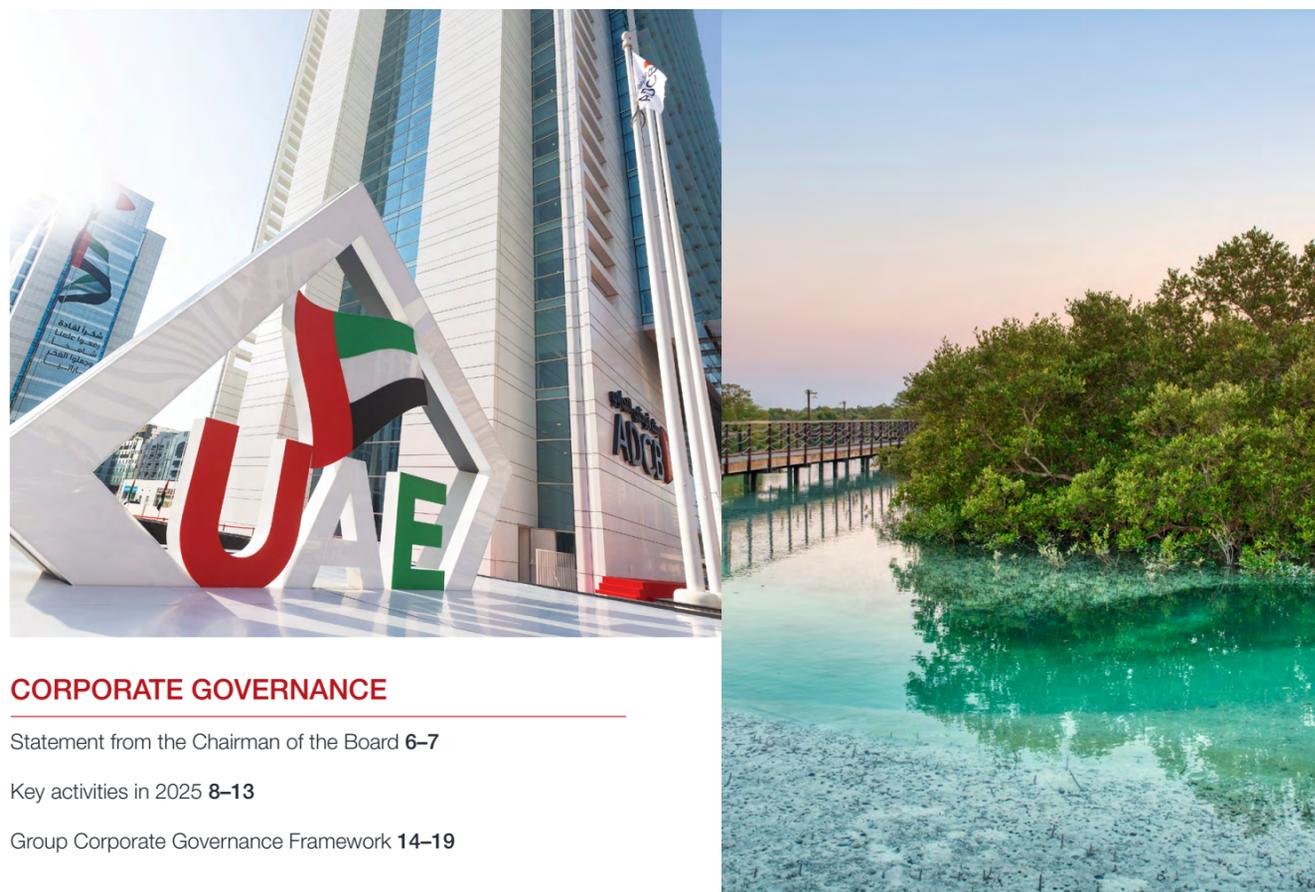


Our approach to value creation is founded on **disciplined** governance to support sustainable long-term growth. More than a framework, it reflects our commitment to responsible decision-making and transparency.

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Certain disclosures and numbers have been reclassified and rearranged from prior year to conform to the current year's presentation.

Corporate Governance

The Corporate Governance section of the report provides an overview of ADCB's governance framework, policies, and performance for the 2025 fiscal year. The disclosures in this section are informed by the UAE Central Bank's Corporate Governance Regulation for Banks (Circular No. 83/2019) and its accompanying Corporate Governance Standards, which together establish the overarching prudential framework for governance across all CBUAE licensed banks.

In addition, ADCB's governance practices align with the requirements of the Capital Market Authority¹⁾ (CMA) applicable to public joint stock companies, as well as the provisions of Federal Decree Law No. (32) of 2021 on Commercial Companies, which set out the core governance obligations for UAE incorporated entities.

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



Statement from the Chairman

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



ADCB continued to refine its governance framework in 2025 in line with regulatory developments and its commitment to best practice

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.

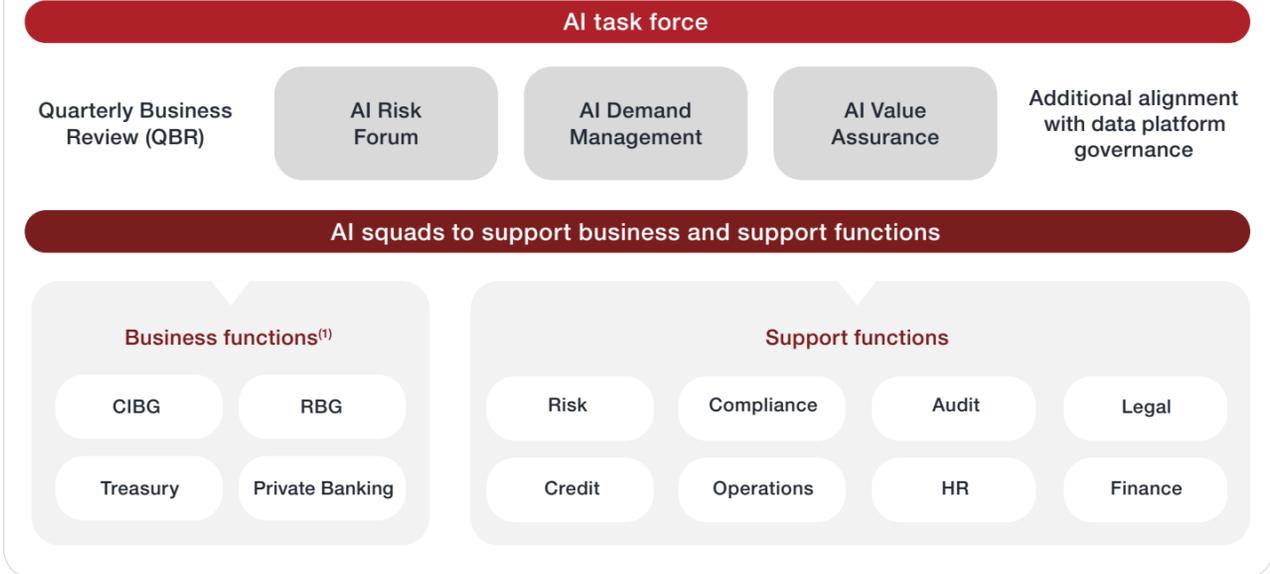
Automation was also introduced across regulatory reporting, including processes related to Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard. The Bank also made strong progress on the development of Enterprise Knowledge, an AI-enabled platform that provides a single source 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-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/combating 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.



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.

Emiratization

ADCB continued to demonstrate leadership in national talent development throughout 2025, maintaining 100% Emiratization across all banking roles in its AI 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 Emiratization, 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%

Emiratization of banking roles in AI 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 Authority¹⁾ (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

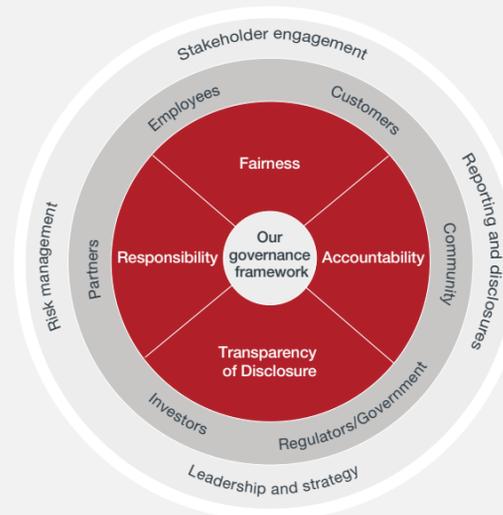
Strengthening governance framework

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 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

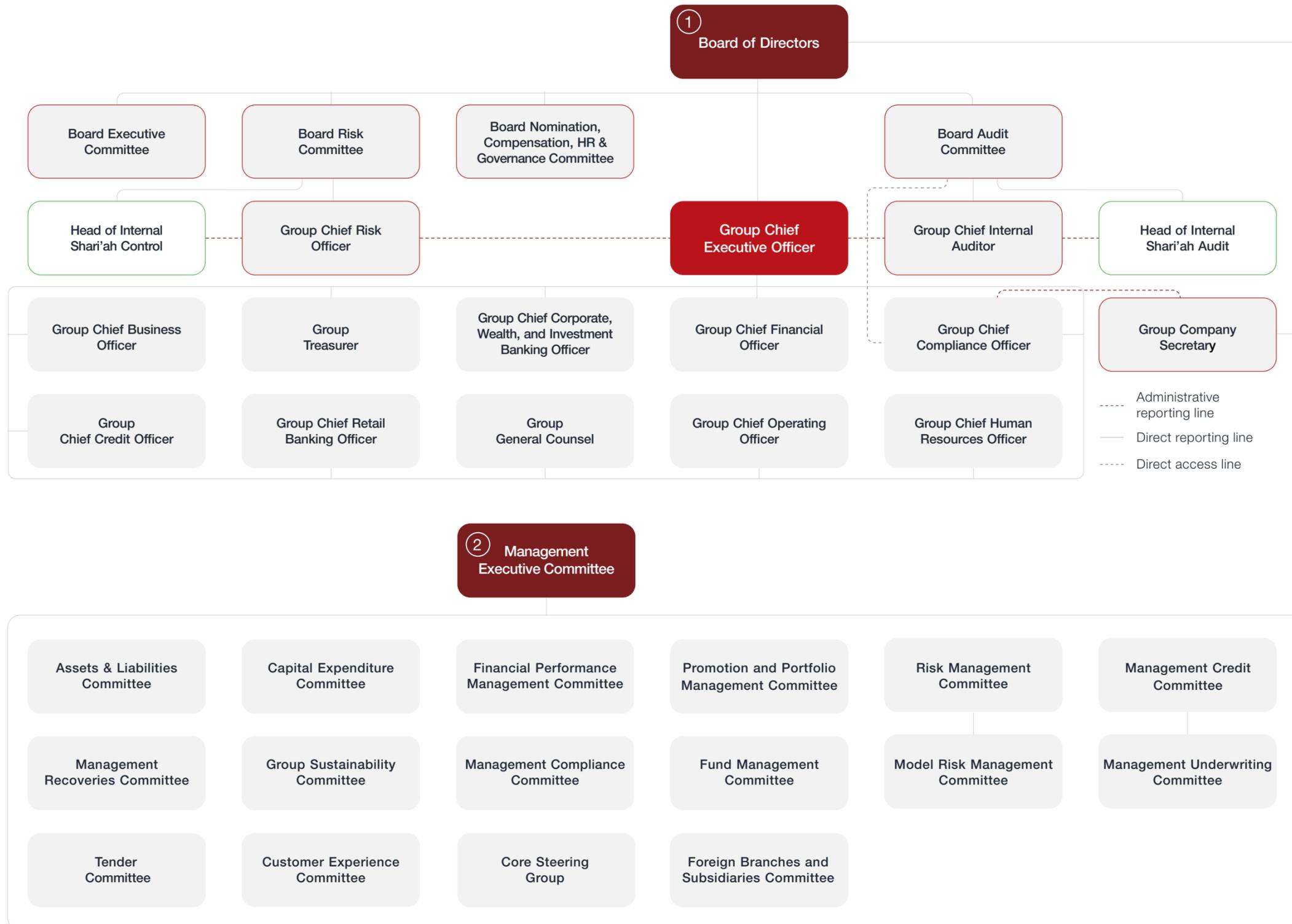
Transparency of disclosures

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



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 (NCHRG)

Chaired by H.E. Hussain J. AlNowais

The NCHRG 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 **NCHRCG**
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**
NCHRCG
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

Board of Directors



Carlos Obeid Chair **BAC**
BEC
NCHRG

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. Alkhouri **BEC**
BRC

Non-Executive Director

Khaled H. Alkhouri 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

Board of Directors



Fatima Al Nuaimi Chair **BRC**
BEC
NCHRG

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

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.

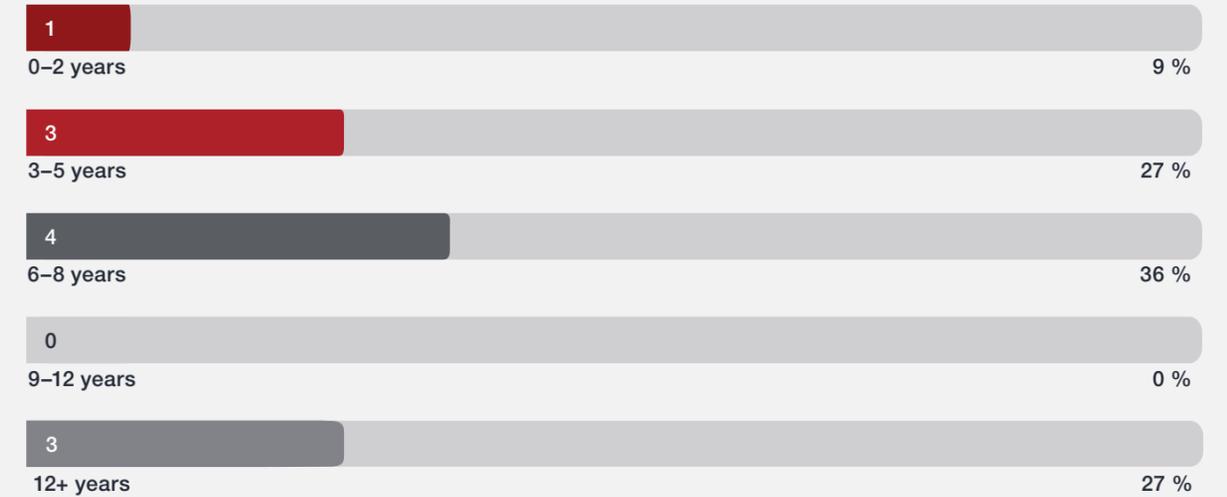
The Government of Abu Dhabi entity, Mubadala Investment Company PJSC (Mubadala), owned 60.69% of the Bank's share capital as at 31 December 2025.

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)

Number of Directors



- **0-2 years** H.E. Dr. Ahmed Mubarak Al Mazrouei (2024)
- **3-5 years** Fatima Al Nuaimi (2022)
Sheikh Sultan Bin Suroor Al Dhaheri (2022)
Sheikh Zayed Bin Suroor Al Nahyan (2021)
- **6-8 years** H.E. Khaldoon Khalifa Al Mubarak (2020)
H.E. Hussain J. AlNowais (2019)
Saeed Mohamed Hamad Al Mazrouei (2019)
Carlos Obeid (2019)
- **9-12 years** Nil
- **12+ years** Aysha Al Hallami (2013)
Khaled H. Alkhoori (2012)
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 (NCHRG) 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 NCHRG, received the CBUAE's No-Objection, and were as follows:

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 NCHRG, obtained the CBUAE's No-Objection and were subsequently elected by acclamation at the AGA:

• 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

• Sheikh Zayed Bin Suroor Al Nahyan

• Sheikh Sultan Bin Suroor Al Dhaheri

• Aysa 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.

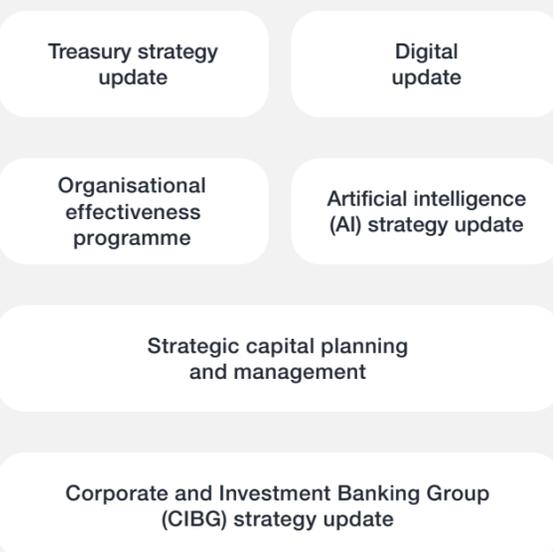
The 2024 skills evaluation cycle conducted in 2025 featured a strengthened methodology with deeper individual skillset assessments, enhanced collective suitability mapping aligned to CBUAE Fit & Proper expectations and expanded coverage of emerging areas such as ESG, AI, cybersecurity, and Islamic finance, 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



Deep dives



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.



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.

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)

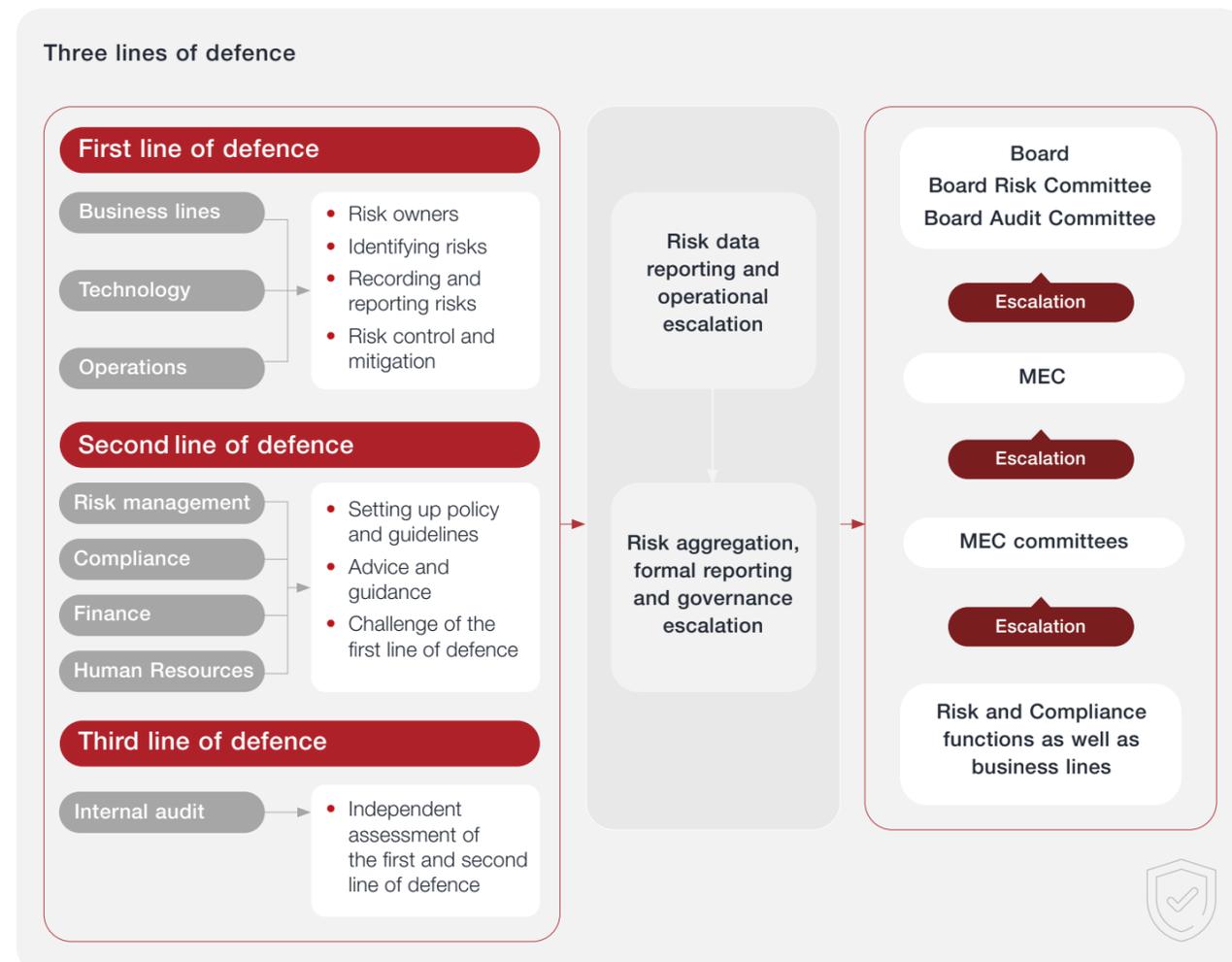
Monitoring trading activity:

- 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

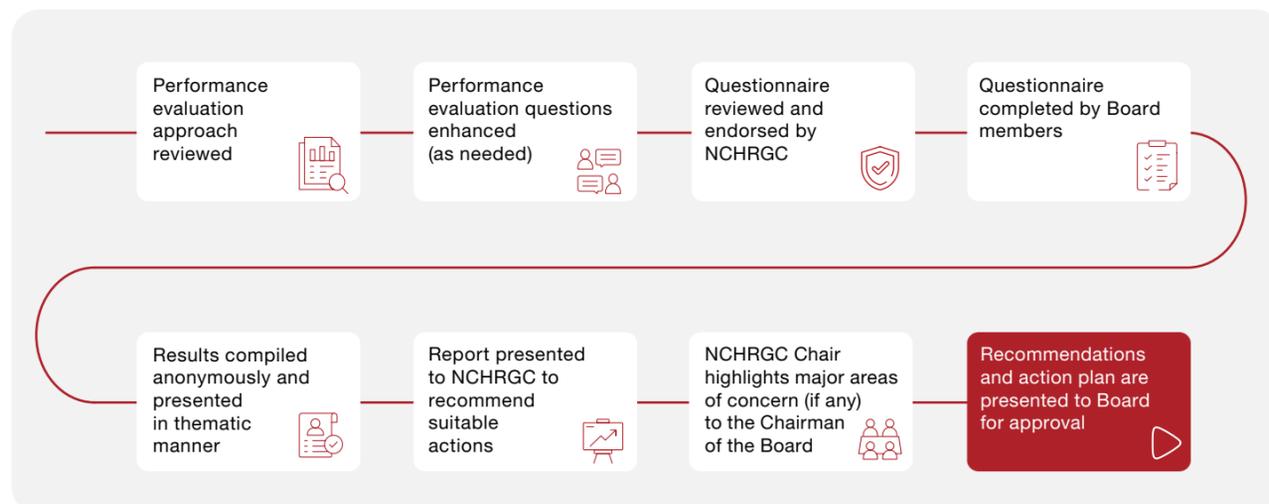
The Board undertakes a formal and rigorous annual evaluation to assess its collective performance, the individual contributions of Directors, and the effectiveness of Board Committees in fulfilling their respective mandates. This evaluation process, guided by the Director's Performance Evaluation Policy, 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 (NCHRG) as an actionable plan, with the Committee actively monitoring progress to support effective implementation. Following its review, the Chair of the NCHRG briefs the Board of Directors on the outcomes. The Board Secretariat provides support to Directors and the NCHRG 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 NCHRG 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 NCHRG 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 (NCHRG) 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 NCHRG 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 <i>Board Chairman</i>	4,047,879	–	4,047,879
H.E. Hussain J. AlNowais <i>Board Vice-Chairman</i>	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

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 NCHRG 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.



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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 NCHRG.

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

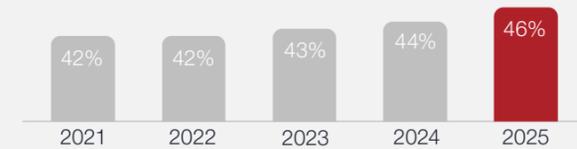
ADCB places high value on diversity and inclusion across the organisation and is committed to ensuring fairness, respect and equality for all employees, regardless of race, religion, gender, or age.

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
(46% females among new recruits in 2025)



Subsidiary Board ⁽¹⁾	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) 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	●	●	●	○	○	○	○	○	○	●	○	○
	Emiratization 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	○	○	○	○	○	○	○	○	○	○	○	○

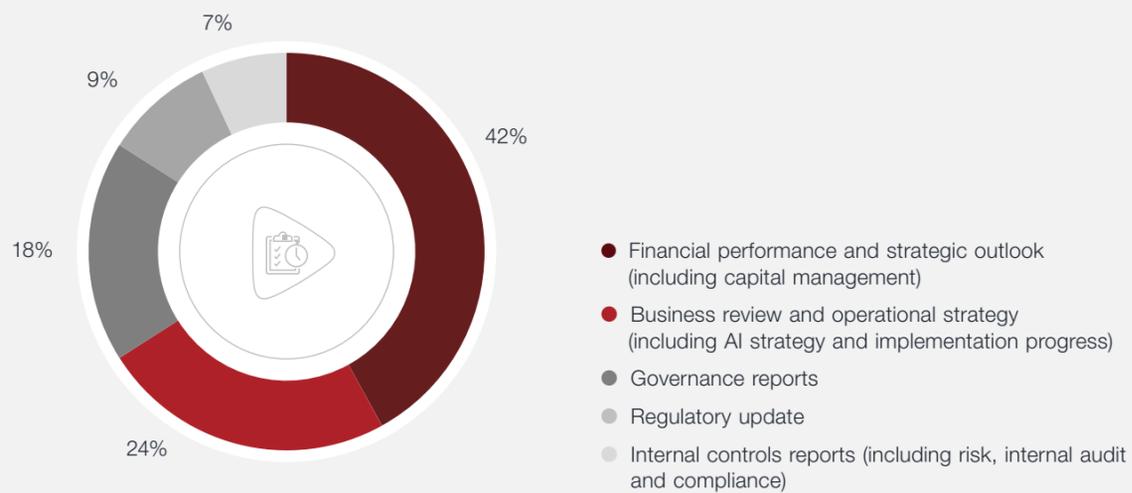
Board meetings and time allocation

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 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

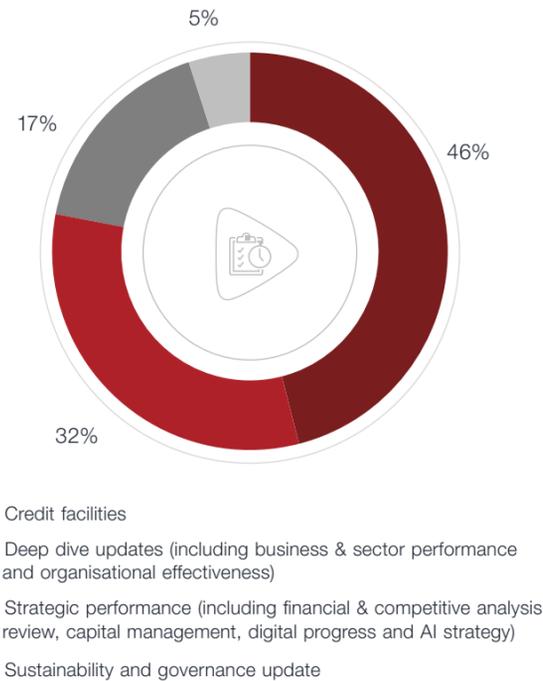
Committee remit

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 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

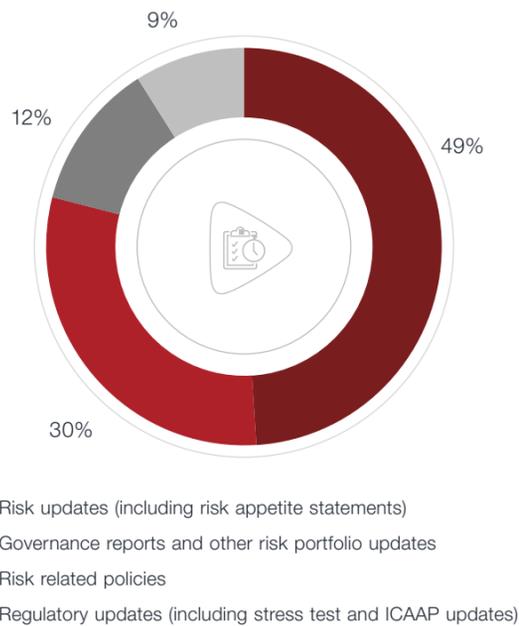
The primary responsibility of the BRC is to enable the Board to fulfil its duties in relation to the oversight of the following:

- 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
- Potential risks in the Group's asset portfolios

- 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

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	–



- Risk updates (including risk appetite statements)
- Governance reports and other risk portfolio updates
- Risk related policies
- Regulatory updates (including stress test and ICAAP updates)

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

(1) Committee reconstitution was completed in February 2025, during which the number of Committee members was revised from four to three

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

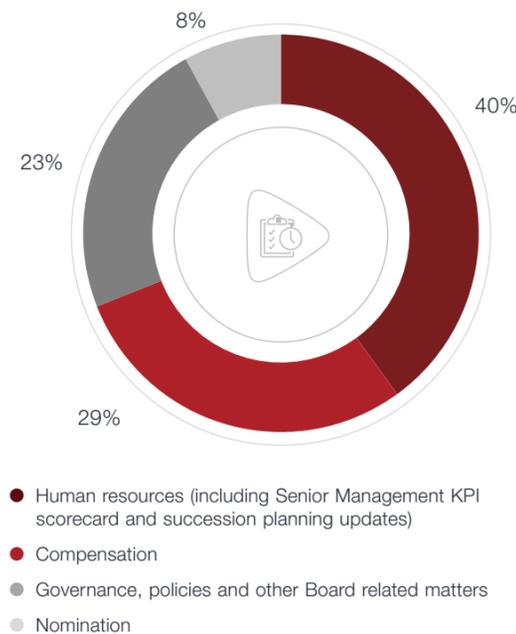
Committee remit

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	–



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.

Emiratization remained a core focus for the Committee. In 2025 a major milestone was achieving 100% Emiratization 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. Emiratization 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)



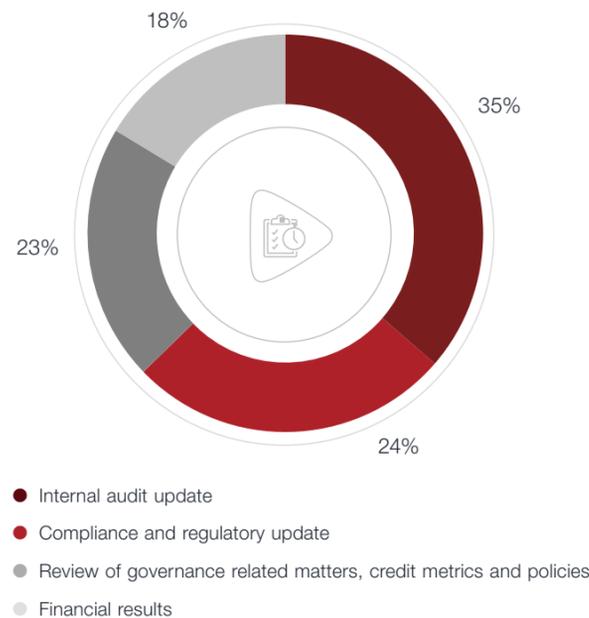
Committee remit

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	–



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

(1) Committee recomposition was completed in February 2025, during which the number of Committee members was revised from three to four



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:

- Be qualified and independent in form and substance (including the type of non-audit services provided and independence of individuals)
- Be duly licensed and approved by the relevant authorities to practice and provide external audit services in the UAE
- Have at least five years of substantial experience in auditing public joint-stock companies
- Be compliant with the International Code of Ethics for Professional Accountants
- Should not be a Shareholder, Director, or occupy any technical, administrative, or executive office within the Group
- 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.

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 NCHRG 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)

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.

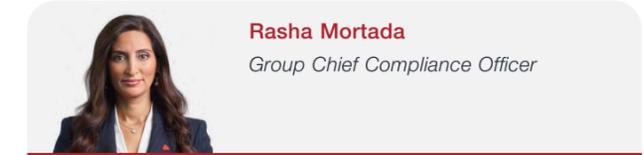
Mohammed holds a Bachelor's degree in Business Administration from Al Ghurair University, UAE, a Post Graduate Certificate in Management from Ashridge Executive Education Hult, UK, and a Diploma in Banking from the Emirates Institute for Banking and Financial Studies.

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 NCHRG, which conducts regular independent reviews of the reward structure.

Supervision by the NCHRG

The NCHRG oversees the design, operation and effectiveness of the remuneration framework including allocation of awards, distribution among business lines and awards to Executive Management.

The NCHRG 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 is designed to retain employees who make critical contributions, as well as top performers. Nominations for the profit-sharing plan are proposed based on strategic guidelines and validated by the NCHRG. Profit-sharing awards vest after three years from the award date.

Selection criteria

Employees that the Bank seeks to actively retain:

- Employees in critical roles with active contributions to strategic projects, or whose contributions have a significant direct profit and loss impact in support of the Bank's strategic objectives
- Senior employees with active decision-making or advisory roles in subsidiary boards and oversight committees
- High potential and high performing local talent

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 NCHRG
- 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 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 vests in 2025 and onwards				This includes deferred remuneration from previous years that vested during 2024
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.

Investor relations contact details

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Senior Head of Investor Relations

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adcb.com/ir

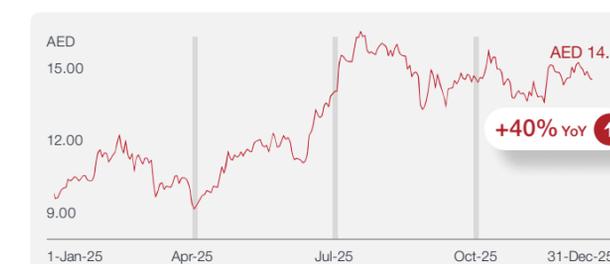
In 2025, the Bank met with over 635 investors through one-on-one meetings and roadshows and participated in 12 investor conferences. International investor engagement in 2025 included outreach to fixed-income investors, supporting two successful 'Formosa' issuances, both of which received strong demand, 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.

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
Total							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:

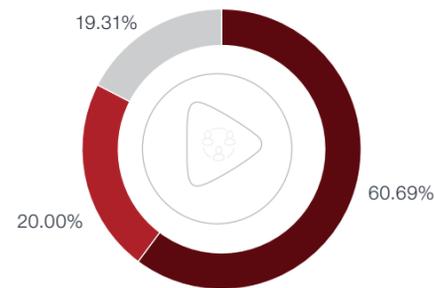
Share(s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of ADCB's capital
Less than 50,000	4,421	23,439,946	0.30%
From 50,000 to less than 500,000	967	180,171,824	2.28%
From 500,000 to less than 5,000,000	520	854,467,662	10.80%
More than 5,000,000	129	6,854,096,278	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)	<ul style="list-style-type: none"> • Dividend AED 0.59/share (AED 4.319 billion) • Board remuneration AED 35.6 million • Re-appointment of Deloitte • Election/re-election of Board members • Special: Renewal of debt issuance programs 	74.63%
GAM	13 Oct 2025	Hybrid (virtual and physical)	<ul style="list-style-type: none"> • Increase in the issued share capital of the Bank of up to AED 592 million via a rights issue • Amendment of Articles of Association • 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



2025 ADCB Corporate Governance Report was signed off by the Group Chief Compliance Officer, Acting Group Chief Risk Officer, Group Chief Internal Auditor, Group Chief Financial Officer and Board Members.



Signed by:

Khaldoon Al Mubarak

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H.E. Khaldoon Khalifa Al Mubarak

Chairman of the Board of Directors

Abu Dhabi Commercial Bank PJSC

Internal Control Departments

Signed by:

Carlos Obeid

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Carlos Obeid

Chair of the Board Audit Committee

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

H.E. Hussain J. AlNowais

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H.E. Hussain J. AlNowais

Chair of the Board Nomination, Compensation, HR & Governance Committee

Abu Dhabi Commercial Bank PJSC

Signed by:

Abdirizak

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Abdirizak Mohamed

Group Chief Internal Auditor

Abu Dhabi Commercial Bank PJSC

Signed by:

Reem AlBanna

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Reem AlBanna

Acting Group Chief Risk Officer

Abu Dhabi Commercial Bank PJSC

Signed by:

Fatima

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Fatima Al Nuaimi

Chair of the Board Risk Committee

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

Saeed Mohamed Hamad Al Mazrouei

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Saeed Mohamed Hamad Al Mazrouei

Chair of the Board Executive Committee

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

Rasha Mortada

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Rasha Mortada

Group Chief Compliance Officer

Abu Dhabi Commercial Bank PJSC

DocuSigned by:

Deepak Khullar

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Deepak Khullar

Group Chief Financial Officer

Abu Dhabi Commercial Bank PJSC



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
Director

Chair **BRC**

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

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 **NCHRG**
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 (NCHRG).

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

NCHRG

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
NCHRG

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

AI Hilal Bank – Board of Directors



Eng. Abdulla Abdul Aziz AlShamsi
Director

BAC

Eng. Abdulla Abdul Aziz AlShamsi was appointed as a Board Director of AI 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)

AI Hilal Bank – Executive Management



Jamal Al Awadhi
Chief Executive Officer

Jamal Al Awadhi was appointed as Chief Executive Officer of AI 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 AI 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 Bouhafis
Head of Finance

Omar Bouhafis joined AI 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 AI 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 AI 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.

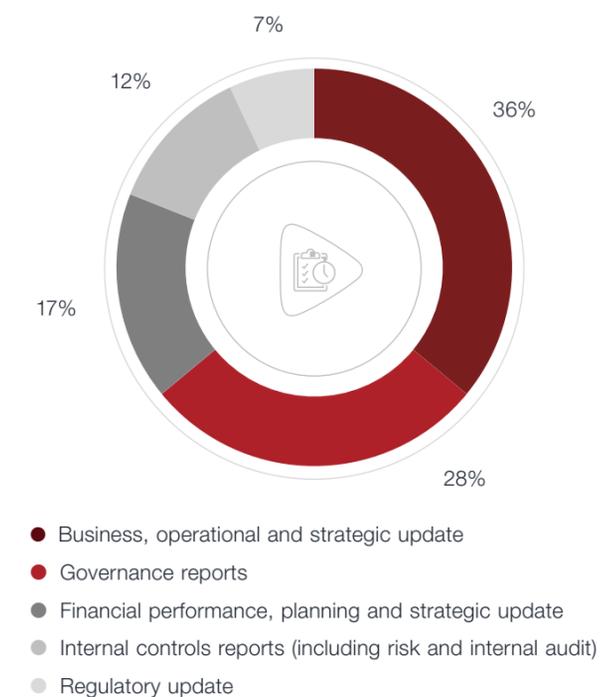
Topic	Sub-topic	Topics discussed at 2025 meetings											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Technology	Efficiency, digitisation and innovation update	●	●	●	●	●	●	●	●	●	●	●	●
Detailed business, operational & other reviews	Group Chief Executive Officer update	●	●	●	●	●	●	●	●	●	●	●	●
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 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

AHB – Board Audit Committee (BAC)

Committee composition (As at 31 December 2025)

Kevin Taylor

Mohammed Al Jayyash

Eng. Abdulla Abdul Aziz AlShamsi

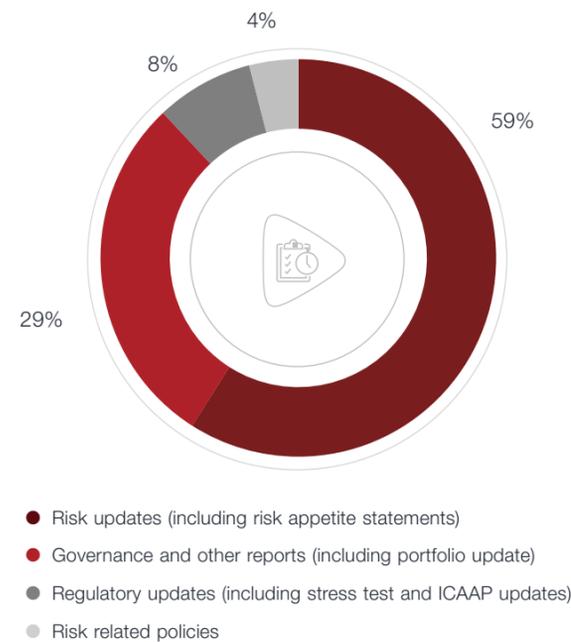
Committee remit

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

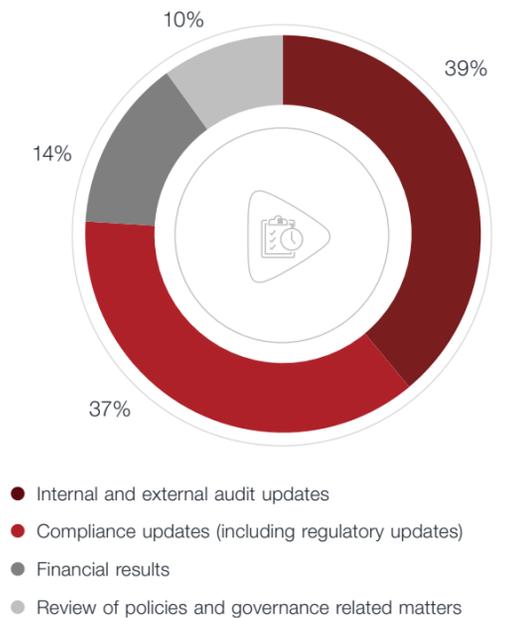
2025 BRC meetings and time allocation

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	–



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

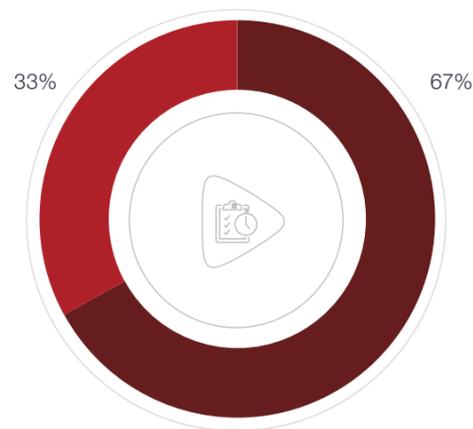
Committee remit

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	–
–	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.

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

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

Sustainability Review

The Sustainability Review provides an overview of the Bank's performance and management approach on the material sustainability risks and opportunities identified for ADCB, and all its subsidiaries, including branches within and outside of the UAE, during the 2025 fiscal year (1 January – 31 December 2025). ADCB's disclosures in this section are informed by the following IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB): IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosure Standard (aligned to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations).

For ADCB's additional ESG disclosures, please refer to www.adcb.com/esg.

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.

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

Sector ⁽⁴⁾	2019 base year in MtCO ₂ e	Target MtCO ₂ e 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)



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⁽⁵⁾. Solar energy expansion continues across the emirates, while the Barakah Nuclear Energy Plant⁽⁶⁾ is fully operational in Abu Dhabi, generating 40 Terawatt-Hour (TWh) annually, equivalent to approximately a quarter of the nation’s electricity needs. At the same time the government continues to explore technologies like 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.

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⁽⁷⁾. This was followed in July by the Central Bank’s (CBUAE) Climate-related Financial Risk Management Regulation⁽⁸⁾, 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.

Building a stronger society

The UAE continues to advance its social protection framework. The National Human Rights Institution (NHRI)⁽⁹⁾, 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⁽¹⁰⁾ 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⁽¹¹⁾. 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.

(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) 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.

(5) UAE energy strategy 2050
 (6) Barakah nuclear energy plant
 (7) UAE Sustainable Finance Working Group (SFWG) principles for climate transition planning
 (8) Climate-related Financial Risk Management Regulation issued by CBUAE
 (9) Operational plan for National Human Rights Institution (NHRI)
 (10) Federal National Council of the UAE
 (11) Global Gender Gap Report



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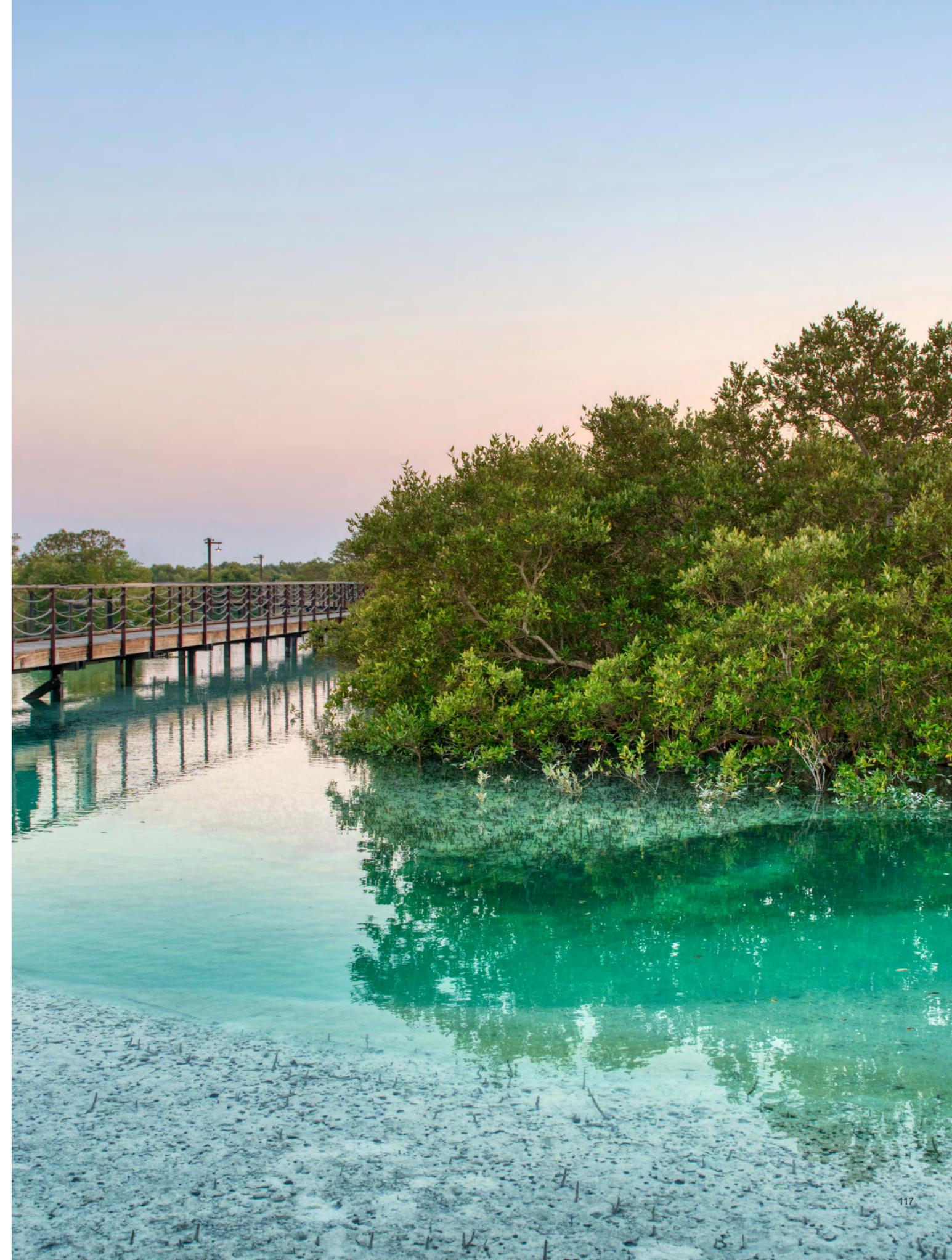
One year after the announcement of the Mental Health Law⁽¹⁾, developments in the UAE's mental health landscape are showing a clear shift towards more integrated, accessible care. The Dubai Health Authority (DHA) adopted new standards aligning mental health services with global practices⁽²⁾, while Emirates Health Services launched 15 specialised mental-health clinics across six emirates⁽³⁾. 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⁽⁴⁾.

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⁽⁵⁾. Similarly, initiatives like 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⁽⁶⁾, enhancing transparency and investor confidence, and reinforcing the UAE's reputation as a well-regulated and trusted jurisdiction.



(1) [Mental Health Law](#)
(2) [Dubai Health Authority \(DHA\) adopted standards on mental health services](#)
(3) [Mental health clinics launched by Emirates Health Services](#)
(4) ['Nafas' mental health platform](#)
(5) [Green Education Partnership Roadmap](#)
(6) [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.

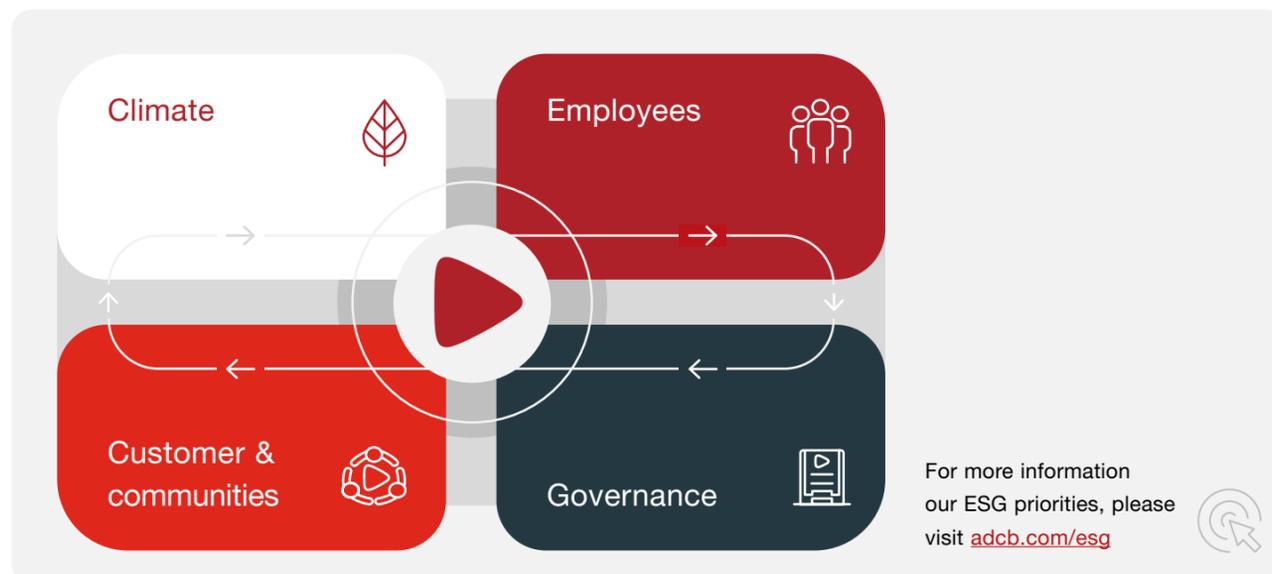
ESG as a key strategic differentiator

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.

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 held in Oman. This underscores ADCB's commitment to best-in-class disclosures and transparent reporting practices, setting a high standard for sustainability disclosures in the region.

ADCB 2024 ESG Report



ADCB 2025 ESG ratings

During the year, ADCB achieved leading positions across major environmental, social and governance (ESG) ratings including: S&P, 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.

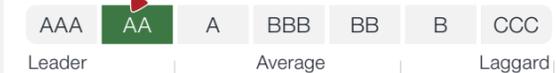
Leading position in ESG ratings among banks in the region



Joint 1st in UAE



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



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



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



1st in UAE, 4th globally



Latest rating Nov'25: 6.7



1st in UAE



Latest rating Dec'25: 59



ADCB sustainability strategy

Purpose Support the transition to an inclusive, net zero economy

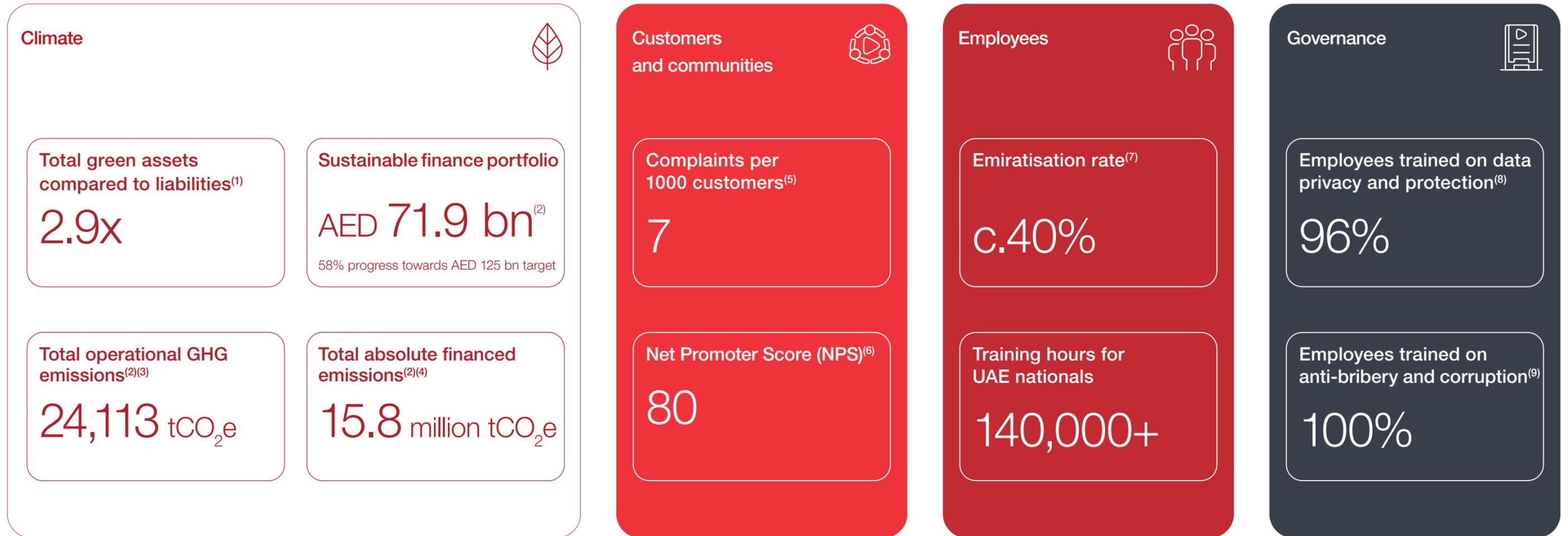
Strategic priorities	Climate 	Customers and communities 	Employees 	Governance 
Ambition	Support the transition to a net zero economy and manage climate change risks	Provide inclusive and innovative financial services to drive sustainable economic growth	Create a thriving workplace that attracts and retains the most talented and committed people	Operate a responsible business with the highest ethical standards to preserve integrity and trust
Workstreams	<ul style="list-style-type: none"> 1.1 Aligning portfolios and reducing financed emissions 1.2 Environmental and social risk management (ESRM) 1.3 Sustainable finance 1.4 Operations and supply chain 	<ul style="list-style-type: none"> 2.1 Customer satisfaction 2.2 Financial inclusion 2.3 Digital and innovative propositions 2.4 Community investment 	<ul style="list-style-type: none"> 3.1 Employee engagement and well-being 3.2 Emiratisation 3.3 Learning and development 3.4 Equality, diversity and inclusion 	<ul style="list-style-type: none"> 4.1 Corporate governance, compliance and code of conduct 4.2 Risk management and cybersecurity 4.3 Financial crime, anti-bribery and corruption 4.4 Tax transparency
Commitments	<ul style="list-style-type: none"> > Commit to lend, invest and facilitate AED 125 billion (USD 34 billion) by 2030 to sustainable activities > Launch new products and services to support customers in their transition > Commit to net zero in own operations, and to reducing financed emissions in line with the UAE government's net zero ambition 	<ul style="list-style-type: none"> > Enhance experience and create value for money for customers, whilst improving access to financial products > Digital initiatives to drive mobile banking penetration among new and existing customers 	<ul style="list-style-type: none"> > Continue to improve diversity and inclusion metrics, and maintain best in class employee satisfaction > Enhance employee learning through high-quality content and dedicated training 	<ul style="list-style-type: none"> > Drive best-in-class governance in the region, and continue to enhance ethical banking practices > Maintain industry-leading data privacy and information security



Enablers ESG governance and policies Targets, KPIs and rewards Training and upskilling Stakeholder management and communications External partnerships and commitments Reporting and disclosures

2025 sustainability performance highlights

ADCB Group has established a comprehensive set of key performance indicators to measure progress against the sustainability objectives. In 2025, the Bank continued to make significant progress in each of the four strategic pillars. Further information on our performance on key ESG metrics can be found in the [ESG KPI disclosures](#) section.



Note: All figures reported for ADCB Group (unless specified) as at 31 December 2025

(1) In 2025

(2) Provisional figures reported as metric is undergoing external verification

(3) Total of Scope 1, 2 and 3 GHG emissions from operational activities in ADCB Group (including our subsidiaries in Egypt and Kazakhstan). Emissions from electricity consumption reported for an 11 month period (Jan–Nov 2025).

(4) Reported for ADCB UAE as at 31 Dec 2024

(5) Reported for ADCB (UAE, Egypt and Kazakhstan) and AHB UAE

(6) Reported for ADCB UAE only

(7) Reported for ADCB and AHB in the UAE excluding non-financial entities such as ITMAM, ADCE and outsourced employees. Emiratisation rate is calculated as the percentage of Emirati nationals (with a family book) within the total full time employees in ADCB UAE and AHB UAE

(8) Reported for ADCB Group (excluding ADCB Egypt and ADCB Kazakhstan)

(9) Reported as anti-bribery and corruption training for new hires as part of the induction program, and code of conduct training for all employees in ADCB Group

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.

6 meetings

held by the Group Sustainability Committee in 2025



2025 key topics discussed at GSC

- 2025 sustainability roadmap
- Group Sustainability Committee (GSC) 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

Sustainability governance framework (continued)

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.

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

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).

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



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 Group Sustainability Committee (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 SteerCo 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.

Other sustainability enablers

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

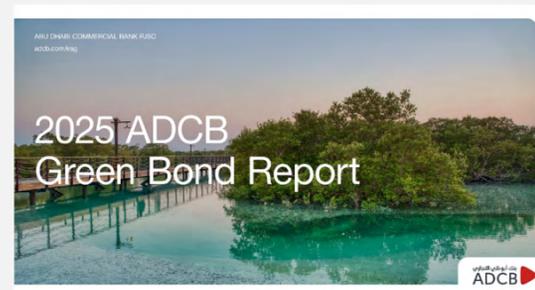
Green bond impact and allocation reporting

The [2025 Green Bond Report](#) provides details on ADCB's:

- Eligible Green Loan Portfolio (EGLP)
- Allocation of proceeds to the EGLP
- Estimated environmental impacts

Aligned with the ADCB Green Bond Framework and the International Capital Market Association's (ICMA) Green Bond Principles, the report highlights the Bank's financing of projects in renewable energy, green buildings, energy efficiency, pollution prevention, sustainable water and wastewater management.

This report was ADCB's third Green Bond Report, following our inaugural USD 500 million green bond issued in September 2022 and the subsequent USD 650 million green bond in September 2023. These issuances reinforce the Bank's ongoing commitment to offering green products and services that support our customers in reducing their environmental footprint.

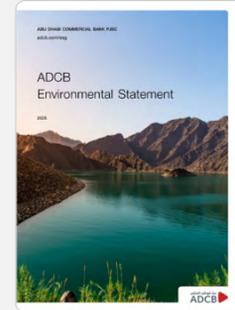


Sustainability policies and frameworks

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 on 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 other policies, please visit adcb.com/esg



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



Climate-Responsible Companies Pledge

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



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



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 initiative

- 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 initiative

- 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

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 impacts

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 programs 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, emiratization 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

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 

Materiality assessment

In 2025, ADCB 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



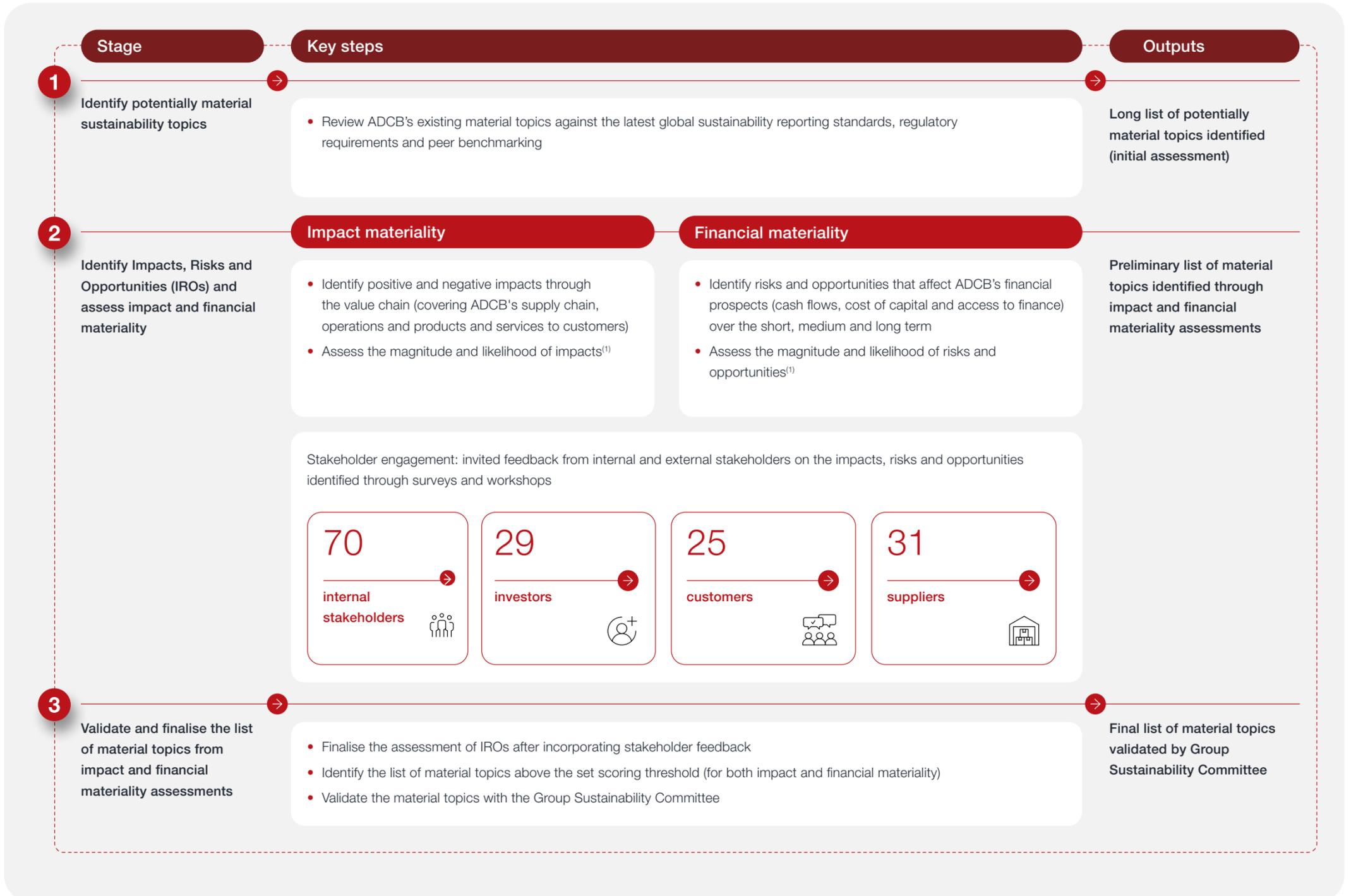
Financial materiality

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

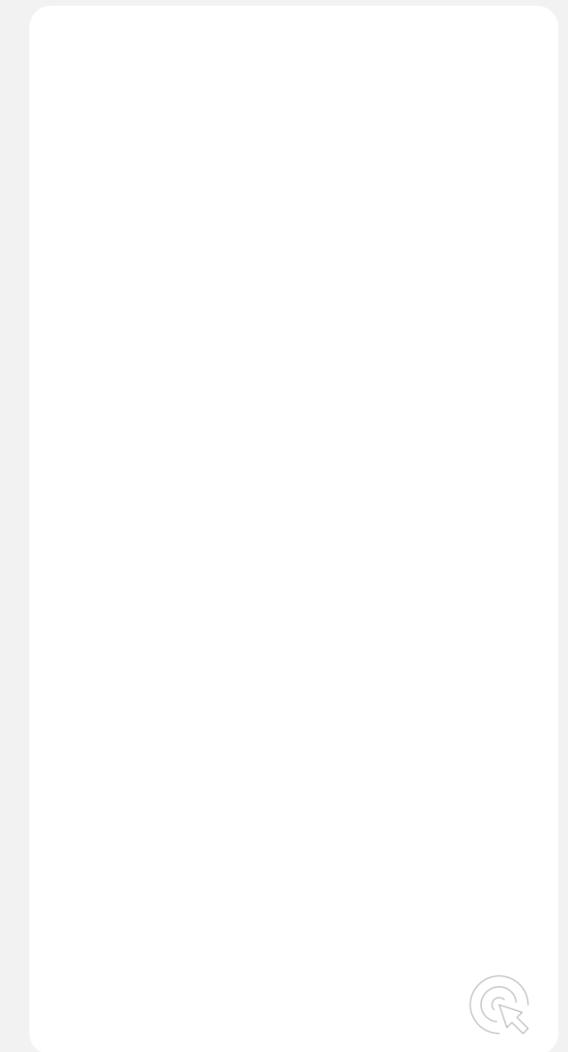
Double materiality assessment process



List of material topics for ADCB

Sustainability topic	Topic description	Impact materiality	Financial materiality		Double materiality
			Risk	Opportunity	
Environmental	Aligning portfolios and reducing financed emissions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Sustainable finance	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Environmental and Social Risk Management (ESRM)	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	Operations and supply chain	Not identified as material (impact and financial)			
Social	Customer satisfaction	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Financial inclusion	<input type="checkbox"/>			
	Community investments	Not identified as material (impact and financial)			
	Employee engagement and well-being	<input type="checkbox"/>			
	Emiratisation	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Learning and development	<input type="checkbox"/>			
	Equality, diversity and inclusion	<input type="checkbox"/>			
Governance	Corporate governance, compliance and code of conduct	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Risk management and cybersecurity	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	Financial crime, anti-bribery and corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	Tax transparency	<input type="checkbox"/>			

Material topics for ADCB



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.

Double materiality topics

Description of material sustainability Impacts, Risks and Opportunities (IROs)

	Positive impact	Negative impact	Risk	Opportunity
1 Aligning portfolios and reducing financed emissions Value chain impact: Time horizons: 	Financing and supporting the net zero transition of our customers (Actual) Redirecting capital towards low-carbon sectors accelerates the global transition to a sustainable economy	GHG emissions from our financing and investment activities (Actual) Continued financing of high-carbon industries without transition plans exacerbates climate risks, increasing physical and transition risks across economies	Climate-related transition risk Exposure to reputational and litigation risks in case of failure to meet public net zero commitments. ADCB is also exposed to sectors and counterparties with potential climate-related transition risks that could pose credit or liquidity risks for the Bank	Revenue generation through products and services to support the transition of our customers Financing and investing to support our customers in their transition towards net zero would strengthen ADCB's market leadership, reduce financed emissions, and improve credit portfolio resilience attracting green capital inflows from investors
2 Sustainable finance Value chain impact: Time horizons: 	Financing and supporting sustainable outcomes of our customers (Actual) Mobilising capital towards green and social projects drives sustainable economic growth and business practices across industries	Stakeholder loss of trust (Actual) Inadequate ESG screening of eligible activities and inaccurate impact measurement could lead to accusations of greenwashing and loss of trust among the society and market stakeholders	No material risk identified N/A	Revenue generation through products and services to support sustainable outcomes Expanding sustainable finance offerings across different client segments can enhance market positioning, drive revenue growth, and attract ESG-focused investors
3 Environmental and social risk management Value chain impact: Time horizons: 	Preserving ecosystems and societies (Actual) Effective ESRM policies drive responsible investments, protect natural ecosystems, and prevent financing of socially harmful activities	Damage to society and the environment (Potential) Failing to integrate ESRM into financial decisions can result in funding projects that deepen environmental degradation and societal harm	Credit risk increase Weak ESRM policies can increase loan defaults by not fully accounting the climate risk of physical assets. Any physical damage can result in increased impairments on loans increasing their credit risk	No material opportunity identified N/A
4 Customer satisfaction Value chain impact: Time horizons: 	Positive economic contribution (Actual) Providing fair advice and engaging in responsible marketing and sales practices facilitate trust in the financial system and greater confidence in long-term financial planning among the society	Reduced stakeholder trust (Potential) Poor customer service and deceptive banking practices can lead to financial exclusion, dissatisfaction, and reduced consumer confidence	No material risk identified N/A	Market growth Increased customer trust leads to expanded market share and revenue growth

Value chain definitions:

- Upstream:** Access to capital through our shareholders and investors, procurement of goods and services from our suppliers
- Own operations:** Effective operations of our offices and branches to ensure continuity of our business
- Downstream:** Provision of products and services to customers

Time horizons considered:

- Less than or equal to one year (<1 year)
- One to three years (1-3 years)
- Up to 10 years

Double materiality topics (continued)

Description of material sustainability Impacts, Risks and Opportunities (IROs) (continued)

	Positive impact	Negative impact	Risk	Opportunity
<p>5 Emiratisation</p> <p>Value chain impact: ●</p> <p>Time horizons: ● ●</p>	<p>Economic and Social contribution (Actual)</p> <p>Emiratisation can support local economic growth and strengthens the banking sector's contribution to national workforce development</p>	<p>Reduced economic development (Potential)</p> <p>Inadequate Emiratisation initiatives can reduce local economic participation</p>	<p>No material risk identified</p> <p>N/A</p>	<p>Increased economic contribution</p> <p>Investing in Emiratisation allows the Bank to attract more Emirati nationals into the workforce and increases ADCB's In Country Value (ICV)</p>
<p>6 Corporate governance, compliance, and code of conduct</p> <p>Value chain impact: ● ● ●</p> <p>Time horizons: ● ● ●</p>	<p>Strengthened stakeholder confidence (Actual)</p> <p>Accountable, transparent, and legally compliant corporate governance upholds financial integrity, ensures fair business practices, and improves market stability and economic resilience</p>	<p>Reduced trust of ADCB and peer institutions (Potential)</p> <p>Poor corporate governance can lead to financial scandals, market manipulation and reduced confidence in financial institutions</p>	<p>No material risk identified</p> <p>N/A</p>	<p>Increased investor trust</p> <p>Strengthening corporate governance can improve decision-making, risk management, and regulatory compliance, leading to enhanced financial performance, building trust with investors, and stakeholders</p>
<p>7 Risk management and cybersecurity</p> <p>Value chain impact: ● ● ●</p> <p>Time horizons: ● ● ●</p>	<p>Enhances consumer trust (Actual)</p> <p>Enhances digital trust and security, protecting customer data and ensuring the integrity of financial transactions, which contributes to economic stability and confidence in the financial system</p>	<p>Data breaches and financial loss (Potential)</p> <p>Weak cybersecurity measures increase the risk of fraud, identity theft, and financial crime, eroding public trust in digital banking and destabilising financial systems</p>	<p>Data loss, regulatory penalties and reduced stakeholder confidence</p> <p>Non-compliance with data privacy regulations can result in significant fines, civil claims and reputational damage</p>	<p>No material opportunity identified</p> <p>N/A</p>
<p>8 Financial crime, anti-bribery, and corruption</p> <p>Value chain impact: ● ● ●</p> <p>Time horizons: ● ● ●</p>	<p>Contributing to the prevention of financial crime in the UAE (Actual)</p> <p>Effective financial crime prevention safeguards economic integrity, strengthens anti-corruption efforts, and promotes ethical business practices against money laundering, terrorist financing, proliferation financing</p>	<p>Reduced trust on financial institutions (Potential)</p> <p>Failure to prevent financial crime enables corruption, illicit financial flows, and tax evasion, undermining trust in the financial system and harming economic stability</p>	<p>Regulatory fines and reputational damage</p> <p>An ineffective financial crime prevention framework exposes ADCB to heightened risks of money laundering, terrorist financing, bribery and corruption, which could result in litigation costs, regulatory fines and may erode investor confidence</p>	<p>No material opportunity identified</p> <p>N/A</p>

Value chain definitions:

- **Upstream:** Access to capital through our shareholders and investors, procurement of goods and services from our suppliers
- **Own operations:** Effective operations of our offices and branches to ensure continuity of our business
- **Downstream:** Provision of products and services to customers

Time horizons considered:

- Less than or equal to one year (<1 year)
- One to three years (1-3 years)
- Up to 10 years

Aligning portfolios and reducing financed emissions

As the UAE advances its transition to a net zero economy, climate change presents both systemic risks and opportunities for the financial sector. For ADCB, aligning lending and investment portfolios with low-carbon pathways is critical to managing transition and physical risks while positioning the Bank for sustainable growth. The net zero transition also creates significant opportunities to support clients in their decarbonisation journey and to develop green finance solutions that enhance economic resilience and drive long-term value creation. Financed emissions, those associated with client activities financed by the Bank (Scope 3), account for 99% of ADCB's Greenhouse Gas (GHG) footprint and therefore represent a material component of the Bank's climate strategy.

ADCB's approach

ADCB's climate strategy is anchored to the [UAE's Net Zero 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.

ADCB's sector decarbonisation 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 [NDC 3.0](#) targets, ensuring that the Bank's climate ambition supports long-term growth and resilience.

Governance of climate targets

Progress against the targets is reviewed by the Climate Steering Committee (Climate SteerCo), which brings together teams from Corporate & Investment Banking Group, Credit, Risk, Legal and Sustainability functions.

ADCB has integrated the climate targets into the Board-approved Risk Appetite Statement (RAS) and monitors progress against targets as part of our approach to enterprise risk management. This ensures portfolio alignment with the UAE's net zero pathway is monitored and managed alongside other principal risks.

Performance and assurance

The Bank's financed emissions are calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology⁽¹⁾.

ADCB's Scope 3 (indirect greenhouse gas emissions), Category 15 (investments and lending activities) reporting covers outstanding exposure, reflecting loans and advances held for financing and bonds invested in as of 31 December 2024.

ADCB climate targets⁽¹⁾

Reduction in financed emissions by 2030

10%

Power sector

9%

Oil and gas sector

Portfolio alignment targets

Sector	Scenario	Metric	2023 baseline	2024 progress	2030 target	Scope of emissions	Value chain in scope
Power	UAE NDC 3.0 target	kgCO ₂ e/MWh	299	250 (16% decrease)	270 (10% decrease)	Scope 1 and 2	Generation
Oil & gas	Based on client commitments	tCO ₂ e/TJ	3.3	5.1 (55% increase)	3.0 (9% decrease)	Scope 1 and 2	Extraction

Undrawn commitments and off-balance sheet commitments were excluded, in line with industry practice. ADCB's financed emissions reporting covers all in-scope products under PCAF guidance, and high emitting sectors that are most material to the Bank in terms of exposure. The eight sectors included in the reporting represent 98% of ADCB's high-emitting sectors perimeter by exposure and approximately 20% of total loans and investments.

ADCB's 2024 financed emissions went up from 13.2 million tCO₂e in 2023 to 15.8 million tCO₂e. This increase of 16% was driven primarily by changes in portfolio size and mix, the majority of which was attributed to our clients in the Oil and Gas sector. Additional drivers for the increase in absolute emissions were attributed to changes in data quality (29%) and higher client-reported emissions (12%). These factors collectively outweighed reductions from clients exiting the portfolio or reporting lower emissions, resulting in the overall rise in 2024 financed emissions.

ADCB's financed emissions disclosures undergo independent review. The Bank will continue to improve data coverage and quality, underpinned by stronger governance and refined calculation methodologies.

Client engagement and transition assessment

Recognising that effective portfolio alignment requires collaboration, ADCB proactively engages with clients in key sectors to support their transition plans. Through this engagement ADCB seeks to understand the clients' transition strategies and action plans to identify opportunities for providing tailored products and services that facilitate their transition.

ADCB's client transition assessment framework adopts a structured two-tier approach to evaluate progress among clients in sectors aligned with the Bank's climate targets. The first tier provides a high-level overview of each client's readiness by assessing their climate transition plans and reporting practices in alignment with regulatory principles. This review identifies the maturity of clients' sustainability strategies and guides the Bank in prioritising engagement.

The second tier involves a more detailed assessment for selected high-priority clients, focusing on climate reporting, governance, strategy, and risk management related to the transition to a low-carbon economy. This stage enhances understanding of clients' preparedness and facilitates targeted engagement on transition planning.

Client transition assessment and engagement form a core pillar of ADCB's transition plan. This approach reflects the Bank's commitment as a signatory to the UAE Climate-Responsible Companies Pledge, and reaffirms its role in advancing the UAE's Net Zero by 2050 ambition.

2025 milestones

- Adopted specific emission reduction targets for power, and oil and gas sectors
- Roll-out of client transition assessment framework
- Initiated transition assessment and engagement with high-priority clients in the oil and gas and power sectors

Financed emissions by sector in 2024⁽¹⁾

Scope 3 financed emissions by sector	Exposure ⁽²⁾ (AED bn)		Absolute financed emissions (million tCO ₂ e)		Financed emissions intensity (tCO ₂ e/1,000 AED)		PCAF score ⁽³⁾		Value chain in scope
	2023	2024	2023	2024	2023	2024	2023	2024	
Oil & Gas	10.4	12.4	8.08	10.64	0.78	0.86	2.8	2.8	Upstream (e.g. extraction)
CRE ⁽⁴⁾	60.2	53.6	1.91	1.20	0.03	0.02	4.4	4.3	Midstream (e.g. energy use)
Power	6.0	8.1	1.34	1.54	0.22	0.19	3.1	3.0	Upstream (e.g. generation)
Aviation	4.4	5.2	1.07	0.98	0.24	0.19	4.8	4.7	Airlines, aircraft lessors
Iron & steel	0.7	0.8	0.50	0.56	0.67	0.72	1.8	2.0	Upstream (e.g. production)
Road transport	0.7	1.0	0.21	0.35	0.29	0.35	3.5	3.9	Auto manufacturers, service providers
Shipping	0.4	2.3	0.13	0.50	0.30	0.21	5.0	2.9	Ships lessors, shipping companies
RRE ⁽⁵⁾	13.5	17.5	0.02	0.03	<0.01	<0.01	4.0	4.0	Midstream (e.g. energy use)
Total	96.4	101.0	13.25	15.80	0.14	0.16	4.1	3.9	

Note: Figures may not add up due to rounding differences. Provisional figures reported as metric is undergoing external verification

(1) ADCB follows market practice and reports with a year lag to incorporate greenhouse gas (GHG) disclosures from our customers into our calculations

(2) As at 31 December

(3) PCAF scores based on scope 1 and 2 emissions

(4) Commercial Real Estate

(5) Residential Real Estate

Sustainable finance

Embedding ESG considerations in the Bank's investments, lending, products and services enhances long-term value creation while promoting sustainable development. ADCB's focus on sustainable finance strengthens business resilience and risk management, while generating new business opportunities across diverse client segments and attracting ESG-focused investors.

ADCB's approach

ADCB aims to mobilise AED 125 billion in sustainable finance by 2030, supporting clients in the transition to a low-carbon and inclusive economy. This target reflects the Bank's alignment with the UAE's sector-wide ambition, coordinated through the UAE Banks Federation (UBF), to channel more than AED 1 trillion into sustainable projects by 2030.

A comprehensive framework

Our Sustainable Product Framework defines our approach and methodology for categorising, tracking, and reporting on the Bank's sustainable finance target. This covers qualifying activities across lending, investment and facilitation.

The framework, aligned with international industry guidelines and principles, defines the scope, assessment parameters and standards, as well as the environmental and social (E&S) due diligence requirements and governance approach ensuring the robustness of the Bank's sustainable financing activities.

The framework was updated in 2025 to incorporate the requirements of the Central Bank of UAE's Higher Shari'ah Authority (HSA) Resolution on 'The Guiding Principles Regarding Islamic Sustainable Finance', the UAE Bank's Federation (UBF) Guidance on the Accounting for Sustainable Finance, and the latest principles from the International Capital Market Association (ICMA) and the Loan Markets Association.

In addition to the Sustainable Product Framework, ADCB has developed a [Green Bond Framework](#) to facilitate the issuance of green bonds for financing and/or refinancing eligible green loans.

Governance and oversight

The oversight of sustainable finance activities is led by the Sustainable Finance Working Group (SFWG) comprising senior stakeholders across the Bank, including representatives from all business segments, as well as Risk, Credit, Legal, Compliance and Sustainability teams.

The SFWG is responsible for the monitoring and reporting on the Bank's sustainable finance portfolio in accordance with the Sustainable Product Framework. Performance against the sustainable finance target is tracked on a quarterly basis and reported to the Group Sustainability Committee and the UBF. As a key metric within the RAS, this performance is also reported to the Board Risk Committee as part of the Bank's overall risk governance framework.

Delivering progress and impact

ADCB has made strong progress on its sustainable finance commitment, surpassing the interim 2025 sustainable finance target of AED 50 billion, a year ahead of schedule. Since 2021, the Bank has raised and facilitated AED 71.9 billion (USD 19.6 billion) in sustainable finance through lending, investments and facilitation of sustainable projects.

In 2025, the Bank continued to focus on supporting customers with sustainable products and services. ADCB Islamic Banking introduced the Sustainable Wakala Deposit, a Shari'ah-compliant savings product designed to align financial growth with sustainable development. The product invests customer deposits in ESG-eligible sukuks, ensuring funds support sustainable economic activities. This initiative reflects ADCB's commitment to integrating sustainability into its Islamic offerings, with robust governance and reporting under the Sustainable Finance Framework. By linking returns to ethical investments, the Sustainable Wakala Deposit empowers customers to grow wealth while contributing to a greener future.

For further information on other sustainable products and services offered by ADCB, please visit adcb.com/esg.

Transparent reporting and assurance

The Bank discloses the use and impact of proceeds from its green finance activities through annual green bond reports, prepared in accordance with recognised market standards. Impact and allocation reporting are subject to independent limited assurance by Deloitte, reinforcing the transparency and robustness of the Bank's reporting process.

2025 milestones

- Exceeded interim sustainable finance target one year early
- Publication of [2025 Green Bond Report](#) covering allocation and impact of the Eligible Green Loan Portfolio (1.2x YoY increase)
- Updated the ADCB Group Sustainable Product Framework
- New Islamic Sustainable Wakala product launched

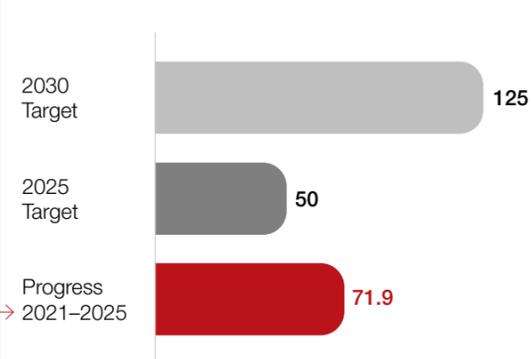
Green Asset Ratio (GAR)⁽¹⁾

3.3%

Overview of ADCB's sustainable finance portfolio (AED bn)

By category	2021–2024 ⁽¹⁾	2021–2025 ⁽²⁾	YoY change
Lending ⁽³⁾	40.3	50.4	25%
Investing ⁽⁴⁾	10.8	12.1	12%
Facilitating ⁽⁵⁾	7.5	9.4	25%
Total sustainable financing	58.6	71.9	23%

ADCB's progress towards our sustainable finance commitments (AED bn)



Note: Provisional figures reported as metric is undergoing external verification

(1) As at 31 December 2024

(2) As at 31 December 2025

(3) For Corporate and Investment Banking Group (CIBG)/Private Banking Group (PBG) – Limit booked at execution of new facilities provided (and any incremental increase in limits in case of refinancing). For Retail Banking Group (RBG) – Total disbursal

(4) Total invested

(5) For CIBG: Apportioned value of ADCB's participation in the transaction. For Asset Management: Reported as Assets Under Management (AuM in 2024)

(1) Reported as green assets outstanding as a percentage of total loans and advances as at 31 December 2025 for ADCB Group (excluding ADCB Egypt and ADCB Kazakhstan)

Overview of ADCB's progress in sustainable financing in 2025

Sustainable finance summary (in AED million)

	2024 ⁽¹⁾	2025 ⁽²⁾	YoY change
Lending (reported as limit booked/total disbursals)			
Green loans	27,517	31,393	14%
<i>Corporate customers</i>	21,614	24,332	13%
<i>Retail customers</i>	5,903	7,061	20%
Social loans	857	2,432	184%
Sustainable loans	1,286	3,578	178%
Sustainability-linked loans	10,619	12,948	22%
Total sustainable financing (lending)	40,279	50,351	25%
Facilitation			
Debt Capital Markets advisory ⁽³⁾	6,363	7,890	24%
<i>Green bonds</i>	2,191	2,599	19%
<i>Sustainability bonds</i>	2,565	2,637	3%
<i>Green/sustainability sukuk</i>	1,608	2,654	65%
ESG and sustainable investments (through ADCB Asset management Limited) ⁽⁴⁾	1,147	1,541	34%
<i>ESG focused impact investments</i>	11	6	(46%)
<i>ESG focused thematic investments</i>	58	124	114%
<i>ESG assessed investments</i>	1,078	1,411	31%
Total sustainable financing (facilitation)	7,510	9,431	26%
Investments through Treasury (reported as total value invested)			
Green bond/sukuk	6,120	6,081	(1%)
Social bond/sukuk	1,612	2,364	47%
Sustainability bond/sukuk	2,831	3,633	28%
Sustainability-linked bond/sukuk	213	–	N/A
Total sustainable finance (investments)	10,776	12,079	12%

Sustainable assets vs liabilities (in AED million)

	2024 ⁽¹⁾	2025 ⁽²⁾	YoY change		2024 ⁽¹⁾	2025 ⁽²⁾	YoY change
Green assets by eligible category (reported as funded outstanding)				Sustainable/green liabilities			
Green buildings	6,114	7,072	16%	Green bonds issued			
Renewable energy	4,396	5,145	17%	2022 Green bond (ISIN: XS2530757082)	1,837	1,837	0%
<i>Solar</i>	3,992	4,054	2%	2023 Green Bond (ISIN: XS2677030194)	2,387	2,387	0%
<i>Green Hydrogen</i>	323	432	34%	Total issuances	4,224	4,224	0%
<i>Wind</i>	81	659	714%	Sustainable deposits			
Energy efficiency	940	–	N/A	Sustainable Call Accounts	24	13	(46%)
Sustainable water and wastewater management	546	497	(9%)	Escrow accounts for Green Buildings	324	150	(54%)
Pollution prevention and control	397	392	(1%)	Sustainable Wakala Deposits	N/A	162	N/A
Total Eligible Green Loan Portfolio	12,393	13,106	6%	Total deposits	348	325	(7%)
Total green assets		13,106		Total sustainable/green liabilities		4,549	

2.9x total green assets compared to liabilities in 2025

(1) As at 31 December 2024
(2) As at 31 December 2025
(3) Reported as apportioned value of ADCB's participation in the transaction
(4) Reported as Assets Under Management (AuM)

Environmental and social risk management (ESRM)

ESRM framework sets out how the Bank identifies, assesses, manages and monitors environmental and social risks (E&S) across all its business activities. It is built around the principle that sustainable banking is inseparable from prudent risk management. By incorporating E&S considerations into the risk management framework and lending practices, the Bank strengthens its due diligence process, making risk management more effective while creating new opportunities.

ADCB's approach

Governance

E&S risk oversight sits within the Bank's overall broader risk governance structure. ADCB's ESRM framework is an integral part of its enterprise risk management framework. The Board Risk Committee (BRC) sets strategic direction and approves the Group-wide ESRM policy. The Risk Management Committee (RMC) and the Group Sustainability Committee ensure effective implementation across business and risk teams.

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 & gas and power sectors (linked to ADCB's climate targets) were also considered as part of this exercise
- Incorporated short-term scenario stress tests, liquidity stress test, market sensitivity analysis, and 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

Implementation of the ESRM Policy is led by the Acting Group Chief Risk Officer, and is supported by a dedicated ESG Risk function. Coordination is managed through the ESRM Working Group, a subcommittee of the Group Sustainability Committee, ensuring consistent application of standards across all business units, including subsidiaries such as ADCB Kazakhstan and ADCB Egypt.

In line with the ESRM Policy, the Bank maintains sector-specific guidance for high-risk sectors. ADCB does not provide financing for coal-related activities, consistent with its broader climate strategy.

The policy is reviewed annually to reflect evolving regulatory requirements, including the CBUAE's Climate-related Financial Risk Regulation, and is guided by internationally recognised standards such as the Equator Principles and IFC Performance Standards.

Risk strategy and appetite

The Group assesses various E&S risks and opportunities and their impact in the short, medium, and long term. Such information is utilised for decision-making, business strategy as well as financial planning to navigate current and future risks. The Group sets E&S risk appetite indicators to support its strategic plans. These indicators include a mix of qualitative and quantitative criteria:

- Exposures to 'Restricted' sectors as defined in the Group ESRM policy
- Group's operational Greenhouse Gas (GHG) emissions footprint
- Progress against the sustainable finance target of AED 125 bn by 2030 and an interim target of AED 50 bn by 2025

The E&S risk appetite statement is reviewed and approved by the Board Risk Committee on an annual basis and monitored on a quarterly basis by the RMC. ADCB continues to further embed ESRM into all its risk management processes and policies.

Risk management

E&S risks cut across the principal risk categories (credit, market, liquidity and operational) and can materialise from both direct and indirect channels:

- Direct channels – operations of the Bank's premises, infrastructure, and employees
- Indirect channels – the financial services and support the Bank provides to counterparties who may be exposed to E&S risks

E&S risk assessment and scorecard

E&S risk assessment begins with front line units conducting screening against the ESRM exclusions and restricted lists, followed by determining the E&S risk exposure of potential customers through our scorecard. The E&S scorecard includes quantitative and qualitative assessments which collectively provide a combined E&S risk rating outcome for customers at a company level. This assessment is completed at the onboarding phase of new customers and as part of a periodic credit review for existing customers. This approach ensures that environmental and social factors are considered alongside conventional credit metrics before financing is approved.

Reputational Risk

ESG and climate risk is embedded as a specific factor within the Bank's Reputational Risk scorecard and forms a critical determinant of overall reputational exposure. Failures to manage environmental, social, and governance dimensions such as climate transition, community impact, employee welfare, and governance integrity can significantly erode stakeholder trust, damage brand value, and impair long-term business performance.

ADCB integrates ESG metrics and climate-related indicators into its scoring methodology to ensure proactive monitoring and escalation. Furthermore, the Bank has established a dedicated ESG-specific procedure to handle all ESG-related matters, including Climate-Related Financial Risks, ensuring that such risks are assessed, managed, and escalated in line with regulatory expectations and global best practices.

Materiality assessment

ADCB carries out a sector analysis once a year to identify sectors that are 'high-risk' with respect to ESG risks. This sector review then underpins all the ESG assessments done for clients, stress testing etc.

A materiality assessment is carried out to gather insight on the exposure and materiality of different E&S risks for the Group and to proactively manage the identified risks. This exercise helps to identify the critical risks and material issues relevant to our stakeholders. The materiality assessment is conducted on quarterly basis by Group Risk and the outcomes are presented to the RMC and BRC.

Sector	2024 portfolio exposure (%) ⁽¹⁾	2025 portfolio exposure (%) ⁽¹⁾
Energy		
Oil & gas extraction	1.8%	1.9%
Power - conventional	1.3%	0.3%
Power - renewables	0.1%	0.3%
Real estate investment	13.0%	6.8%
Transport & communication		
Aviation	0.7%	0.3%
Shipping	0.1%	0.2%
Government & public sector		
Oil & gas extraction	1.5%	0.2%
Aviation	0.6%	0.7%
Shipping		0.1%
Power - conventional	1.2%	0.0%
Power - renewables	1.0%	0.7%
Manufacturing	3.3%	3.0%

The materiality assessment focuses on risks emanating through the transmission channels, as defined in the Bank's ESRM Policy, and considers the following dimensions:

- Portfolio weight to 'Excluded', 'Restricted' and 'High-risk' sectors
- Exposure by risk rating and residual maturity to 'Excluded', 'Restricted' and 'High-risk' sectors
- Exposure to high physical risk countries

Based on a combination of the above, the E&S risks are rated as Low, Medium or High. Group Risk reviews materiality dimensions on an annual basis and reports portfolio performance against these metrics to RMC and GSC on a quarterly basis.

% of lending to oil & gas extraction⁽²⁾

2.1%

Direct exposure in coal mining

Zero

(1) Portfolio exposure (%) reported for ADCB UAE as at 31 December
(2) Equates to AED 16.2 billion, UAE loans and advances only

ADCB's approach to climate risk assessments

Risk type	Climate Risk type	Time horizon	Potential impact of climate risk	Bank's current practice
Credit 	Transition Risk	Short Medium Long	<ul style="list-style-type: none"> The failure of borrowers to adapt their business models to a low-carbon economy may lead to heightened credit risk and increase the risk of financial loss Higher operating costs for carbon-intensive customers, including the introduction of a carbon tax and new data requirements on emissions Extreme weather leading to higher retail and corporate loan defaults and lower collateral values may lower revenue as well as raise insurance premiums and coverages 	<ul style="list-style-type: none"> The Bank has incorporated a series of KRIs and Sustainability-related Risk Appetite Statement (RAS) in place to monitor the exposure of wholesale corporate lending portfolio to high transition risk sectors Materiality assessment is conducted to gather insight on exposure and materiality of different E&S risks for the Group and to proactively manage the identified risks New to bank/existing customers operating in high-risk sectors are subject to ESG clearance this happens through the ESG assessment, as part of credit approval process and in line with the ESRM policy Customers with high/severe ESG rating are subject to ESG enhanced due diligence Our relationship managers engage with key customers in priority sectors, through a transition assessment questionnaire to assess the credibility of their transition plans Climate stress test for physical risk and transition risk
	Physical Risk	Short Medium Long	<ul style="list-style-type: none"> Adverse weather conditions can result in property damage, affecting the value of collateral and causing significant financial losses 	
Market 	Transition Risk	Short	<ul style="list-style-type: none"> Transition risks can lead to stranded assets when regulatory shifts and policy changes lower the value of investments. Changes in market perception could lead to wider credit spreads 	<ul style="list-style-type: none"> The Bank runs specific sensitivity tests based on various climate-related shocks This analysis includes measuring the Value at Risk (VaR) impact on the total portfolio under these climate condition Physical risk scenario: <ol style="list-style-type: none"> flood resilience against acute weather events, transition risk scenario: aligned with scenarios applied to climate credit stress test scenarios, Modeling the specific impact on High Quality Liquid Assets (HQLA) bond valuations
	Transition Risk Physical Risk	Short	<ul style="list-style-type: none"> Extreme weather events could raise concerns about the financial stability of companies operating in the impacted sectors. This uncertainty can lead to a repricing of equities, fixed income securities, and commodities 	
Liquidity 	Physical Risk	Short	<ul style="list-style-type: none"> Extreme weather conditions can disrupt business operations and cash flows, potentially disrupting liquidity. This may impair the Bank's ability to meet its short-term obligations, impacting the stability of the Bank deposits and overall financial health 	<ul style="list-style-type: none"> Similar to the approach for market risk, the impact of climate stress test scenarios is also estimated on liquidity
Operational 	Transition Risk	Short	<ul style="list-style-type: none"> Potential impacts include disruption to business continuity due to extreme weather (e.g. power outage, flooding, staff absence), and regulatory fines for non-compliance with emerging climate disclosure regulations 	<ul style="list-style-type: none"> Climate risk considerations are embedded in the operational risk taxonomy and assessed via a Risk & Control Self-Assessment (RCSA) in line with the RCSA procedure. Business Continuity and Resilience Policy integrates climate risks into continuity planning Third-Party Risk Management Policy mandates climate risk assessment for vendors. Contracts include business continuity and disaster recovery clause. Annual reviews for critical third parties and event-driven reassessments ensure resilience. Mitigation strategies, supplier diversification, exit plans for critical third parties Climate risk scenarios analysis is conducted in line with the operational resilience scenario testing procedure, and aligned with ESRM requirements
	Physical Risk	Medium		
	Liability Risk	Long		
Reputational 	N/A	N/A	<ul style="list-style-type: none"> ESG and Climate Risk is embedded as a specific risk factor within the Bank's reputational risk scorecard and forms a critical determinant of overall reputational exposure. Failures to manage environmental, social, and governance dimensions such as climate transition, community impact, employee welfare, and governance integrity can significantly erode stakeholder trust, damage brand value, and impair long-term business performance 	<ul style="list-style-type: none"> As reputational risk is consequential in nature, arising from deficiencies in underlying risk types, ADCB integrates ESG metrics and climate-related indicators into its scoring methodology to ensure proactive monitoring and escalation. Furthermore, the Bank has established a dedicated ESG-specific procedure to handle all ESG-related matters, including climate-related financial risks, ensuring that such risks are assessed, managed, and escalated in line with regulatory expectations and global best practices. This approach reinforces transparency, sustainability commitments, and stakeholder confidence while mitigating the potential for adverse media, regulatory scrutiny, or activism



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Climate stress testing and scenario analysis

ADCB conducts climate scenario analysis and stress tests in order to assess the impact of material climate risks on the Bank's lending portfolio. As data quality and accuracy improves, this information will be used to guide the Bank's strategy and risk appetite.

ADCB has conducted these stress tests leveraging scenarios from the widely adopted [Network for Greening the Financial System \(NGFS\)](#).

Long-term scenarios

NGFS climate scenarios provides a set of seven scenarios covering both physical and transition risks under three broad categories of orderly transition, disorderly transition and a hothouse world. The Macroeconomic variables (MEVs) sourced for each scenario are from the National Institute Global Econometric Model (NIGEM).

ADCB selected the following 3 scenarios to run both the bottom-up and top-down climate stress tests for long-term assessment:

- Net Zero 2050 under orderly transition (impact of high transition risk and low physical risk)
- Delayed transition under disorderly transition (impact of higher transition and physical risk)
- Current policies under hothouse world impact of (higher physical risk and low transition risk)

The time horizons applied for these exercises are:

- Short-term (by 2030)
- Medium-term (2030-2040)
- Long-term (2040-2050)

These exercises support the promotion of climate analytics awareness and capability assessment through data gathering, modelling and measuring climate-related financial risks across the Bank. The observations and lessons learned from these exercises will help shape the Bank's future climate analytics framework.

Short-term scenarios

In 2025, ADCB conducted its first short-term risk assessment using NGFS short-term scenarios. These scenarios focus on immediate impacts and support short-term decision-making, complementing the Bank's existing long-term scenarios that help mitigate disruptions over extended timelines.

The NGFS short-term scenarios consists of four scenarios and the scenario used by ADCB in 2025 was Highway to Paris. The scenario assumes orderly, globally coordinated green transition with ambitious policies.

Overview of climate stress tests in 2025

Credit risk

Long-term

Client level

The Bank assessed the impacts of the selected NGFS scenarios on customers operating in carbon intense economic sectors, i.e. oil & gas, power generation, transportation (shipping, aviation and auto), and commercial real estate.

High priority clients identified for the oil & gas and power sectors (linked to ADCB's climate targets) were also considered as part of this exercise.

The analysis involved translating different climate scenarios and sector-specific supply and demand elasticities and market dynamics into financial drivers including price, volume, unit cost, capex, and asset value. These drivers were then used to forecast company financial statements under various climate scenarios to assess the impacts on customers' probability of default (PD), loss given default (LGD) and expected credit loss (ECL) until 2050.

Portfolio level

ADCB also ran a top-down stress test for its corporate lending portfolio, covering all industries and customer types.

The exercise estimated the total impact on the portfolio's ECL, PD and LGD. Our methodology ensures that customers experiencing significant credit deterioration are downgraded to IFRS Stage 2, while the customers with the highest credit risk are moved to Stage 3.

Short-term

Client level

The methodology and scope of this exercise is aligned to long-term bottom-up exercise.

The assessment integrated high-priority clients identified for the oil & gas and power sectors (linked to ADCB's climate targets).

While the short-term scenario assessment was carried out as a preliminary exercise in 2025, we will integrate the lessons learned from this exercise to enhance our approach in the future.

CBUAE physical risk

This regulatory exercise aimed to foster learning and build capacity in modelling and measuring climate-related financial risks for both the CBUAE and participating banks, considering key credit risk parameters, including PD, LGD, and ECL.

ADCB utilised the Shared Socioeconomic Pathways (SSP) climate model for the physical risk assessments, as prescribed by the CBUAE. The prescribed model was the SSP5-8.5 with a 250-year return period flood event projected for the year 2050.

Under the CBUAE prescribed climate stress testing requirements, the majority of exposures were concentrated in zones with low rainfall, storm surge, flood risk, mitigating the overall impact.

Operational risk

Climate risk-related stress testing considers potential climate-driven disruptions (e.g., business continuity events due to extreme weather, regulatory fines for non-compliance with emerging climate disclosure regulations).

Climate-related risks do not currently present material operational risk exposure for the ADCB, given the Bank's operational footprint. Potential climate risk drivers, such as physical risk (extreme weather events), transition risk (regulatory changes, carbon pricing), and liability risk, have not resulted in significant historical operational risk losses.

Market & liquidity risk

Shock scenarios:

The Bank runs specific sensitivity tests, such as an 'Isolated oil-price Shock'

Portfolio impact: Analysis includes measuring the Value at Risk (VaR) impact on the total portfolio under these climate conditions.

Bank-specific liquidity stress test:

Physical risk scenario (acute): Flood scenario resilience test.

Transition risk scenario: 'Net Zero by 2050', Modelling the specific impact on High Quality Liquid Assets (HQLA) bond valuations.

Insights from the stress tests completed will inform and shape the Bank's future climate analytics framework



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Climate modelling approach

For the purpose of the climate stress testing exercise, the Bank has considered the compounded effects of both transition risk and physical risk on the corporate lending book by evaluating the impacts on the Probability of Default (PD), Loss Given Default (LGD) and Expected Credit Loss (ECL). Additionally, physical risk impacting LGD is incorporated specifically for exposures secured by real estate collateral, recognising the susceptibility of these assets to climate-related damage. ADCB has used this exercise to identify potential model related enhancements, data requirements and the current maturity levels of customers in terms of climate risk awareness and preparedness.

The results of these climate stress tests have gone through the below governance process:

- a) Reviewed internally by Head of Credit Risk Management
- b) Reviewed and signed off by the Acting GCRO
- c) Reviewed and signed off by the Board Risk Committee
- d) Reviewed by Group Internal Audit

As part of ADCB's wider ESG Agenda, all exercises support the promotion of climate analytics awareness and capability assessment in data gathering, modelling and measuring climate-related financial risks across the Bank.

Monitoring, audit and continuous improvement

ADCB applies a continuous-improvement approach to climate stress testing, reinforcing its commitment to resilience and best practice. Robust internal audit reviews, complemented by targeted CBUAE thematic assessments help to evaluate the effectiveness of controls and highlight opportunities for enhancement. The Bank benchmarks its methodologies against global standards, engaging external experts where necessary to validate and strengthen its frameworks. Insights from these evaluations are methodically integrated into policy and system updates, ensuring the climate risk management framework remains adaptive to evolving market dynamics.

Summary of results of climate stress tests on ADCB's portfolio (representing compounded effects of both transition and physical risks)

Sector	2030			2040			2050		
	Current policies	Delayed transition	Net Zero 2050	Current policies	Delayed transition	Net Zero 2050	Current policies	Delayed transition	Net Zero 2050
Oil & gas	Low	N/A	Medium	Low	High	Very high	Medium	Very high	Very high
Power generation	Medium	N/A	Medium	Medium	High	High	High	Medium	Medium
Airlines	Low	N/A	Medium	Low	Medium	Low	Medium	Medium	Low
Metals and mining	Low	N/A	Low	Low	Medium	Low	Low	Medium	Low
Other sectors ⁽¹⁾	Low	N/A	Low	Low	Medium	Low	Medium	Low	Low

Risk level: ● Very high ● High ● Medium ● Low ● N/A – ADCB's delayed transition scenario starts from 2035

Customer satisfaction

The needs and aspirations of our customers remain central to decision-making at ADCB. Customer satisfaction is a key measure of success for the Group, representing both a strategic opportunity – building loyalty, advocacy and market share – and a potential risk if service expectations are not met. The Bank actively engages with customers and seeks feedback on its services, products and channels to identify areas for continuous improvement.

ADCB's approach

Central to ADCB's approach to customer satisfaction is the Customer Experience Committee (CX Committee), chaired by the Group Chief Executive Officer (GCEO). Meeting quarterly, the Committee brings together leaders 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, the CX Committee underscores ADCB's focus on customer outcomes at the highest levels of decision-making.

Complementing this leadership focus, 'Service Quality Forums' are held for each Group Head to drive performance and efficiency through rapid process improvement. In 2025, 30 forums were convened, resulting in initiatives such as the 'Branch Efficiency Programme' and the redesign of payment and collections processes that streamlined workflows and reduced costs.

Through its Voice of the Customer (VoC) 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.

The enduring commitment to service excellence is embedded across every aspect of the business. 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.

Measuring what matters

ADCB takes a holistic approach to measuring customer satisfaction. The Bank monitors a blend of Net Promoter Score (NPS) and complaint resolution time across multiple channels, customer segments and product lines to ensure consistency and objectivity, with customer feedback collected through a range of channels.

In 2025, ADCB's bank-wide NPS of 80 remained above average in the UAE banking sector, reflecting continued strength in digital-journey satisfaction and relationship management. The Bank'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.

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

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', repositioned branches as advisory hubs supported by automation and digital transformation

Continuous improvement from customer feedback

Customer feedback is gathered from over 25,000 survey responses per month across mobile, contact centre and branch interactions, providing granular insights into customer perceptions. This data is analysed by the service excellence team to identify emerging pain points and service gaps.

All customer feedback is regularly reviewed and assessed through various platforms, including the CX Committee and VOC forums, service quality forums, and semi-annual updates to the Board.

ADCB is committed to delivering excellent service at every customer touch point. If customers are not satisfied with their banking experience, the Bank takes a proactive approach to resolve issues efficiently from the first point of contact. The Bank maintains a high rate of complaint resolution, with 95% of complaints resolved within three days.

Protecting customers and ensuring fairness

ADCB's approach to customer satisfaction is grounded in fairness, transparency, and ethical banking. The Bank complies with CBUAE Consumer Protection Standards, ensuring customers receive clear, accurate, and accessible information across all products and channels. Marketing and disclosure practices follow strict ethical standards, with products designed to be inclusive and accessible to all, including vulnerable groups. ADCB's [Responsible Marketing Statement](#), establishes the guidelines and best practices that ensure that all marketing efforts maintain transparency and trust with our customers, in a manner that is compliant with our legal and regulatory obligations.

The Bank also promotes responsible lending and debt management. This includes assessing customers' financial health before extending credit, proactively addressing over-indebtedness, and offering loan modification options when needed.

2025 NPS⁽¹⁾

80

Customer complaints⁽²⁾

7

Complaints per 1000 customers

Overview of key initiatives on service excellence in 2025

Branch efficiency programme

Central to ADCB's service excellence agenda in 2025, this initiative enhanced in-branch productivity and accelerated digital enablement, delivering a seamless, high-quality experience across every channel.

Payments and collections revamp

The payments process was overhauled to boost operational efficiency and strengthen corporate offerings. Digitally enabled changes to collections improved customer experiences, especially in fraud and dispute resolution.

AI-driven customer service

Artificial intelligence now underpins ADCB's customer service, enabling faster, more consistent, and personalised interactions. AI supports workflow automation and customer-journey analytics, helping anticipate needs, resolve bottlenecks, and improve efficiency.

QR verification for fraud protection

The introduction of QR code-enabled clearance letters allows instant verification of document authenticity, reducing fraud risk and building trust.

Streamlined card dispute resolution

The card dispute process was redesigned for greater speed and transparency, eliminating lengthy forms and simplifying outcomes for customers.

Customer journey design Centre of Excellence (CoE)

This CoE unites expertise from across the organisation, applying structured, end-to-end service design to foster customer-centered innovation, accountability, and ongoing improvement.

(1) NPS: Net promoter score is based on the likelihood that customers will recommend ADCB to family or a friend. 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. This applies to ADCB UAE only
 (2) Reported for ADCB (UAE, Egypt and Kazakhstan) and AHB UAE



Emiratisation

ADCB is committed to making a significant contribution to the UAE's progressive Emiratisation agenda to ensure long-term sustainable growth of the country's financial services sector. By investing in Emiratisation, the Bank attracts high-calibre Emirati talent into the workforce and enhances its In Country value (ICV)⁽¹⁾.

ADCB's approach

Governance and strategic integration

Emiratisation is a core pillar of the Bank's strategy, reflecting ADCB's role as a partner in advancing the UAE's Vision 2031 and building a future-ready national workforce. The Group Chief Human Resources Officer oversees Emiratisation initiatives, with regular updates to the Management Executive Committee, and the Board Nomination, Compensation, Human Resources and Governance Committee (NCHRG).

Building a strong national workforce

The Bank recruited 238 UAE nationals during the year, increasing total Emirati headcount to 2,054. UAE nationals also accounted for (average) 53% of key committee memberships and 40% of the Management Executive Committee, with 41% of Emirati employees in critical roles. Collaboration with Nafis, universities and vocational institutions is continually expanding the pipeline of qualified candidates. Recruitment efforts prioritise emerging fields such as digital banking, cybersecurity and risk management, ensuring that Emiratis are well positioned to lead in areas critical to the sector's transformation.

Structured onboarding and early development

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

The experience gained in AI 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.

ADCB provides an integrated development pathway for Emiratis through programmes that combine foundational banking knowledge with leadership and digital-skills training. For early-career professionals, the Ethraa and AI Academy programmes equip participants with essential skills, including data analytics, FinTech and AI.

Leadership acceleration and career progression

ADCB delivered over 140,000+ training hours for UAE national employees in 2025, equivalent to an average of 68 hours per person, ensuring continuous professional growth. An OHI score of 79 among Emiratis reflects high levels of engagement, motivation and alignment with the Bank's culture of performance and purpose.

To prepare Emiratis for management roles, a Leadership Academy delivers structured learning and coaching focused on strategic thinking, communication and team leadership. In 2025, 698 UAE national employees were promoted, underpinned by structured development and succession planning.

The Bank continues to strengthen its leadership pipeline by integrating Emirati succession planning within all critical functions, with a focus on advancing Emiratis into roles that influence strategic decision-making across the Group.

Emirati employees also benefit from targeted learning through external professional certifications, supported by partnerships with the Emirates Institute of Finance (EIF) and leading business schools. This ensures a steady progression of national talent into senior and specialist roles, supporting long-term workforce stability and governance continuity.

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

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, showing that flexibility and professional growth can coexist to the benefit of individuals, organisations and the wider economy.

Building Emirati leadership

Emiratisation remains integral to the further growth 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.

ADCB recognises this strategic importance and continues to invest in national talent to lead the organisation and make their mark on the industry. Emirati professionals play a defining role in the Bank's most senior decision-making forums, contributing directly to strategy, governance and oversight.

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



Spotlight

Nafis Award 2025 'Diamond Category' for Exceptional Efforts in Emiratisation

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. 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.

Note: Emiratisation statistics reported for ADCB and AHB in the UAE excluding non-financial entities such as ITMAM, ADCE and outsourced employees. Emiratisation rate is calculated as the percentage of Emirati nationals (with a family book) within the total full time employees in ADCB UAE and AHB UAE (1) National In-Country Value (ICV) Programme by the Ministry of Industry and Advanced Technology

Corporate governance, compliance, and code of conduct

ADCB Group's robust Corporate Governance Framework, fully compliant with Central Bank of the UAE (CBUAE) and the Capital Market Authority (CMA) regulations, enables the Bank to effectively manage compliance risk and strengthen resilience. By fostering a culture of transparency, accountability and trust, the Bank remains committed to delivering sustainable financial results that create long-term value for all stakeholders. Strong corporate governance enhances decision-making, improves risk management, and ensures regulatory compliance, ultimately driving financial performance and building trust with investors, and stakeholders.

ADCB's approach

ADCB's approach to corporate governance is rooted in its core values of integrity, care, ambition, respect and discipline, ensuring compliance with regulatory requirements and global best practices. These values are key to ensuring the Group's financial stability, business integrity, and continued growth and success.

The Bank's governance structure is built around a strong and experienced Board, supported by specialised Board Committees. These include the Board Executive Committee, Board Risk Committee, Board Audit Committee and Board Nomination, Compensation, HR & Governance Committee. Through this delegation of authority and responsibility, the Group ensures the decision-making process is streamlined and operational efficiencies are optimised.

For further details please refer to the [Corporate Governance](#) section of this Report.

Monetary losses as a result of legal proceedings associated with non-ethical business practices⁽¹⁾

Zero

Compliance monitoring and reporting

Group Compliance is an independent function within the Bank that identifies, assesses, advises on, monitors, and reports on the Bank's compliance risks. It monitors the risk of regulatory sanctions the Bank may face as a result of a potential failure to comply with laws, regulations, rules, related internal standards, and codes of conduct applicable to its activities.

ADCB's Group Chief Compliance Officer (GCCO) has a primary functional reporting line to the Group Chief Executive Officer (GCEO) and has direct access to the Board and the Board Audit Committee (BAC) to report on compliance matters.

Group Compliance is tasked with the monitoring and implementation of the compliance programme, as well as managing financial crime risks, executing the compliance plan, coordinating on relevant compliance issues, and assisting the GCCO in executing their duties.

Culture of integrity and ethical conduct

ADCB periodically reviews its Board-approved Conduct Compliance Framework and related policies, including our Code of Conduct. The framework includes the development of methodologies for identifying, assessing, reporting, and mitigating conduct risks. The Bank takes a zero-tolerance approach to behaviour that breaches its [Code of Conduct](#), [Conflict of Interest Policy](#), [Anti-bribery and Corruption Policy](#), [Insider Trading Policy](#), [Personal Account Dealing Policy](#), or [Outside Business Interests Policy](#).

The Code of Conduct applies to all ADCB employees and its subsidiaries. It outlines the standards of ethics and professional behaviour expected of employees and representatives when dealing with customers, colleagues, shareholders, communities, and each other. It also provides an overview of key legal and regulatory requirements and policies. All employees reconfirm compliance annually and complete mandatory conduct training.

Whistleblowing and protection framework

ADCB encourages its employees, outsourced staff (including contract employees), and third-parties to raise and report, in good faith, any concerns related to misconduct, illegal, unethical, or fraudulent acts. The Bank's Whistleblowing Policy is overseen by the Group Internal Audit department, which appoints a dedicated officer responsible for receiving and examining all reports.

Whistleblowers may submit concerns confidentially or anonymously through a designated email address, or the ADCB website with all channels managed by Internal Audit. All details of reports received are kept strictly confidential, and the identity of whistleblowers is protected to the fullest extent permitted by law.

ADCB enforces a zero-tolerance policy for any form of retaliation against whistleblowers. All new employees receive mandatory training on the whistleblowing process, and ongoing awareness is maintained through regular Code of Conduct training for all staff.

Every report is promptly acknowledged and investigated by Internal Audit, with support from other departments as needed, and outcomes are securely maintained and reported to senior management and the Board Audit Committee. The policy and process are regularly reviewed to ensure effectiveness and alignment with best practices and regulatory requirements.

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 and Approval (NPA) Committee



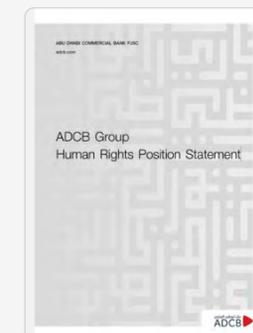
Spotlight

Our approach to human rights

ADCB is firmly committed to upholding and protecting the human rights of employees, suppliers and customers. In 2025, the Bank published a new [Human Rights Position Statement](#) reinforcing commitments to recognise and uphold human rights in all ADCB business activities and relationships. The statement seeks to ensure compliance with international and UAE labour laws and human rights expectations, and eliminates practices such as discrimination, human trafficking, modern slavery, and unethical labour practices.

ADCB embeds fair employment practices within the [Code of Conduct](#), safeguarding the human rights of employees. The human rights of suppliers is similarly protected through the [Vendor Code of Conduct](#), while the [ESRM Policy](#) aims to monitor and safeguard human rights in our lending and investment activities.

For further information on our commitments on human rights, please refer to the ADCB Human Rights Position Statement





Risk management and cybersecurity

Recognised as a systemically important bank in the UAE, ADCB places effective risk management at the core of its decision-making processes across all levels of the organisation. The Bank embeds a strong culture of risk awareness and maintains vigilant monitoring of new and emerging risks, ensuring organisational agility to identify and adapt swiftly. Robust risk governance and advanced resilience to cybersecurity and data privacy risks, including the responsible use of AI technologies, enable ADCB to protect its customers and capitalise on digital transformation opportunities. Inadequate risk management could expose the Bank to financial loss, regulatory action or reputational harm.

ADCB's approach

ADCB's approach to risk management is built on an integrated Risk Management Framework (RMF) that ensures risks are identified, measured and controlled across the Group. The RMF is supported by a three lines of defence model, ensuring clear accountability between business units and control functions. The Board Risk Committee oversees the Bank's risk strategy and appetite, chaired by the Acting Group Chief Risk Officer (GCRO).

Cybersecurity and technology risk

Cybersecurity and technology risk is identified as one of the Bank's principal risks. Accountability for managing information security risk lies with the Bank's governance bodies. The accountable executive is the Chief Information Security Officer (CISO), reporting to the Acting Group Chief Risk Officer (GCRO), who reports to the Risk Management Committee (RMC) and the Board Risk Committee (BRC).

Employee training on data privacy and protection⁽¹⁾

96%

ADCB has established a comprehensive Cybersecurity Policy covering all information assets, services, documents, and devices owned or managed by the Bank and connected to its network. The policy ensures that information security risks are identified, assessed, and mitigated to acceptable levels, while meeting all contractual, legal, and regulatory requirements.

ADCB maintains a comprehensive cybersecurity framework supported by a robust action plan and rigorous testing protocols. The Bank conducts regular assessments through internal and external teams to validate the effectiveness of its controls. In addition, the Bank engages specialist experts to provide immediate technical support and advisory services should a cybersecurity incident occur.

Regular simulation exercises are conducted to maintain a high level of preparedness for responders to act effectively in case of any type of cyber incident. Threat intelligence gathering has also been strengthened with additional sources of new threats continuously fed into the security operations centre.

ADCB conducts ongoing cyber-awareness campaigns and simulated phishing exercises. The Bank is investing in new tools and staff training to enhance its defences and to ensure it is well prepared for ransomware and other cyber threats.

ADCB's information security posture is highly rated by leading independent rating agencies. The Bank's cybersecurity model is also certified by multiple global certification programmes, including the Payment Card Industry Data Security Standard, VISA Card PIN Security Standard and SWIFT Customer Security Programme. ADCB UAE is also certified to ISO 27001 in relation to the information security management of the Bank's digital customer channels. In addition, ADCB undergoes annual third-party certification to ensure compliance with the UAE Information Assurance Standard.

Addressing digital risks

As technology continues to evolve, the Bank's approach to managing digital risks adapts accordingly. Technology adoption, including AI, cloud services and automation, is governed by structured risk assessments and regulatory alignment. The information security team collaborates with digital transformation and IT functions to evaluate emerging risks linked to data privacy, algorithmic decision-making and third-party cloud providers.

ADCB's comprehensive strategy for information security revolves around regular security assessments and technological upgrades. A key component of this approach is the implementation of an AI-powered detection and response system, which bolsters defenses against cyberattacks, unauthorised access attempts, and potential data misuse.

ADCB has established principles, policies, and practices to ensure the responsible and effective governance of AI systems across the Bank. ADCB's Gen AI Policy ensures the legal and responsible use of generative AI technology within the Bank and across its information assets.

This forward-looking approach ensures the Bank remains resilient as the technology landscape shifts. In 2025, the Bank successfully conducted enterprise-wide business continuity and cyber-resilience tests covering multiple scenarios, including disaster-recovery and system-outage simulations. These exercises validate the resilience of critical operations and recovery time objectives across the Group.

Strengthening data privacy and protection

[ADCB's Privacy Notice](#) is aligned with the UAE personal data protection laws and is guided by the principle of treating data as an asset. The Bank has identified data privacy, data quality and data protection risk as a principal risk, recognising that protecting the privacy rights of customers, employees, and third-parties is both a regulatory requirement and an ethical responsibility.

Data management governance

The Board Risk Committee (BRC) and Risk Management Committee (RMC), as well as Executive Management provide strategic direction to ensure effective data privacy, quality and governance, with key roles played by the Acting Group Chief Risk Officer and Senior Head of Data Management and other senior leaders. The Data Privacy Governance Model is designed to ensure effective oversight and accountability for privacy risks. The RMC provides operational oversight and coordination, while the BRC ensures strategic oversight and Board-level engagement. This layered approach helps the organisation maintain compliance, manage risks proactively, and foster a culture of privacy.

The Bank's Data Privacy Office (DPO), which reports to the Board Risk Committee through senior management, is committed to developing and enhancing privacy practices in alignment with the evolving data protection landscape. One of its key responsibilities is to ensure that 'privacy by design' and 'privacy by default' are embedded within the Bank's operations. The DPO is responsible for reporting to regulators in line with the requirements of the various jurisdictions in which the Bank operates. A dedicated Data

Protection Officer is accountable for the Bank's compliance with data privacy regulations and all data protection matters. The Data Privacy Office also collaborates closely with business units, legal, compliance, and IT to embed privacy into the Bank's operations and ensure a consistent, risk-based approach to Data Protection across the Group.

While each subsidiary maintains its own privacy notice, all entities operate under the Group's overarching privacy governance framework, ensuring consistent and lawful data handling across the organisation. Data collection is strictly limited to what is necessary for providing banking and financial services, managing customer relationships, preventing fraud, and meeting legal obligations. Customers maintain rights to access, correct, or request deletion of their personal data.

Importantly, ADCB uses account holder information exclusively for the primary purposes for which it was collected, and does not process such data for unrelated or secondary purposes without obtaining explicit consent.

This is anchored in the MEC-approved Group data strategy and roadmap, which continues to guide the Bank's journey toward data excellence. Recent revisions of the Group data strategy emphasise enhanced governance and the operationalisation of privacy-by-design principles. In 2025, the Bank introduced mandatory annual eLearning on data protection for all employees, onboarding modules for new hires, and targeted specialised training sessions.

2025 milestones

- Conducted enterprise-wide continuity and cyber-resilience tests covering multiple scenarios
- Enhanced model risk management policy, with independent validation for all key models
- Mandatory data protection eLearning introduced

Financial crime, anti-bribery and corruption

Financial crime, corruption and bribery are recognised as growing risks in the global economy, particularly for financial institutions. ADCB seeks to manage and mitigate these risks to reduce the potential consequences for businesses, communities, and people. An ineffective financial crime prevention framework could expose ADCB to heightened risks of money laundering, terrorist financing, bribery and corruption. Such deficiencies may lead to regulatory fines, litigation costs and reputational damage, potentially undermining stakeholder confidence in the Bank.

ADCB's approach

ADCB's Financial Crime Compliance (FCC) framework sets out a comprehensive, risk-based approach for identifying, mitigating and managing financial crime risks. The framework integrates Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), sanctions compliance, proliferation financing, fraud prevention, and Anti-Bribery and Corruption (ABC) within a single Group-wide architecture. It is aligned with CBUAE guidance on AML/CFT and sanctions compliance, as well as the Financial Action Task Force (FATF) recommendations and the Wolfsberg Group Principles.

Robust framework for financial crime compliance

Governance of the framework is exercised through multiple layers of oversight. The Board Audit Committee oversees the activities and performance of the Bank in line with all compliance policies and standards. Day-to-day management is led by the Group Chief Compliance Officer and the Money Laundering Reporting Officer (MLRO), supported by a dedicated FCC function operating across business lines and geographies. This ensures a consistent application of policies and controls throughout the Group.

In 2025, ADCB further enhanced its FCC framework through the deployment of advanced monitoring tools and tighter model validation processes. The Bank completed a Group-wide refresh of financial crime risk assessment, incorporating scenario analysis and AI-driven data modelling to capture emerging risks such as synthetic identity fraud, trade-based money laundering and proliferation financing. New sanctions screening modules were introduced to align with evolving international restrictions, while quality assurance teams undertook targeted reviews to test control effectiveness.

Anti-Bribery and Corruption Policy

ADCB maintains a zero-tolerance approach to bribery and corruption. This is reinforced through the [Code of Conduct](#), which all employees are required to acknowledge annually, and through the Bank's [Anti-Bribery and Corruption \(ABC\) Policy](#), which prohibits facilitation payments, political contributions, and any behaviour that could constitute or enable bribery and corruption. Employees are also expected to ensure any hospitality, gifts or business courtesies provided or received do not violate any applicable law, regulation, or policies of ADCB Group.

ABC governance is integrated within the FCC Framework, ensuring alignment with the Bank's broader risk management approach. Any actual or suspected breaches must be reported through internal whistleblowing channels or directly to the Anti-Bribery and Corruption Officer. To ensure the skills and understanding to promptly identify and report incidents of corruption, all employees receive mandatory annual training on the Bank's ABC policy, along with regular refresher sessions.

In addition to managing ABC risks within our operations, ADCB aims to uphold the Bank's high standards across its supply chain through the [Vendor Code of Conduct](#). It includes a dedicated section about business ethics, covering anti-corruption, bribery, confidentiality, and the Bank's right to audit.

Assessing bribery and corruption risks

ABC exposure is managed through a risk assessment process that evaluates vulnerabilities and the effectiveness of controls across the Group. The methodology focuses on high-risk areas, including relationships with intermediaries and third-party providers, transactions with state-owned entities and public officials, and hiring practices. It also assesses risks associated with specific countries, industries, and the management of gifts and hospitality, ensuring a comprehensive understanding of the Bank's ABC risk profile.

Percentage of workforce formally trained on the anti-corruption/bribery policy⁽¹⁾

100%

Insights from the Anti-Bribery and Corruption (ABC) risk assessment are used to define key risk indicators, which are reviewed and endorsed by the Board Risk Committee. This governance process ensures continuous strengthening of the Bank's control framework and reinforces its commitment to ethical business practices. The ABC risk assessment is fully integrated into the Bank's enterprise risk management approach, recognising financial crime, bribery and corruption as material risks with potential regulatory and reputational impacts.

Leveraging technology to protect customers

ADCB continues to enhance its resilience against financial crime by investing in new technology. AI and Machine Learning (ML) are now embedded across the Bank's AML/CFT framework, improving detection accuracy and efficiency.

In 2025 the Bank deployed an AI-driven customer behavioural segmentation model to analyse transactional patterns and refine risk differentiation. The seven existing AML machine learning models, covering dynamic risk assessment and trade-based money laundering, were independently validated, reinforcing the reliability of AI-driven controls.

ADCB is upgrading its infrastructure for future AI applications, including enhanced sanctions screening and transaction monitoring systems, and introducing AI to streamline alert management. Similarly, AI and analytics are being used to detect threats such as money mule networks and phishing, supported by multi-layered safeguards including behavioural biometrics and QR-based authentication. In addition, the Bank has introduced an AML/CFT framework for virtual asset service providers (VASPs) and has adopted blockchain monitoring tools to manage digital asset risks and uphold regulatory standards.

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

Initiatives adopted in 2025 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.

Basis of reporting on key ESG metrics

Scope of reporting

The KPIs included cover the Bank's activities undertaken during the 2025 fiscal year (1 January – 31 December 2025), along with historical data on the previous fiscal years (2022–2024), subject to the availability of data. The data presented in this section covers Abu Dhabi Commercial Bank PJSC (referred to as 'ADCB Group'), its subsidiaries, branches within and outside of the UAE, unless stated otherwise.

The entities covered include the following:

- Abu Dhabi Commercial Bank, UAE (ADCB UAE)
- Al Hilal Bank PJSC, UAE (AHB UAE)
- ADCB Islamic Bank JSC (ADCB Kazakhstan)
- Abu Dhabi Commercial Bank – Egypt SAE (ADCB Egypt)
- ADCB Securities LLC (ADCB Securities)
- ADCB Asset Management Limited (ADCB Asset Management)
- ITMAM Services LLC and ITMAM Services FZ LLC (ITMAM)
- Abu Dhabi Commercial Engineering Services LLC (ADCE)

Restatements of prior reporting

The measurement and reporting of ESG metrics involves a degree of variability in the data due to changes in the data collection process and calculation methodologies. We have highlighted instances of restatements of prior year data, as footnotes to the disclosures.

Basis of reporting for GHG emissions (operational)

Our reporting methodology for the operational GHG emissions reported for 2025 (1 January – 31 December 2025) along with historical data on the previous years (2022–2024) is aligned with the guidance in The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard⁽¹⁾.

We report GHG emissions in tonnes of carbon dioxide equivalent (tCO₂e), a universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide.

Organisational boundary

For 2025, the Bank's reporting covers ADCB Group including all our subsidiaries operating in the UAE, Egypt and Kazakhstan.

Reporting boundary

The Bank reports emissions arising from activities for which we are responsible. The operational GHG reporting excludes emissions from employee commute, and third-party sources other than suppliers managing our data centres.

Scope 1 GHG emissions

Scope

Emissions from company-owned vehicles used for business and from the use of backup generators by the Bank.

Method

Fuel consumption by Bank's own vehicles

Fuel consumption (in litres) recorded as per the invoices paid to the supplier is converted to CO₂e using the emission factors from the GHG Conversion Factors for Company Reporting (2025)⁽¹⁾ by the UK's Department for Environment, Food and Rural Affairs (DEFRA).

Diesel consumption by Bank's power backup generators

Our backup generators are currently used for monthly performance and load testing as part of generator maintenance activities. The volume of diesel consumed (in litres) is an estimated value and converted to CO₂e using emission factors from the GHG Conversion Factors for Company Reporting (2025)⁽²⁾ by the UK's Department for Environment, Food and Rural Affairs (DEFRA).

Natural gas consumption – ADCB Egypt

Fuel consumption (in m³) recorded as per the invoices paid to the supplier is converted to CO₂e using the emission factors from the GHG Conversion Factors for Company Reporting (2025)⁽²⁾ by the UK's Department for Environment, Food and Rural Affairs (DEFRA).



Scope 2 GHG emissions

Scope

Emissions from electricity consumed by the Bank at the premises it operates from. Our reporting comprises emissions generated from the use of electricity in the Bank's owned or rented properties where we hold the supply contract directly with the local utility providers in the UAE and Kazakhstan. We have also included electricity usage from the Head Office building of AHB UAE and for branches in Egypt, although the Bank does not hold the supply contract directly with local utility provider. This excludes properties owned by the Bank but leased to third parties.

Method

Electricity consumption was recorded using billed invoices (in kWh) from the utility provider. For the UAE, separate grid emission factors were used for Abu Dhabi and all other Emirates.

For Abu Dhabi, we used emission factors from Emirates Water and Electricity Company (EWEC)⁽³⁾. For all other Emirates, emission factors from Dubai Electricity and Water Authority (DEWA)⁽⁴⁾ were used to calculate emissions from the electricity consumed, as per the GHG Protocol's location-based reporting guidance.

For Kazakhstan and Egypt, location specific grid emission factors were used as per the 'IFI Default Grid Emission Factors' (2021)⁽⁵⁾ by the United Nations Framework Convention on Climate Change (UNFCCC).

For branches in Egypt where there is no supply contract with the electricity provider, we have estimated our consumption using invoice payments from our expense systems.



(2) Greenhouse gas reporting: conversion factors 2025 – GOV.UK

(3) Statistical reports – EWEC

(4) 2024 Sustainability Report – DEWA

(5) IFI default grid emission factor



Scope 3 GHG emissions

Scope

Emissions from the following sources have been included:

Emissions from the use of electricity in Bank's owned properties leased to third parties (for facilities where we hold the supply contract directly with the local utility providers in the UAE and Kazakhstan. ADCB Egypt does not have property leased to third parties)

Emissions from the use of electricity by suppliers or vendors providing shared services (ADCB primary data centre and AHB disaster recovery data centre)

Business travel undertaken by our employees

Method

Properties leased to third parties – ADCB UAE and ADCB Islamic Bank JSC (ADCB Kazakhstan)

For facilities where the supply contract is directly with the utility provider, electricity consumption was recorded using billed invoices (in kWh).

For properties in Abu Dhabi, we used emission factors from Emirates Water and Electricity Company (EWEC)⁽¹⁾.

For all other Emirates, emission factors from Dubai Electricity and Water Authority (DEWA)⁽²⁾ were used to calculate emissions from the electricity consumed, as per the GHG Protocol's location-based reporting guidance. For Kazakhstan, a location specific grid emission factor was used as per the UNFCCC's 'IFI Default Grid Emission Factors' (2021)⁽³⁾.

ADCB UAE primary data centre (outsourced)

Total electricity consumption (covering rack load, lighting and cooling) estimated based on the rack load allocated to ADCB within the outsourced data centre

AHB UAE disaster recovery data centre (outsourced)

Electricity consumption estimated based on the agreed IT infrastructure electric power usage as per the contract with the vendor, considering 24/7 annual operations. Grid emission factors from Dubai Electricity and Water Authority (DEWA)⁽²⁾ were used to calculate emissions from the electricity consumed for our data centres listed above.

Employee business travel (road)

The distance travelled (in km) for business travel by privately-owned or hired vehicles was calculated from our expense systems which reimburses our employees on a cost per km travelled basis. The CO₂e from road travel was calculated using emission factors from the GHG Conversion Factors for Company Reporting (2025)⁽⁴⁾ by the UK's Department for Environment, Food and Rural Affairs (DEFRA).

Employee business travel (air)

Flight details (based on origin of travel and destination, including stopovers and connections avoided) for business air travel was obtained from our expense systems and the emissions calculated using the Carbon Emissions Calculator from the International Civil Aviation Organisation (ICAO)⁽⁵⁾.



Basis of reporting for GHG metrics (financed emissions)

In addition to our operational GHG emissions, ADCB also discloses GHG emissions linked to our financing and investment activities, reported as Scope 3: Category 15 (financed emissions). To ensure a credible approach, we have adopted the methodology provided by the Partnership for Carbon Accounting Financials (PCAF)⁽⁶⁾.

For further information, please refer to the [Aligning portfolios and reducing financed emissions](#) section.

Basis of reporting for Sustainable Finance

The sustainable finance disclosures in this report are aligned to ADCB's [Sustainable Finance Framework](#) which defines our approach and methodology for categorising, tracking, and reporting on the Bank's sustainable finance target.

(1) [Statistical reports – EWEC](#)

(2) [2024 Sustainability Report – DEWA](#)

(3) [IFI default grid emission factors](#)

(4) [Greenhouse gas reporting: conversion factors 2025 – GOV.UK](#)

(5) [ICAO Carbon Emissions Calculator](#)

(6) [The Global GHG Accounting and Reporting Standard for the Financial Industry](#)

ADX ESG disclosures

Environment

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2025 ⁽¹⁾	2022	2023	2024	2025
E1. Environmental Operations	E1.1) Does your company follow a formal Environmental Policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	E1.2) Does your company follow specific waste, water, energy, and/or recycling policies?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	E1.3) Does your company use a recognised energy management system?	Yes/No	ADCB Group	No	No	No	No
E2. Water Usage	E2.1) Total amount of water consumed ⁽²⁾	Mega litres	UAE	97	148	132	115 ⁽³⁾
	E2.2) Total amount of water reclaimed	Mega litres	UAE	N/A	N/A	N/A	N/A
E3. Waste Generation	E3.1) Total waste generated, per waste type:	kg	UAE ⁽⁶⁾	388,093	402,006	407,962	432,286
	<i>Paper</i>	kg	UAE ⁽⁶⁾	54,985	21,157	58,147	79,239
	<i>Plastic</i>	kg	UAE ⁽⁶⁾	301	543	406	172
	<i>Cardboard</i>	kg	UAE ⁽⁶⁾	865	6,350	8,060	7,746
	<i>General waste (including food waste)</i>	kg	UAE ⁽⁶⁾	322,542	373,956	341,349	345,129
	<i>Hazardous</i>	kg	UAE ⁽⁶⁾⁽⁷⁾	N/A	N/A	N/A	N/A
	E3.2) Percentage of waste recycled, per waste type:						
	<i>Paper</i>	%	UAE ⁽⁶⁾	100	100	100	100
	<i>Plastic</i>	%	UAE ⁽⁶⁾	100	100	100	100
	<i>Cardboard</i>	%	UAE ⁽⁶⁾	100	100	100	100
	<i>General waste (including food waste)</i>	%	UAE ⁽⁶⁾	0	0	0	0
	<i>Hazardous</i>	%	UAE ⁽⁶⁾⁽⁷⁾	N/A	N/A	N/A	N/A
E4. Energy Usage⁽⁴⁾	E4.1) Total amount of energy directly consumed	MWh	ADCB Group	57,514	57,680	58,397	46,174 ⁽³⁾
	E4.2) Total amount of energy indirectly consumed	MWh	ADCB Group	19,079	15,765	13,525	12,181 ⁽³⁾
E5. Energy Intensity⁽⁴⁾	E5.1) Total direct energy usage per output scaling factor	GJ/FTE	ADCB Group	25.7	24.2	24.9	20.7 ⁽³⁾
E6. Energy Mix⁽⁴⁾⁽⁵⁾	E6.1) Percentage: Energy usage by generation type						
	<i>Electricity</i>	%	ADCB Group	95.25	95.25	92.49	90.15 ⁽³⁾
	<i>Natural Gas</i>	%	ADCB Group	2.21	2.18	5.14	7.09
	<i>Petrol</i>	%	ADCB Group	2.51	2.53	1.71	2.60 ⁽³⁾
	<i>Diesel</i>	%	ADCB Group	0.02	0.04	0.06	0.16

(1) UAE refers to: ADCB UAE, AHB UAE, ADCB Securities, ADCB Asset Management, ITMAM, ADCE, and excludes ADCB Egypt, ADCB Kazakhstan. ADCB Group refers to all the entities as described in the scope of reporting

(2) Disclosure on ADX topic E2 Water Usage is ADCB's Water Withdrawal data

(3) ADX metrics reported for 2025, covers an 11 month period (Jan–Nov 2025)

(4) Reporting on environmental data for ADX topics E4, E5, E6, and E7 for 2022-2023 covers ADCB Group (including our subsidiaries in Egypt and Kazakhstan). The boundary of reporting in 2024-2025 was expanded to include electricity consumption from branches in ADCB Egypt and therefore the reported figures are not comparable with the prior year (2022–2023) figures

(5) Covers direct energy usage only

(6) Reporting covers select facilities in the UAE including head office buildings (ADCB UAE and AHB UAE) and our warehouse in Abu Dhabi

(7) ADCB does not generate any hazardous waste

ADX ESG disclosures

Environment

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2025 ⁽¹⁾	2022	2023	2024	2025
E7. GHG Emissions ⁽³⁾⁽⁴⁾	E7.1) Total amount in CO ₂ equivalents, for Scope 1	tCO ₂ e	ADCB Group	633	644	960	1,024
	E7.2) Total amount, in CO ₂ equivalents, for Scope 2 (if applicable)	tCO ₂ e	ADCB Group	17,980	16,863	19,262	16,264 ⁽²⁾
	E7.3) Total amount, in CO ₂ equivalents, for Scope 3 (if applicable)	tCO ₂ e	ADCB Group	8,254	7,710	6,274	6,825 ⁽²⁾
E8. Emissions Intensity ⁽³⁾⁽⁵⁾	E8.1) Total GHG emissions per output scaling factor	tCO ₂ e/FTE	ADCB Group	2.73	2.51	2.69	2.48
	E8.2) Total non-GHG emissions per output scaling factor	kg/FTE	ADCB Group	N/A	N/A	N/A	N/A
E9. Climate Strategy	E9.1) Describe the climate-related risks and opportunities that could reasonably be expected to affect your organisation's prospects. Also explain, for each climate-related risk your organisation has identified, whether your organisation considers the risk to be a climate-related physical risk or transition risk	Qualitative	UAE	For more information, please refer to: - Aligning portfolios and reducing financed emissions section - Sustainable finance section - Environmental and social risk management (ESRM) section			
	E9.2) Describe the current and anticipated impacts of climate-related risks and opportunities on your organisation's business model and value chain.	Qualitative	UAE				
	E9.3) How has your organisation responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	Qualitative	UAE				
	E9.4) What are the current effects (during the reporting period) of climate-related risks and opportunities on your organisation's financial position, financial performance and cash flows for the reporting period (current financial effects)?	Qualitative	UAE	For more information, please refer to: - Sustainable finance section - Environmental and social risk management (ESRM) section ADCB will continue to assess methodologies and processes that would help to further enhance identification and measurement of relevant effects of climate related risks and opportunities on financial position, financial performance and cash flows and factor into financial planning and strategy in the future			
E10. Climate Related Risks and Opportunities	E10.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor climate-related risks, and the inputs and parameters used in these processes.	Qualitative	UAE	For more information, please refer to: - Environmental and social risk management (ESRM) section			
	E10.2) Whether and how does your organisation use climate-related scenario analysis to inform the identification of climate-related risks?	Qualitative	UAE				
E11. Climate Governance	E11.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities?	Qualitative	UAE	For more information, please refer to: - Sustainability governance framework section - Climate risk governance section			
	E11.2) How does the body or individual consider climate-related risks and opportunities when overseeing your organisation's strategy?	Qualitative	UAE				
	E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?	Qualitative	UAE	For more information, please refer to: - Sustainability governance framework section			
	E11.4) Has your organisation delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Qualitative	UAE	For more information, please refer to, - Sustainability governance framework section - Climate risk governance section			
E12. Climate Targets	E12.1) Are performance metrics related to climate targets included in remuneration policies? If so, how?	Qualitative	UAE	For more information, please refer to Sustainability governance framework section			

(1) UAE refers to: ADCB UAE, AHB UAE, ADCB Securities, ADCB Asset Management, ITMAM, ADCE, and excludes ADCB Egypt, ADCB Kazakhstan. ADCB Group refers to all the entities as described in the scope of reporting

(2) ADX metrics reported for 2025, covers a 11 month period (Jan-Nov 2025)

(3) Reporting on environmental data for ADX topics E4, E5, E6, and E7 for 2022-2023 covers ADCB Group (including our subsidiaries in Egypt and Kazakhstan). The boundary of reporting in 2024-2025 was expanded to include electricity consumption from branches in ADCB Egypt and therefore the reported figures are not comparable with the prior year (2022-2023) figures

(4) Disclosures on ADX topics E7, S2 and S6 (for 2022-2024) were verified by a third party assurance provider, while the disclosure for ADX topic E7 (for 2025) is undergoing external verification

(5) Our disclosure on ADX topic E8 excludes Scope 3 emissions from properties leased to third parties

ADX ESG disclosures

Social

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2025 ⁽¹⁾	2022	2023	2024	2025
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	X:1	UAE	N/A	N/A	N/A	N/A
	S1.2) Does your company report this metric in regulatory filings?	Yes/No	UAE	N/A	N/A	N/A	N/A
S2. Gender Pay Ratio⁽²⁾⁽³⁾	S2.2) Ratio: Median male compensation to median female compensation	X:1	UAE	0.98	0.94	0.97	0.97
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees ⁽⁴⁾	%	ADCB Group	9.71	9.54	11.03	14.58
	S3.2) Percentage: Year-over-year change for part-time employees	%	ADCB Group	-	-	-	-
	S3.3) Percentage: Year-over-year change for contractors/consultants ⁽⁴⁾	%	ADCB Group	0.01	0.06	0.17	0.17
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women						
	<i>Men</i>	%	ADCB Group	57.7	56.9	55.9	55.7
	<i>Women</i>	%	ADCB Group	42.3	43.1	44.1	44.3
	S4.2) Percentage: Entry- and mid-level positions held by men and women						
	<i>Men</i>	%	ADCB Group	57.1	56.2	55.2	55.0
	<i>Women</i>	%	ADCB Group	42.9	43.8	44.8	45.0
	S4.3) Percentage: Senior- and executive-level positions held by men and women						
	<i>Men</i>	%	ADCB Group	85.5	84.6	83.3	82.0
	<i>Women</i>	%	ADCB Group	14.5	15.4	16.7	18.0
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	%	ADCB Group	0.00	0.00	0.00	0.00
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	%	ADCB Group	0.01	0.06	0.18	0.17
S6. Nationalisation⁽²⁾⁽⁵⁾	S6.1) Percentage of national employees, per employment category	%	UAE	38.00	39.50	39.22	39.30
S7. Non-Discrimination	S7.1) Does your company follow non-discrimination policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
S8. Health, Safety and Wellbeing	S8.1) Does your company follow an occupational health and/or health & safety policy?	Yes/No	UAE	Yes	Yes	Yes	Yes
S9. Injury Rate	S9.1) Percentage: Frequency of injury events relative to total workforce time	%	UAE	0	0	0	0
S10. Child and Forced Labor	S10.1) Does your company follow a child and/or forced labour policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	S10.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
S11. Human Rights	S11.1) Does your company follow a human rights policy?	Yes/No	UAE	Yes	Yes	Yes	Yes
	S11.2) If yes, does your human rights policy also cover suppliers and vendors?	Yes/No	UAE	Yes	Yes	Yes	Yes
S12. Community Investment	S12.1) Amount invested in the community, as a percentage of company revenues.	%	ADCB Group	0.03	0.06	0.07	0.08

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(2) Disclosures on ADX topics E7, S2 and S6 (for 2022-2024) were verified by a third party assurance provider, while the disclosure for ADX topic E7 (for 2025) is undergoing external verification

(3) Disclosure on ADX topic S2 from 2023 onwards includes CEO compensation

(4) Reported as employee turnover (%)

(5) Reported for ADCB and AHB in the UAE excluding non-financial entities such as ITMAM, ADCE and outsourced employees. Emiratisation rate is calculated as the percentage of Emirati nationals (with a family book) within the total full time employees in ADCB UAE and AHB UAE

ADX ESG disclosures

Governance

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2025 ⁽¹⁾	2022	2023	2024	2025
G1. Board Independence	G1.1) Does company prohibit CEO from serving as board chair?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	G1.2) Percentage: Total board seats occupied by independent board members	%	ADCB Group	91	91	82	73
G2. Board Diversity	G2.1) Percentage: Total board seats occupied by men and women						
	<i>Men</i>	%	ADCB Group	82	82	82	82
	<i>Women</i>	%	ADCB Group	18	18	18	18
	G2.2) Percentage: Committee chairs occupied by men and women						
	<i>Men</i>	%	ADCB Group	75	75	75	75
	<i>Women</i>	%	ADCB Group	25	25	25	25
G3. Supplier Code of Conduct	G3.1) Are your vendors or suppliers required to follow a Code of Conduct?	Yes/No	UAE	Yes	Yes	Yes	Yes
	G3.2) If yes, what percentage of your suppliers have formally certified their compliance with the code	%		N/A	N/A	N/A	N/A
G4. Ethics and Prevention of Corruption	G4.1) Does your company follow an Ethics and/or Prevention of Corruption policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	G4.2) If yes, what percentage of your workforce has formally certified its compliance with the policy	%	ADCB Group	100	100	100	100
G5. Data Privacy	G5.1) Does your company follow a Data Privacy policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	G5.2) Has your company taken steps to comply with GDPR rules?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
G6. Sustainability Strategy	G6.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organisation's prospects.	Qualitative	ADCB Group	For more information, please refer to: - ADCB sustainability strategy section - Materiality assessment section			
	G6.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organisation's business model and value chain	Qualitative	ADCB Group				
	G6.3) Describe how your organisation responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	Qualitative	ADCB Group	For more information, please refer to: - ADCB sustainability strategy section - Double materiality topics section - List of material topics for ADCB section			
	G6.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organisation's business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)?	Qualitative	ADCB Group	For more information, please refer to: - ADCB sustainability strategy section - Materiality assessment section Our financial materiality assessment relied on qualitative information and quantitative data (where available) to inform the assessment of effects of sustainability-related risks and opportunities. ADCB will continue to assess methodologies and processes that would help to further enhance identification and measurement of relevant effects of sustainability-related risks and opportunities on financial position, financial performance and cash flows in the future			

ADX ESG disclosures

Governance

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2025 ⁽¹⁾	2022	2023	2024	2025
G7. Sustainability Risks Management	G7.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor sustainability-related risks, and the inputs and parameters used in these processes.	Qualitative	ADCB Group	For more information, please refer to: - Materiality assessment section - Environmental and social risk management (ESRM) section			
	G7.2) How are the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities integrated into and informing your organisation's overall enterprise risk management process?	Qualitative	ADCB Group				
G8. Sustainability Governance	G8.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities?	Qualitative	ADCB Group	For more information, please refer to Sustainability governance framework section			
	G8.2) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organisation's strategy?	Qualitative	ADCB Group	For more information, please refer to: - Sustainability governance framework section - Climate risk governance section			
	G8.3) Are performance metrics related to these targets included in remuneration policies? If so, how?	Yes/No	ADCB Group	For more information, please refer to Sustainability governance framework section			
	G8.4) Has your organisation delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Qualitative	ADCB Group	For more information, please refer to: - Sustainability governance framework section - Climate risk governance section			
G9. Sustainability Targets	G9.1) What metrics does your organisation use to measure and monitor each sustainability-related risk or opportunity identified above?	Qualitative	ADCB Group	For more information, please refer to: - List of material topics for ADCB section - ESG KPI Disclosures section			
G10. Disclosure Practices	G10.1) Does your company publish a sustainability report?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	G10.2) Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC based report?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
G11. External Assurance⁽²⁾	G11.1) Are your sustainability disclosures assured or verified by a third-party audit firm?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes

Integrated KPIs

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2025 ⁽¹⁾	2022	2023	2024	2025
I1. Sustainability Reporting	I1.1) Does your company publish a sustainability report?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
I2. ESG Ratings	I2.1) Has your company received an ESG rating (solicited or unsolicited)?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	I2.2) If yes, provide the latest overall ESG score	%	ADCB Group	For more information, please refer to ADCB's integrated approach to sustainability section			
I3. Stakeholder Engagement	I3.1) Does your company engage with stakeholders on ESG/sustainability topics?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	I3.2) If yes, report on frequency and effectiveness of engagement	%	ADCB Group	For more information, please refer to Stakeholder engagement section			

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(2) Disclosures on ADX topics E7, S2 and S6 (for 2022–2024) were verified by a third party assurance provider, while the disclosure for ADX topic E7 (for 2025) is undergoing external verification

SASB data table 2025

SASB Topic Accounting Metrics

SASB topic	Accounting metric	Unit of measure	Reporting boundary ⁽¹⁾	2022	2023	2024	2025	
Commercial Banks	Percentage of employees formally trained on Data Protection & Privacy	%	ADCB Group ⁽²⁾	97	94	97 ⁽³⁾	96	
	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development ⁽⁴⁾	#	ADCB Group	2,129	2,493	3,025	2,217	
		AED mn		1,980	2,266	3,726	2,681	
	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development ⁽⁴⁾	#	ADCB Group	159	137	234	449	
		AED mn		100	103	131	82	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers ⁽⁵⁾	# ('000)	ADCB UAE	185,886	280,000	329,783	253,763	
	Number of participants in financial literacy initiatives ⁽⁶⁾	# ('000)	ADCB UAE	2,578,562	1,394,910	1,939,763	1,710,743	
	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	million tCO ₂ e						
	Gross exposure for each industry by asset class	AED bn	ADCB UAE	For more information, please refer to Aligning portfolios and reducing financed emissions section				
Percentage of gross exposure included in the financed emissions calculation	%							
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	AED	ADCB Group	0	0	0	0		
Consumer Finance	Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud) including recoveries through chargebacks ⁽⁷⁾	AED mn	ADCB Group	Previously reported as not material		16.1	12.2	
	Percentage of activity from card-not-present fraud (relates to online/e-commerce card transactions) ⁽⁸⁾	%	ADCB Group	Previously reported as not material		95	99	
	Percentage of activity from card-present and other fraud (relates to in-store card transactions) ⁽⁹⁾	%	ADCB Group	Previously reported as not material		5	1	

(1) Reported for ADCB (UAE, Egypt and Kazakhstan), AHB UAE unless otherwise stated

(2) ADCB Group excluding ADCB Egypt and ADCB Kazakhstan

(3) Previously reported for ADCB Group. Reporting boundary restated in 2024 as ADCB Group (excluding ADCB Egypt and ADCB Kazakhstan)

(4) Loans qualified extended to SMEs with annual sales turnover ≤ to AED 20 million

(5) Includes number of accounts opened for individuals through 'Hayyak' with salary < AED 5K/month in ADCB UAE

(6) Reported based on email open rates for 2022. From 2023 onwards, we have reported the unique number of participants

(7) Card-related fraud linked to customer usage at third-party merchants. (ADCB incurred a net loss of AED 0.02 million through card-related fraud in 2025)

(8) Card-related fraud for a transaction in a non-face-to-face setting with a merchant (conducted online)

(9) Card-related fraud for a transaction in a face-to-face setting with a merchant

SASB data table 2025

SASB Topic Activity Metrics

SASB topic	Activity metric	Unit of measure	Reporting boundary ⁽¹⁾	2022	2023	2024	2025
Commercial Banks	Number of checking & savings accounts: Small Business	# ('000)	ADCB UAE	56	59	90	100
	Value of checking & savings accounts: Small Business	AED mn	ADCB UAE	16,719	19,351	23,286	28,331
	Number of loans: Small Business	# ('000)	ADCB Group	13	16	14	12
	Value of loans: Small Business	AED mn	ADCB Group	3,411	3,431	4,010	4,939
Consumer Finance	Numbers of unique customers with active credit card accounts	# ('000)	ADCB UAE	450	519	578	614
	Number of credit card accounts	# ('000)	ADCB UAE	538	650	754	808
Mortgage Finance	Number and value of residential mortgages originated	#	ADCB UAE +	2,311	3,090	3,318	1,960
		AED mn	AHB UAE	3,756	5,867	6,439	4,010
	Number and value of commercial mortgages originated ⁽²⁾	#	ADCB UAE	4	7	8	20
		AED mn		5	18	42	78
	Number and value of residential mortgages purchased	#	ADCB Group	0	0	0	0
		AED mn		0	0	0	0
	Number and value of commercial mortgages purchased ⁽²⁾	#	ADCB UAE	0	0	0	16
		AED mn		0	0	0	64

(1) Reported for ADCB (UAE, Egypt and Kazakhstan), AHB UAE unless otherwise stated
(2) Our commercial mortgages relate to the SME segment

Board of Directors Report

As one of the UAE's leading financial institutions, ADCB navigated 2025 with clear strategic direction and a strong commitment to supporting national economic priorities. The UAE continued to demonstrate resilience and competitiveness, driven by forward looking policies, technological advancements and a robust regulatory environment. Within this context, ADCB maintained healthy business momentum and continued expanding its diversified business portfolio, strengthening customer relationships and supporting economic activity across key segments. In line with this performance, the Bank recorded profit before tax of AED 12.843 bn and net profit after tax of AED 11.445 bn. Reflecting the Bank's solid capital position and disciplined execution, the Board proposes a dividend of AED 0.63 per share for shareholder approval.

The year marked a turning point in ADCB's long term transformation as the Bank accelerated its enterprise wide adoption of artificial intelligence. ADCB advanced a comprehensive AI programme supported by strong governance to ensure responsible and secure implementation across the Group. The introduction of a Chief AI Officer and dedicated AI governance forums enabled the effective integration of AI into decision making, credit processes, customer experience, compliance and core control functions. Early use of AI platforms within ADCB demonstrated measurable improvements in efficiency, risk oversight and organisational knowledge. The Board remains fully committed to guiding this transformation to ensure that innovation continues to strengthen resilience and long term performance.

To support its strategic agenda and regulatory expectations for domestic systemically important banks, ADCB successfully completed a rights issue of up to 592 million shares valued at AED 6.1 bn in 2025. The additional capital enhances the Bank's financial strength, supports sustainable balance sheet growth and provides capacity for continued investment in innovation, digital transformation and future expansion. Strong shareholder participation reflected continued confidence in the Bank's governance, strategic direction and long term value creation.

During 2025, ADCB further strengthened its governance frameworks, risk management and internal controls. The Bank refreshed its risk appetite to incorporate strategic and people related risks, completed its first ICAAP aligned climate risk stress test and continued to develop its operational resilience and cybersecurity capabilities. ADCB also advanced conduct governance, upgraded third party risk oversight and deployed AI enabled monitoring tools to enhance real time insights for management and the Board. The Bank sustained its leadership across global ESG benchmarks, underlining its commitment to transparency, responsible banking and alignment with national sustainability ambitions.

ADCB remained committed to developing national talent and supporting the UAE's economic and social goals. In 2025, the Bank exceeded Emiratisation requirements and was recognised with the Nafis Diamond Award for Exceptional Efforts in Emiratisation. Emiratis continued to serve across critical functions, supported by strengthened succession planning, leadership development and ongoing investment in organisational culture and employee wellbeing.

On behalf of the Board of Directors, Executive Management and all employees of ADCB, we extend our deepest gratitude to His Highness Sheikh Mohamed bin Zayed Al Nahyan, UAE President and Ruler of Abu Dhabi; His Highness Sheikh Mansour bin Zayed Al Nahyan, UAE Vice President, Deputy Prime Minister, 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 visionary leadership and unwavering support. We also express our sincere appreciation to ADCB's shareholders, customers, regulators, and employees for their continued trust and dedication. Their partnership and confidence remain the cornerstone of the Bank's success.

Board of Directors

Abu Dhabi Commercial Bank PJSC

Financial statements



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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:

- 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.

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:

Signed by:

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Khaldoon Khalifa Al Mubarak
 Chairman

DocuSigned by:

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Ala'a Eraiqt
 Group Chief Executive Officer

DocuSigned by:

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Deepak Khullar
 Group Chief Financial Officer

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

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

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).

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:

- 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;
- 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);
- 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:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- 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 unlikelihood 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.

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 differences relating 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 from past 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:

- 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');
- 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
- 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		Notional AED million
	Assets AED million	Liabilities 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.

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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

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	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)

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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:

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Name of associate/joint venture	Effective ownership interest		Country of incorporation	Principal activities
	2025	2024		
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					Total AED million
	Goodwill AED million	Trademark and license AED million	Core deposits AED million	Customer relationships AED million	Computer software 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 equipment, 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:

	As at December 31 2025 AED million	As at December 31 2024 AED million
Currency (CCY)		
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
Subordinated notes – fixed rate	Euro (EUR)	989	-	-	-	989
	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.

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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 between 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.

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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	As at December 31, 2024
	AED million	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	2024
	AED million	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

	AED million		
	Authorised	Issued and fully paid	
		As at December 31 2025	As at December 31 2024
	AED million	AED million	AED million
Ordinary shares of AED 1 each	10,000	7,912	7,320
Ordinary share capital issued		592	
Legal reserve		5,508	
		6,100	

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.

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.

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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 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									60	60		60
Related tax impact							11		(98)	(87)		(87)
Net fair value changes of equity instruments designated at FVTOCI									45	45		45
Related tax impact on fair value changes of equity instruments designated at FVTOCI									(4)	(4)		(4)
Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI (net of tax)									47	47		47
Total other comprehensive income/(loss) for the year	(270)					83	(64)		806	825		825
Acquisition of shares										(270)		(270)
Share premium pertaining to rights issuance (Note 22)			5,508							5,508		5,508
Transfers from retained earnings								736		1,032		1,032
Shares – vested portion (Note 25)	110									110		110
As at December 31, 2025	(335)	3,956	11,360	2,000	150	(629)	190	1,517	58	18,287	(1)	18,286

For more information on reserves, refer note 49.

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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 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)	-	(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)	-	(2)
Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI (net of tax)	-	-	-	-	-	-	-	(13)	(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.

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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

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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).

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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.

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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

	2025 AED million	2024 AED million
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

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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.

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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

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	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.
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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.
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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.
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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:

	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
For the year ended December 31, 2025						
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

	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
For the year ended December 31, 2024						
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

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	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.

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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:

- Private equity instruments – using the latest available net book value;
- Funds – based on the net asset value provided by the fund manager; and
- 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.

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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	Level 2	Level 3	Total fair value AED million	Carrying value AED million
		Quoted market prices AED million	Observable inputs AED million	Significant unobservable inputs 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.

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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 policies 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.

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 effectively 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 analysis;
- 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.

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:

Retail customers or individual borrowers are not assigned a credit rating under this structure. However, retail banking division uses behaviour scoring for its customers.

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).

Ratings	As at December 31, 2025				As at December 31, 2024			
	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 facilities that are 90 DPD or that have assessed as unlikely to pay are classified as stage 3. The unlikeliness to pay assessment 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.

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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)

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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

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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

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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

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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

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	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

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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)

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	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

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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

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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 subsequently, 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

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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).

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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.

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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.

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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.

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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

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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 Risk measurement

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.

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:

	2025 AED million	2024(*) AED million
Daily value at risk (VaR at 99% - 1 day)		
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:

Currency	Net currency position long/(short)	
	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	
	+5% AED million	-5% AED million	+5% AED million	-5% AED million
Price shock in percentage				
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).

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/BSN/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 systemically 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.

Abu Dhabi Commercial Bank PJSC

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