

Management Discussion & Analysis

FOR THE FULL YEAR ENDED 31 DECEMBER 2025

FAB delivers 24% year-on-year growth in FY’25 net profit to **₹21.11 billion** driven by franchise-wide execution

Profit before tax rose 27%, while RoTE reached 19.2%

Board recommends cash dividend of 80 fils per share for 2025

HH Sheikh Tahnoon Bin Zayed Al Nahyan | Chairman

“FAB’s results in 2025 reflect multiple years of consistent progress in building scale, resilience, and long-term value, while firmly establishing the Group as a leading franchise.”

FY’25 Key Financials		Key Highlights
Net Profit ₹ 21.11 bn +24% yoy	Profit Before Tax ₹ 25.20 bn +27% yoy	<ul style="list-style-type: none">FY’25 performance demonstrates the strength and diversification of FAB’s earnings model, supported by broad-based income growth.Consistently delivering robust returns at scale through the cycle and above medium-term guidance.
Operating Income ₹ 36.68 bn +16% yoy	RoTE 19.2% FY’24: 16.8%	
Proposed Cash Dividend¹	₹ 8.84 bn 2024: ₹ 8.29 bn	<ul style="list-style-type: none">FY’25 proposed cash dividend represents the highest distribution in the Group’s history, reinforcing FAB’s commitment to delivering sustainable shareholder returns.
Total Assets ₹ 1.40 tn +16% yoy	Loans and Advances (net) ₹ 616 bn +17% yoy Deposits ₹ 841 bn +7% yoy	<ul style="list-style-type: none">Balance sheet strength remained a key differentiator, supporting lending growth and market share gains across diversified sectors and geographies.Deposit growth underlines franchise expansion and FAB’s unique role as a regional and international liquidity aggregator.
UAE Assets ₹ 985 bn 70% of group assets	International Assets ₹ 419 bn 30% of group assets	
Liquidity Coverage Ratio 154% Dec-24: 142%	CET1 Ratio 13.3% Dec-24: 13.7%	<ul style="list-style-type: none">Liquidity and capital ratios remained comfortably above regulatory requirements.Strong fundamentals position the Group on a solid footing for 2026 and beyond.

1. Proposed dividend subject to shareholders’ approval at the upcoming Annual General Meeting on March 11, 2026

Chairman and Group CEO statements



His Highness

Sheikh Tahnoon Bin Zayed Al Nahyan,
Chairman

“FAB’s results in 2025 reflect multiple years of consistent progress in building scale, resilience and long-term value, while firmly establishing the Group as a leading franchise. Through disciplined execution, over the years, FAB has expanded its franchise, strengthened profitability, and further reinforced its role as the UAE’s global bank. This progress underscores the Group’s continued support of the country’s economic ambitions through sustained delivery and the ongoing investment in technology and innovation, including artificial intelligence.

Anchored by the strength of the UAE economy, FAB has continued to expand its presence across key international markets, facilitating capital, trade, and investment flows that connect the UAE with global growth corridors and strengthen the country’s position as a leading international, financial, and economic hub.

Looking ahead, FAB will continue to support the UAE’s economic ambitions as a trusted financial institution, leveraging its scale and resilience to enable sustainable growth and long-term value creation.”



Hana Al Rostamani,
Group Chief Executive Officer

“FAB concludes 2025 with a strong performance, with Group revenue reaching AED 36.68 billion and net profit of AED 21.11 billion, demonstrating the strength of our franchise and the disciplined execution of our strategy throughout the year. Returns remained resilient at scale, with Return on Tangible Equity firmly above our medium-term guidance at 19.2%, reinforcing FAB’s position among the most profitable AA-rated banks globally.

In recognition of this performance, the Board of Directors has recommended a cash dividend of 80 fils per share for the financial year 2025, representing a total distribution of AED 8.84 billion and the highest cash dividend in FAB’s history.

As the UAE’s Global Bank, FAB continued to strengthen its leadership position locally, supporting key sectors of the UAE economy and deepening client relationships. We leveraged this domestic strength to expand our international franchise, enabling cross-border capital, trade, and investment flows across more than 20 markets. Our diversified franchise has once again recorded broad-based growth, supported by strong client engagement and effective balance sheet deployment.

2025 marked a significant acceleration in our AI journey, as the scaled deployment of agentic AI and progress at FAB’s AI Innovation Hub translated into measurable improvements in productivity, decision intelligence, and client experience.

We enter 2026 with strong momentum and a focused strategic roadmap. FAB will continue to deliver sustainable value for shareholders, support the UAE’s dynamic growth and diversification, and connect clients to opportunities across the world’s most important economic corridors.”

Strong Franchise Performance Delivering Broad-Based Growth

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

Investment Banking & Markets revenues surged **16% to AED 11.79 billion**, driven by a 29% increase in lending year-on-year, supported by the successful execution of **several landmark transactions** both in the UAE and overseas. **FAB retained top rankings across all MENA IB league tables** in 2025, and enabled AED 330 billion in client fundraising via ECM and DCM platforms, up 23%. Global Markets delivered a record performance supported by strong transaction volumes, increased client flow activity and effective cross-selling, capitalising on market volatility.

Wholesale Banking revenues increased by **11% to AED 6.40 billion** driven by **strong origination across several markets including the GCC, the US, and Asia**. The business grew market share through deeper client relationships, stronger cross-sell, and increased product penetration, while maintaining leadership in transaction banking with volumes rising at a double-digit rate year-on-year.

Personal, Business, Wealth & Privileged Client Banking Group revenues grew **10% to AED 12.65 billion**, reflecting higher client activity across key segments. Retail CASA balances rose 16% year-on-year, adding AED 25 billion, while **Retail AUMs rose 28% yoy, driven by sustained net inflows** and a significant uplift in mandate conversions, reflecting growing client adoption of FAB's advisory and discretionary propositions. The business also continued to enhance its investment offering through recent partnerships with Amundi, Europe's leading asset manager, and T. Rowe Price, a leading global asset management firm, broadening client access to world-class solutions.

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



- **The international franchise maintained strong momentum**, with loans up 35% and deposits up 25% year-on-year, leveraging FAB's presence across 20+ global markets.
- **The franchise contributed 19% of FY'25 revenue**, with higher client activity supporting cross-border capital and trade flows.
- **Regional momentum continued** with operations live in Turkey and GIFT City, landmark transactions in Nigeria, and strong progress on French subsidiarisation.

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

- **Enterprise-wide AI adoption accelerating productivity** with Microsoft Copilot rolled out to all employees, supported by a library of 1,000+ Copilot agents.
- **Culture of continuous learning** through structured training, AI knowledge-sharing, and the active embedding of AI tools into daily workflows, supported by a growing pool of specialised AI talent.
- **Agentic AI deployed at scale**, with FAB actively progressing over 30 Agentic AI use cases across the enterprise, including in trade, payments, customer operations, compliance, and technology engineering, delivering measurable outcomes in terms of productivity, efficiency and client experience.
- **Robust foundation**, with over 90% of the bank's structured data integrated into a modern platform with an agentic AI layer.
- **Deepening ecosystem partnerships and collaboration with leading organisations**, accelerating execution and supporting the UAE's ambitious AI agenda.
- **Strong AI governance** institutionalised through a centralised AI Innovation Hub, underpinned by a Group-wide Responsible AI governance framework.

Strong fundamentals and leadership in sustainable finance

- FAB maintains consistently **high credit ratings of AA- or equivalent, reflecting our strong fundamentals and prudent risk profile**.
- FAB was **included in the Global 500 brand ranking¹ for the first time**, following a 21% year-on-year increase in brand value as the Group continues to elevate its presence on a global scale.
- To date, **FAB has facilitated AED 381 billion in sustainable and transition financing, achieving 76% of its AED 500 billion 2030 target** in line with our commitment to drive meaningful impact across the financial ecosystem.

1. Brand Finance Global 500, 2026 rankings

2025 Financial Review



Lars Kramer,
Group Chief Financial Officer

“FAB’s financial performance in 2025 reflects the strength and sustainability of the Group’s earnings model. Performance for the year was underpinned by record levels of revenue and net profit, supported by a well-diversified income base, resilient margins, and prudent balance sheet deployment. As a result, returns remained structurally above our medium-term guidance.

The composition of earnings continued to evolve positively, with a higher contribution from non-funded income and steady delivery across business lines and geographies. Asset quality strengthened further over the course of the year with our non-performing loans ratio at a historical low, reflecting conservative underwriting standards and effective risk management across varying market conditions.

Throughout 2025, we maintained a robust capital and liquidity position, supported by organic capital generation and strengthened buffers, including a successful AT1 issuance in the fourth quarter.

As we look ahead, the Group enters 2026 with a strong financial foundation and a clear focus on sustaining disciplined, high-quality performance throughout the next phase of FAB’s growth trajectory.”

Record-High Earnings Driven by Diversified Revenues

Selected P&L items ¹ (AED mn)	Q4'25	Q3'25	qoq %	Q4'24	yoy %	FY'25	FY'24	yoy %
Net interest income	5,040	5,193	(3)	4,936	2	20,322	19,612	4
Non-interest income	3,984	4,150	(4)	2,767	44	16,353	12,013	36
Operating income	9,024	9,342	(3)	7,704	17	36,675	31,625	16
Operating expenses	(2,126)	(2,075)	2	(1,970)	8	(8,200)	(7,787)	5
Net impairment charge	(949)	(850)	12	(1,095)	(13)	(3,275)	(3,924)	(17)
Profit Before Tax	5,949	6,417	(7)	4,638	28	25,200	19,914	27
Taxes and NCI	(857)	(1,030)	(17)	(449)	91	(4,090)	(2,859)	43
Net Profit	5,092	5,387	(5)	4,189	22	21,110	17,055	24
Basic Earnings Per Share (AED)	0.46	0.46	-	0.36	28	1.85	1.48	24

1. In Q4'25, the Group reclassified certain hedge-related costs between net interest income and non-interest income to better reflect underlying revenue and margin dynamics. Comparative figures for FY'25 have been restated accordingly.

- **FY'25 net profit** surged 24% yoy to AED 21.11 billion, marking a record for the Group and underscoring consistent execution across the franchise, while effectively absorbing the corporate tax increase during the period. Profit Before Tax advanced 27% yoy to AED 25.20 billion.

- **Operating income** increased by 16% yoy to AED 36.68 billion fueled by strong volumes, resilient margins, and exceptional non-interest income growth highlighting FAB's well-diversified revenue generation model.

- **Net interest income** was up 4% yoy to AED 20.32 billion led by double-digit volume growth. Net Interest Margin (NIM) was 1.84%, 9 bps lower yoy due to lower benchmark rates.

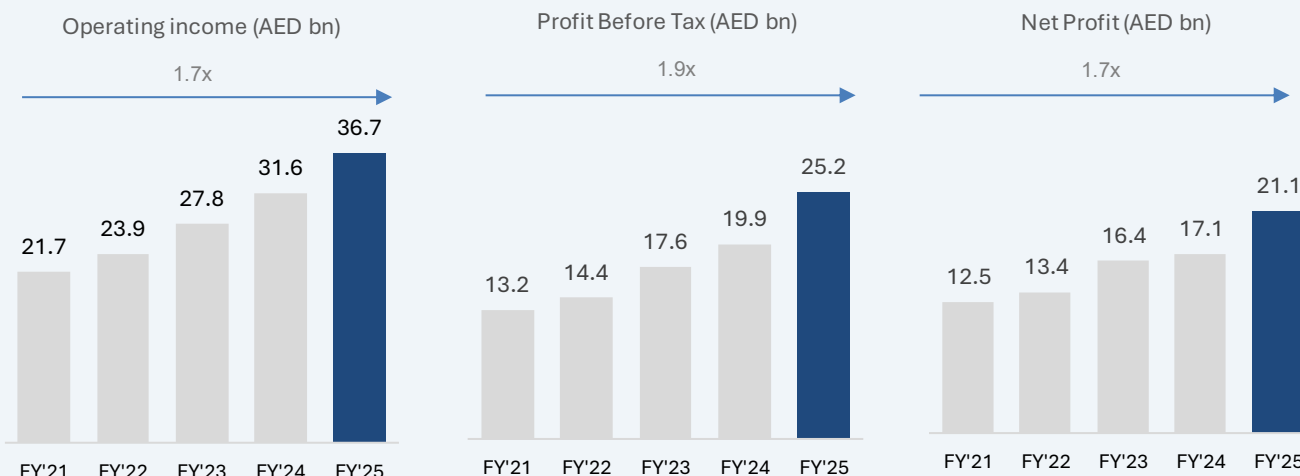
- **Non-interest income** continued its strong upward trajectory and grew 36% yoy to AED 16.35 billion, contributing 45% to Group revenue as FAB continues to broaden revenue sources through innovative, value-led solutions and deeper cross-sell capabilities.

Fees & Commissions advanced 28% yoy driven by sustained momentum in origination and deal execution, while capitalizing on strong trade flows to showcase the breadth of our revenue base. Additionally, asset management and advisory-related fees emerged as incremental growth drivers.

Stronger client engagement and optimal market positioning within Global Markets drove a 40% yoy increase in FX and Investment income, supported by FX and rates transaction volumes at record highs.

- **Operating expenses** increased 5% yoy to AED 8.20 billion, reflecting ongoing investments in AI, digital, and technology, partially offset by efficiency gains and productivity improvements. The Group's cost-to-income ratio stood at 22.4% in FY'25 versus 24.6% in FY'24.

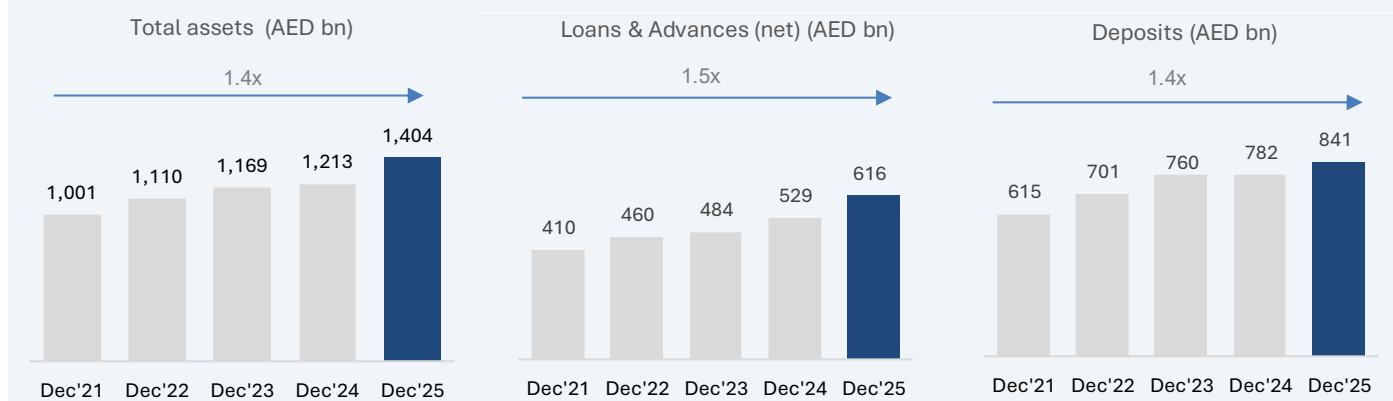
- **Net impairment charges** were 17% lower yoy to AED 3.28 billion supported by a strong macro-economic environment.



Balance Sheet Strength Reflects Developed Market Fundamentals

Balance Sheet - Summary (AED bn)	Dec'25	Sep'25	qoq %	Dec'24	yoy %
Total Assets	1,404	1,382	2	1,213	16
Loans & Advances (net)	616	596	3	529	17
Investments	269	272	(1)	248	8
Customer Deposits	841	848	(1)	782	7
Of which CASA balances	392	369	6	360	9
Liquidity Coverage Ratio (LCR %)	154	158	(463)	142	large

- **Total assets** grew 16% yoy to AED 1.40 trillion, with balance sheet strength remaining a key differentiator, supporting lending growth and market share gains across diversified sectors and geographies.
- **Loans & Advances (net)** grew 17% yoy (AED 87 billion) to AED 616 billion, including 28% yoy growth in the Islamic financing portfolio. FAB's market-leading UAE scale and extensive global footprint, continue to support growing capital flows across key corridors and priority markets.
- **Customer deposits** grew 7% yoy (AED 58 billion) to AED 841 billion, from diverse sources, underlining FAB's role as an aggregator of regional and international liquidity. Momentum continued in new-to-bank customer acquisitions and new salary transfer accounts in retail. CASA balances grew 9% yoy to AED 392 billion, 47% of customer deposits, while Islamic deposits also delivered a strong performance, rising 39% yoy.
- **NPLs (non-performing loans)** stood at AED 13.77 billion as of 31 December 2025, lower yoy reflecting a resilient macro-economic environment. Gross NPL ratio was 2.2%, lower by 121 bps yoy and at an all-time low for the Group. Provision coverage improved to 108% yoy, with total ECL/provisions at AED 14.89 billion.



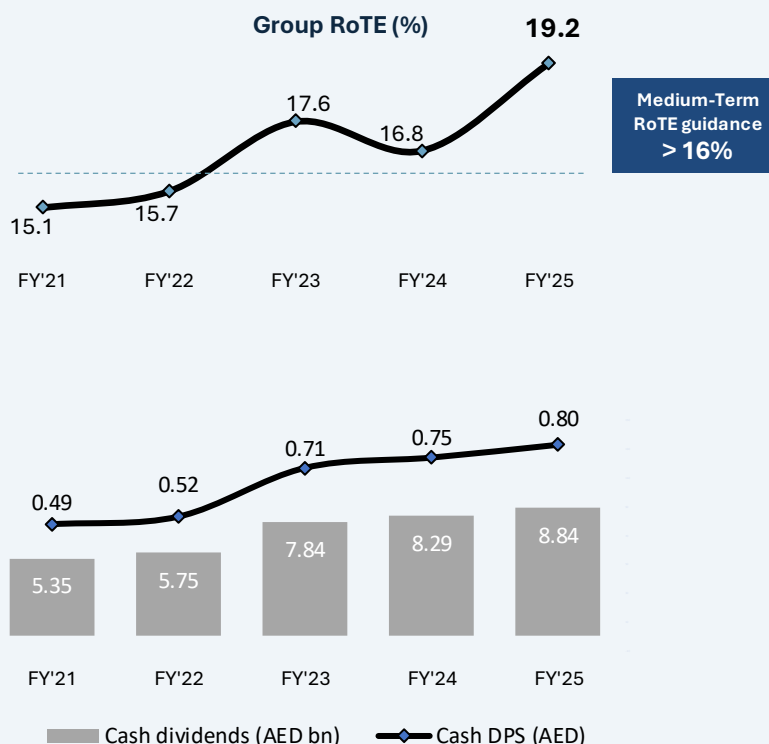
- **The Group's liquidity profile remains robust**, with LCR of 154%, comfortably above regulatory requirements.
- During 2025, FAB raised **AED 18.5 billion (USD 5.0 billion equivalent) of senior wholesale funding at a competitive pricing**, of which AED 6.7 billion (USD 1.83 billion equivalent) was in ESG format.
Funding was executed across multiple innovative formats, including the first-ever **blue bond** by a GCC bank, the first-ever **Low Carbon Energy Bond** from a bank globally, and the region's first-ever **blockchain-based digital bond**.
- FAB also issued USD 1.0 billion Additional Tier 1 notes during the fourth quarter, further enhancing its capital position, **priced at the tightest yield for a CEEMEA conventional USD AT1 issuance since May-2021**.

Strong Returns at Scale Supported by a Resilient Capital Base

- **With a Return on Tangible Equity (RoTE)** at 19.2% for FY'25, the Group is delivering robust returns at scale, and above medium-term guidance of over 16%.

- **Total shareholders' equity** stood at AED 147 billion, up 12% yoy reflecting strong earnings accretion. The Group's capital position remained strong and comfortably above regulatory requirements.

- **Consistent increase in cash dividend per share** to 80 fils¹ for 2025, representing a total payout of AED 8.84 billion to shareholders for FY'25, and 43% of group net profit available for distribution.



1. Proposed dividend subject to shareholders' approval at the upcoming Annual General Meeting on March 11, 2026

Summary Financials

Income Statement – Summary (AED mn)	Q4'25	Q3'25	<i>qoq %</i>	Q4'24	<i>yoy %</i>	FY'25	FY'24	<i>yoy %</i>
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Equity (incl Tier 1 capital notes)	147	138	6	131	12
Tangible Equity	113	108	5	100	13
Risk Weighted Assets	735	741	(1)	640	15

Key ratios (%)	Q4'25	Q3'25	<i>qoq (bps)</i>	Q4'24	<i>yoy (bps)</i>	FY'25	FY'24	<i>yoy (bps)</i>
Net Interest Margin	1.75	1.82	(7)	1.93	(18)	1.84	1.93	(9)
Cost-Income Ratio	23.6	22.2	136	25.6	(202)	22.4	24.6	(224)
Cost of Risk (bps)	61	63	(2)	84	(24)	57	75	(18)
Non-performing Loans Ratio	2.2	2.6	(35)	3.4	(121)	2.2	3.4	(121)
Provision Coverage Ratio	108	106	176	96	large	108	96	large
Liquidity Coverage Ratio (LCR)	154	158	(463)	142	large	154	142	large
Return on Tangible Equity (RoTE)	17.7	19.7	(204)	16.1	158	19.2	16.8	240
Return on Risk-weighted Assets (RoRWA)	2.7	2.9	(19)	2.6	16	3.1	2.8	29
CET1 Ratio	13.3	13.7	(42)	13.7	(40)	13.3	13.7	(40)
Capital Adequacy Ratio	16.9	16.8	13	17.5	(56)	16.9	17.5	(56)

Notes:

- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements.
- Ratios for the quarter are annualised, where applicable, except for Basic EPS.
- For further details on calculation of the ratios, please see the Quarterly Series on FAB IR website's financial reports page.
- To view key figures in USD, please refer to: bankfab.com > investor relations > reports & presentations > key quarterly figures.
- Rounding differences may appear in above tables.

ABOUT FIRST ABU DHABI BANK (FAB)

Headquartered in Abu Dhabi with a global footprint beyond 20 markets, FAB is the finance and trade gateway to the Middle East and North Africa (MENA) region. With total assets of AED 1.40 trillion (USD 382 billion) as of December-end 2025, FAB is among the world's largest banking groups. The bank provides financial expertise to its wholesale and retail client franchise across three business units: 1) Investment Banking & Markets, 2) Wholesale Banking, and 3) Personal, Business, Wealth & Privileged Client Banking Group.

FAB is listed on the Abu Dhabi Securities Exchange (ADX) and rated Aa3/AA-/AA- by Moody's, S&P, and Fitch, respectively, with a stable outlook. On sustainability, FAB holds an MSCI ESG rating of 'AA', and is also ranked among the top 6% of banks globally by Refinitiv's ESG Scores and ranked the Best diversified bank in MENA by Sustainalytics ESG Risk Rating.

For further information, visit: www.bankfab.com

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For investor-related queries, please contact FAB Investor Relations team on ir@bankfab.com

Recent Accolades



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Lars Kramer

A handwritten signature in black ink, appearing to read "Lars Kramer".