

# MANAGEMENT DISCUSSION & ANALYSIS

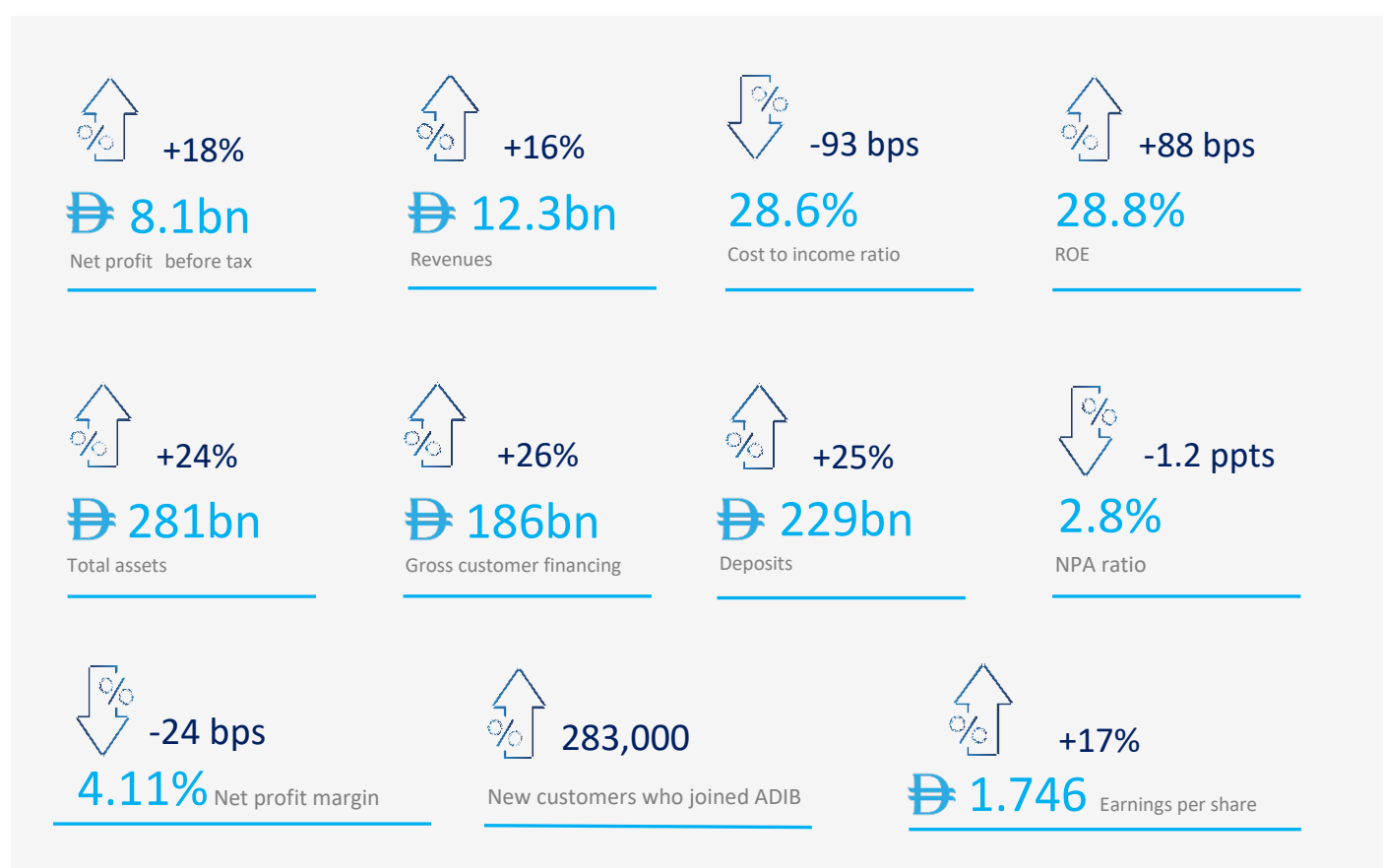
2025 Full Year Financial Results

Abu Dhabi, UAE | 21 January 2026

## ADIB Records Another Year of Exceptional Growth with Full-Year Net Profit Before Tax Up 18% to a New High of **₹8.1 billion** and an Industry-Leading ROE of 29%

- Proposed cash dividend of 97 fils per share representing a total payout of AED 3.5 billion and equivalent to 50% of 2025 net profit<sup>(1)</sup>
- Full-Year Net profit after tax for 2025 up 16% to AED 7.1 billion
- In Q4 2025, net profit before tax increased by 25% year-on-year to AED 2.05 billion, driven by strong business momentum as customer activities continued to accelerate

### FY 2025 Key Highlights



(1) subject to shareholders approval at the annual general meeting.

## Net Profit

- ADIB achieved a record performance in 2025, supported by strong financial delivery across the group.
- The bank achieved a year-on-year **increase of 18%, with net profit before tax reaching AED 8.1 billion** for the year.
- The double-digit earnings growth is attributable to strong balance sheet growth expansion, increased business momentum, and continued customer acquisition across key segments.
- ADIB also sustained quarterly performance in **Q4 2025**, with **net profit before tax increasing 25% year on year** to AED 2.05 billion.
- Net profit after tax for 2025** stood at **AED 7.1 billion**, representing an **increase of 16%** compared to 2024, and **AED 1.75 billion for Q4 2025**, up **20% year on year**.

## Revenues

- Revenue** for 2025 **increased to AED 12.3 billion** compared to AED 10.6 billion for 2024, representing a **year-on-year growth of 16%**.
- This exceptional performance highlights broad-based expansion across all key segments, supported by a diverse income base and continued expansion in business volumes, along with strong growth in fee-based activities.
- Funded income** rose to **AED 7.6 billion** in 2025, a **15% year-on-year increase** compared to AED 6.6 billion last year, driven by higher financing volumes and the bank's ability to generate sustainable returns, partially offsetting the impact of rate cuts since September 2024.
- The net profit margin reached 4.11%**, reflecting strong business volumes, an efficient funding mix, and effective asset and liability management.
- Non-funded income grew by 17% year on year** to reach **AED 4.8 billion in 2025**, compared to AED 4.1 billion in 2024. This growth reflects continued strength in **fee-generation revenues**, which increased **16%** from various product sales across retail and corporate, driven by increased customer activity and successful cross-sell efforts. **Non-funded income now accounts for 39% of operating income**, compared to 38% last year, underscoring the sustained focus on revenue diversification.

## Expenses

- ADIB achieved a strong improvement in the **cost to income ratio, reaching 28.6%** in 2025, a decline of **93 basis points** compared to 29.6% for 2024, driven by higher revenues combined with sustained productivity management.
- Operating expenses for 2025 reached **AED 3.5 billion**, a **12% year-on-year increase** driven by ongoing investments in our people, digital initiatives, and new technology.

## Provisions and asset quality

- ADIB has maintained a disciplined approach to risk management, focusing on high credit quality and proactive risk controls.
- Impairments increased by 9%** to **AED 678 million** during 2025, translating to a **cost of risk of 44 basis points** in line with our guidance.
- The **non-performing asset ratio continued to improve to 2.8%**, a record low for the bank, due to the remediation of our legacy portfolio and stringent underwriting standards.
- The **provision coverage ratio, including collaterals, improved by 15.1 percentage points** to **172.5%**. The **provision coverage ratio (excluding collaterals)** further improved to **92.0%** from 81.5% a year ago.

## Balance sheet

- Total assets increased by 24% year-on-year** to reach **AED 281 billion**. This growth was driven by financing growth in both retail and corporate banking, as well as by an expansion of the investment portfolio.
- Customer financing grew by 26% year on year**, representing an **AED 38 billion increase** compared to last year, reflecting market share gains across key segments and wholesale banking closing landmark deals.
- Customer deposits climbed 25% year on year** to **AED 229 billion**, compared to AED 183 billion on 31 December 2024. This growth maintained a healthy funding mix, with a **14% year-on-year growth in current and savings accounts (CASA)**, which now comprise **64% of total deposits**.

## Liquidity and capital

- ADIB maintained a robust capital position with a **Common Equity Tier 1 ratio of 12.02%** and a total **capital adequacy ratio of 15.71%**.
- The bank's liquidity position was healthy and within regulatory requirements, with **advances in the stable funding ratio to 84.1%** and the **eligible liquid asset ratio to 19.4%**.
- Total equity** experienced a **14% increase year on year** to **AED 32 billion**, led by growth in earnings.
- The **return on equity (ROE)** stood at **28.8%** for 2025.

## Dividends

- The board proposed a **final dividend of 97 fils per share**, an increase of AED 495 million from the previous payout. This brings the **total dividend distribution** for the full financial year to **AED 3.5 billion**.



“2025 marked another year of exceptional performance for the group, as we delivered record profitability, strong balance sheet growth and industry-leading returns. We are now entering the next phase of the journey as part of the ADIB 2035 Vision, with a five-year plan to drive the next phase of growth, transformation, and long-term value creation.”

### H.E. Jawaan Awaidah Al Khaili

Chairman

## 283,000

New customers in 2025

## ₹ 3.5 bn

Total Dividend Payout



## 29%

Return on shareholders' equity



“2025 marked another year of exceptional achievements for the group, as we continued to build momentum across all key segments, delivering record profitability, robust balance sheet growth and industry-leading returns of 29%.

Our results reflect disciplined execution across the franchise, continued strength in customer activities and ongoing investments in innovative products, digital platforms, and AI, supported by the UAE's thriving economy.

Our commitment to high-quality earnings, prudent risk management, and capital discipline has enabled us to deliver consistent returns to our shareholders while maintaining a resilient financial position. This strong performance has allowed us to propose an increase in the dividend payout of AED 495 million, totaling to AED 3.5 billion.

Both group net profit and revenues reached record levels, with net profit before tax rising to AED 8.1 billion, an 18% increase compared to last year. Robust top-line revenue growth of 16% and sustained momentum in customer acquisition drove this year's performance, as 283,000 new customers joined the bank during the year.

The successful completion of our five-year strategic cycle, with all key targets achieved, marks an important milestone for the group. We are now entering the next phase of our journey as part of ADIB 2035 Vision, with a five-year plan to drive progress, transformation, and long-term value creation.

Our new strategy aligns with the UAE's long-term economic ambitions as the country continues to advance its agenda to build a diversified, knowledge-based, and globally competitive economy.

The UAE's strategic focus on expanding Islamic assets presents a significant opportunity for the group, and we are well positioned to support these priorities with our healthy balance sheet, sector expertise, and comprehensive banking capabilities.

As ADIB advances its Vision 2035, we remain committed to building a stronger, more diversified, and future-ready Islamic financial institution. Our disciplined focus on capital optimisation and revenue diversification will continue to drive sustainable growth and long-term value for our shareholders as we strengthen our unique market position.”



“We reported another year of robust performance. Every business line performed exceptionally well, driven by heightened client activity and increased demand for financing. The steady growth in both funded and non-funded income underscores the strength of our diversified revenue streams and the effectiveness of our enhanced cross-sell initiatives.”

### Mohamed Abdelbary

Group Chief Executive Officer (GCEO)

₪ 8.1bn

Net profit before tax  
up 18%



28.6%

Cost to income ratio



₪ 281bn

Total assets



“ADIB Group delivered a very strong set of results in 2025, achieving **record profitability of AED 8.1 billion**, **robust revenue growth of 16%**, and industry-leading returns, supported by broad-based expansion across all segments. This performance was driven by strong customer acquisition, effective balance sheet deployment, and disciplined efficiency and risk management.

We continued to grow and deepen our customer base, with **more than 280,000 new clients** joining the bank during the year, demonstrating the strength of our franchise as a leading Islamic bank.

The steady increase in both funded and non-funded income reflects the continued deepening of customer relationships and diversification of revenue streams. Strong financing growth, disciplined pricing, and an improving asset mix supported the **15% year-on-year increase in funded income**.

**Non-funded income increased by 17%** on the back of higher transaction volumes, strong fee generation, and increased cross-selling across key products. This balanced income profile continues to enhance the quality and sustainability of our earnings.

Despite continued investment in talent, technology, and growth initiatives, ADIB delivered further efficiency gains with the **cost to income ratio improving to 28.6%**. This reflects strong operating leverage, disciplined cost management, and the benefits of scale as the rise in revenue outpaced increases in operating expenses.

The strength of our franchise has driven significant balance sheet expansion, with **total assets increasing by 24%** from last year – supported by a firm increase in customer financing of **AED 38 billion in 2025 to reach AED 186 billion**, as we gained market share in retail and executed landmark corporate deals. Despite this expansion, the bank maintained disciplined balance sheet management, matching sound risk management and robust RWA efficiency with asset expansion.

Asset growth was efficiently funded through strong inflows of **customer deposits, which increased by AED 46 billion** from last year to reach **AED 229 billion** by the end of 2025. This included **growing our CASA by AED 18 billion**, contributing to an improved cost of funds and enhancing margin resilience.

Since the launch of our five-year plan in 2020, ADIB has delivered strong and consistent growth across all key metrics, achieving and exceeding all financial and operational target set at the start of the cycle. **Profitability increased at a CAGR of 18%**, the **balance sheet expanded at a CAGR of 17%** and **return on equity improved significantly to 29%**.

Building on this momentum, ADIB is now entering a new strategic phase **guided by our Vision 2035**, a long-term roadmap to scale our franchise, deepen our leadership in Islamic banking, and build a more diversified, technology-enabled, customer-centric organisation. The strategy is anchored on leveraging Gen AI and emerging technologies, revolutionizing customer experience, and advancing sustainability across the business—while remaining firmly rooted in our values.”

## GROUP FINANCIAL REVIEW

### > Income statement

AED (Mn)	FY 2025	FY 2024	Δ%	Q4 2025	Q4 2024	Δ%
Net revenue from funds	7,553	6,566	+15%	2,023	1,663	+22%
Non-funded income	4,751	4,066	+17%	1,133	974	+16%
<b>Total operating income</b>	<b>12,304</b>	<b>10,632</b>	<b>+16%</b>	<b>3,156</b>	<b>2,637</b>	<b>+20%</b>
Total operating expenses before impairment charge	(3,525)	(3,145)	+12%	(940)	(821)	+15%
Provision for impairment	(678)	(620)	+9%	(167)	(172)	-3%
<b>Profit before tax</b>	<b>8,101</b>	<b>6,868</b>	<b>+18%</b>	<b>2,049</b>	<b>1,645</b>	<b>+25%</b>
Tax	(1,031)	(766)	+35%	(295)	(178)	+65%
<b>Profit after tax</b>	<b>7,070</b>	<b>6,101</b>	<b>+16%</b>	<b>1,754</b>	<b>1,467</b>	<b>+20%</b>
EPS (AED)	1.75	1.49	+17%			
Net profit margin	4.11%	4.35%	-24 bps			
Cost to income ratio	28.6%	29.6%	-93 bps			
Cost of risk	0.44%	0.53%	-9 bps			
ROAE	28.8%	27.9%	+88 bps			
ROAA	2.79%	2.91%	-12 bps			

- **Group net profit before tax** was AED 8.1 billion, up 18% year-on-year compared to AED 6.9 billion last year, reflecting strong business momentum.
- **Group net profit after tax** was AED 7.1 billion, up 16% year-on-year compared to AED 6.1 billion last year.
- **Group net profit after tax for Q4 2025** grew by 20% to AED 1.75 billion compared to AED 1.47 billion for Q4 2024.
- **Revenues grew by 16% in 2025** to AED 12.3 billion versus AED 10.6 billion in 2024 following strong business volumes coupled with strength in fee-based businesses, higher investment income, and FX income.
- **Funded income rose 15% year-on-year** to reach AED 7.6 billion, supported by higher volumes in financing, with the 22% rise in average earning assets partially offsetting the impact of rate cuts since September 2024. Funded income for Q4 2025 was AED 2.0 billion, up 22% versus last year. The **net profit margin** reached 4.11%, contracting by only 24 basis points despite a cut of 100 basis points in the benchmark rate.
- The bank continues to benefit from the expansion in diversified income streams, driven by deepening relationships and enhanced offerings, with **non-funded income increasing by 17% to AED 4.8 billion during 2025, representing 39% of net income, up from 38% last year.** The performance was driven by a 31% expansion in investment income, a 16% increase in fees and commissions from various products, including card sales, and a 42% increase in FX income. In Q4 2025, non-funded income was AED 1.1 billion, up 16% year on year, driven by strong growth across all top-line items.
- Overall revenue was supported by the addition of approximately 283,000 new customers in 2025, showcasing ADIB's long-term commitment to its customers and its continuous efforts to deliver superior customer service.
- **Operating expenses** for 2025 amounted to AED 3.5 billion, reflecting a 12% year-on-year increase. This rise shows continued investment in talent and strategic initiatives to support business growth. Despite this, the **cost-to-income ratio** improved by 93 basis points to 28.6%.
- **The net impairment charge** for 2025 rose by 9% to AED 678 million. The **cost of risk** remains stable at 0.44%, well within the guidance.



## > Balance Sheet

AED (Mn)	31 Dec 2025	31 Dec 2024	Δ%
Cash and balances with central banks	43,952	32,040	+37%
Due from financial institutions	11,874	10,607	+12%
Customer financing, net	181,376	142,611	+27%
Investments	31,621	29,286	+8%
Investment in associates	1,014	896	+13%
Investment and development properties	2,053	2,056	-0.1%
Other assets	8,863	8,413	+5%
<b>Total assets</b>	<b>280,753</b>	<b>225,910</b>	<b>+24%</b>
Due to financial institutions	9,685	5,530	+75%
Depositors' accounts	229,096	182,675	+25%
Other liabilities	7,766	7,551	+3%
Sukuk financing instrument	1,836	1,836	-
<b>Total liabilities</b>	<b>248,384</b>	<b>197,593</b>	<b>+26%</b>
Share capital	3,632	3,632	-
Retained earnings	15,848	13,501	+17%
Other reserves	6,588	5,458	+21%
<b>Equity attributable to shareholders of the bank</b>	<b>26,067</b>	<b>22,591</b>	<b>+15%</b>
Tier 1 sukuk	4,754	4,754	-
Non-controlling interest	1,548	972	+59%
<b>Equity attributable to equity holders of the bank</b>	<b>32,370</b>	<b>28,317</b>	<b>+14%</b>
Non-performing financing	5,259	5,941	-11%
NPA ratio	2.8%	4.0%	-120 bps
NPA coverage ratio	92.0%	81.5%	+10.5ppts
NPA coverage ratio with collaterals	172.5%	157.4%	+15.1ppts
Risk weighted assets	183,637	159,983	+15%
Common Equity Tier 1 ratio	12.0%	12.1%	-5 bps
Tier 1 ratio	14.6%	15.1%	-47 bps
Capital adequacy ratio	15.7%	16.2%	-50 bps
Financing to deposit ratio	79.2%	78.1%	+1.1 ppts
Advances to stable fund ratio (ASFR)	84.1%	81.0%	+3.2 ppts
Eligible liquid asset ratio (ELAR)	19.4%	17.8%	+1.6 ppts

- ▷ Total assets reached AED 281 billion by the end of 2025, up by 24% from 31 December 2024. This growth was driven largely by increases in net customer financing and the investment portfolio.
- ▷ Gross customer financing rose 26% year-on-year to AED 186 billion, increasing by AED 38 billion, driven by growth in retail financing and wholesale financing, primarily government and public sector enterprises. This reflects our ability to gain market share across different segments.
- ▷ The portfolio remains well diversified across different segments, with retail at 56%, GRE at 24%, and large corporates at 15%.
- ▷ The bank's investment portfolio increased 8% year-on-year to AED 32 billion, with 84% representing an amortised cost portfolio.
- ▷ ADIB's strong customer franchise continued to drive deposits, with total deposits reaching AED 229 billion as by the end of the 2025 financial year, up 25% year-on-year. CASA deposits increased by 14% to AED 148 billion, comprising 64% of total customer deposits.
- ▷ Non-performing financing reached AED 5.3 billion, compared to AED 5.9 billion at the end of the 2024 financial year.
- ▷ The non-performing asset ratio improved to 2.8% versus 4.0% as of 31 December 2024. The provision coverage of non-performing financing (including collaterals) improved by 15.1 percentage points to 172.5%.
- ▷ Total equity stood at AED 32.4 billion, compared to AED 28.3 billion as of 31 December 2024.
- ▷ ADIB continued to maintain a healthy liquidity position, with the stable funding ratio advancing to 84.1% from 81.0% on 31 December 2024, while the eligible liquid asset ratio was 19.4% versus 17.8% at the end of 2024.
- ▷ The bank further strengthens its capital position with the Common Equity Tier 1 ratio at 12.02%, compared to 12.07% as of 31 December 2024, on the back of strong earnings and ongoing optimisation initiatives. The capital adequacy ratio of 15.71% as of 31 December 2025 exceeds the regulatory requirements prescribed by the UAE Central Bank.



# Strategy



## ADIB 2035 Vision

Building on our strong foundations as a leading Islamic bank, operating across five countries and serving around two million customers, ADIB is well positioned for its next phase of growth, backed by solid financial performance, a loyal customer base, and strong brand value. We have announced our **Vision 2035**, reinforcing **our ambition to become the world's most innovative Islamic bank**. Through this vision, ADIB will continue its development path over the next 10 years, guided by three strategic pillars that will guide our efforts to achieve this vision.

### 1. Building the Bank of the Future

ADIB is building the bank of the future by transforming operations for greater agility, transitioning to a fully AI-powered model, accelerating digital asset adoption, and scaling ADIB Ventures to drive fintech innovators.

### 2. Revolutionise Customer Experience

ADIB is leveraging digital technologies and placing customers at the heart of every decision by delivering fast, simple, and seamless banking solutions and experiences. We are transforming the way our customers interact with us. We are committed to creating an exceptional customer experience that sets us apart in the marketplace.

### 3. Advancing sustainability initiatives

We are committed to embedding sustainability in every aspect of our business. Our commitment is to provide sustainable financing solutions and to support businesses in their transition plans. We also foster an inclusive environment where staff well-being, diversity, and empowerment are at the core of our culture.

By aligning with these strategic pillars, ADIB is positioning itself for long-term growth, with the ambition of becoming a digitally transformed Islamic financial powerhouse delivering exponential growth from diverse sources of income.

# 51 INDUSTRY AWARDS IN 2025

## EMEA Finance

- Best Islamic bank in the United Arab Emirates

## Euromoney Private Banking Awards 2025

- Regional awards – The Middle East's Best for Digital Solutions
- Domestic awards – The United Arab Emirates' Best for Digital Solutions

## Middle East Banking AI and Analytics Awards

- Best Implementation of Advanced Analytics in Banking

## MEED – Retail, SME and Digital Banking Awards 2025

- MENA Islamic Retail Bank of the Year
- Best SME Bank – UAE
- Excellence in Client Services
- Best Fintech Collaboration

## Global Business and Finance Magazine Awards 2025

- Best Financial Institution UAE 2025

## Global Finance

- Best Bank in the UAE
- Best Islamic Financial Institution for ESG globally
- Best Bank for SMEs in the UAE

## Euromoney Islamic Finance Awards 2025

- The UAE's Best Islamic Bank
- The UAE's Best Islamic Bank for ESG

## Euromoney Awards for Excellence 2025

- The Middle East's Best Bank for Consumers
- The UAE's Best Bank for Consumers

## MENA Banking Excellence – Retail, Digital & SME Awards

- MENA Islamic Retail Bank of the Year
- Best SME Bank – UAE
- Excellence in Client Services
- Best Fintech Collaboration

## MEED's MENA Banking Excellence – Corporate & Investment Awards 2025

- Best Fintech Collaboration
- Best Islamic Bank – UAE
- Best Islamic Bank for ESG

## 20th Edition of CX Strategy Awards 2025

- The Best Contact Centre Experience

## Gulf Customer Experience Awards

- Silver Award – Best Use of Customer Insight and Feedback

## Customer Experience Live Conference & Awards 2025

- Best Contact Centre

## The Asset Triple A Sustainable Infrastructure Awards 2025

- Rail Deal of the Year – Hafeet Rail US\$1.5 billion UAE dirham / Omani rial-denominated facility

## The Asset Triple A Awards

- Islamic Wealth Manager of the Year
- Islamic Bank of the Year
- Best Islamic Retail Bank
- Best Islamic SME Bank
- Best Islamic Private Bank
- Best Islamic Liability Management
- Best New Sukuk
- Best Sustainability Sukuk
- Best Local Currency Sukuk

## The Digital Banker Middle East & Africa Retail Banking Innovation Awards 2025

- Best Islamic SME Bank – United Arab Emirates
- Best Islamic Retail Bank – United Arab Emirates
- Best Retail Bank for a Frictionless Banking Experience
- Best Digital Sales Initiative
- Best Islamic SME Bank – Middle East
- Best Islamic Retail Bank – Middle East
- Best Islamic Savings Account of the Year
- Best New Islamic Product Launch of the Year
- Best Bank for Millennials
- Best Financial Inclusion Initiative – Islamic

## MEED – MENA Banking Excellence Awards

- Best Sharia-Compliant Wealth Management Offering

## ITP Media Group Finance Middle East Awards

- Islamic Bank of the Year

## THE Digital Banker Global Retail Banking Innovation Awards 2025

- Best Islamic Savings Account

## Forbes Middle East

- Sustainability Leaders 2025

## Middle East Technology Excellence Awards 2025

- Banking Technology

## About ADIB

ADIB is a leading bank in the UAE with AED 281 billion in assets. The bank also offers world-class online, mobile, and phone banking services, providing clients with seamless digital access to their accounts 24 hours a day.

ADIB provides Retail, Corporate, Business, Private Banking, and Wealth Management Solutions. The bank was established in 1997, and its shares are traded on the Abu Dhabi Securities Exchange (ADX).

ADIB has a strong presence in five strategic markets: Egypt, where it has 75 branches, the United Kingdom, Qatar, and Iraq.

Named **World's Best Islamic Bank by The Financial Times** by The Banker publication, ADIB has a rich track record of innovation, including introducing the award-winning Ghina savings account, award-winning co-branded cards with Emirates airlines, Etihad, and Etisalat and a wide range of financing products.

### ADIB Investor Relations Mobile Application

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