

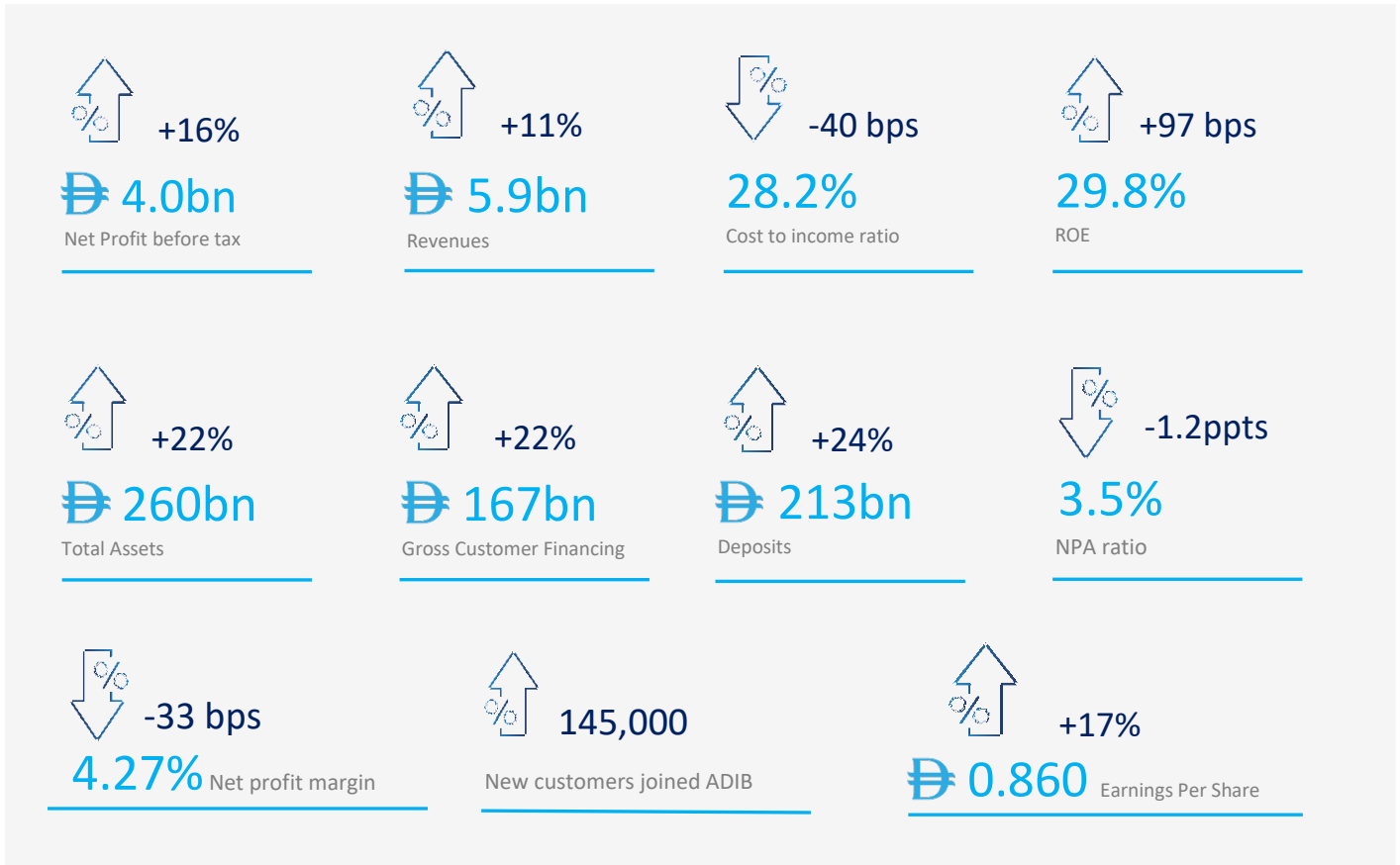
MANAGEMENT DISCUSSION & ANALYSIS

H1 2025 Financial Results

Abu Dhabi, UAE | 23 July 2025

ADIB Reports Record First Half Net Profit before tax for 2025 of **₹4 billion**, up 16%, driven by broad-based income growth resulting in an industry-leading ROE of 30%

Another strong set of results for the second quarter of 2025, bringing first-half earnings to a new high



Net Profit

- Abu Dhabi Islamic Bank reported a **H1 2025 net profit before tax** of **AED 4.0 billion**, up **16% year-on-year**, reflecting a strong balance sheet growth, coupled with increased business momentum and a sustained customer growth.
- ADIB sustained record performance in **Q2 2025** with **net profit before tax increasing 14% year-on-year to AED 2 billion**, reflecting a positive trajectory that has been built over recent quarters.
- **Net profit after tax for H1 2025** was **AED 3.5 billion**, reflecting a **15% increase** compared to H1 2024 and **AED 1.8 billion for Q2 2025**, up **13% year-on-year**.

Revenues

- **Revenue** for H1 2025 **improved by 11% to AED 5.9 billion** compared to AED 5.3 billion for H1 2024. This exceptional growth reflects broad-based performance across all key segments. This was supported by a diverse source of income powered by continued growth in business volumes along with continued growth in fee-based businesses.
- **Funded income** recorded a **9% year-on-year growth to AED 3.6 billion in H1 2025**, compared to AED 3.3 billion last year supported by higher business volumes and our ability to generate sustainable returns partially offsetting the impact of rate cuts since September 2024.
- **Net Profit Margin (NPM)** reached **4.27%** reflecting strong business volumes and our effective asset-liability management.
- **Non-funded income** grew by **15% year-on-year** to reach **AED 2.3 billion in H1 2025**, compared to AED 2.0 billion last year. This growth reflects continued strength in **fee-generation revenues**, which saw a **28% increase** from various product sales across retail and corporates, reflecting increased customer activity and successful cross-sell efforts. **Non-funded income now contributes 39% to operating income**, underlining the continued strategic focus on revenue diversification.

Expenses

- ADIB achieved a strong improvement in the **cost to income ratio to reach 28.2% in H1 2025**, representing a decline of 40 basis points compared to 28.6% in H1 2024, driven by higher revenues combined with sustained productivity management.
- **Operating expenses** for H1 2025 were **AED 1.7 billion**, reflecting a **9% year-on-year increase** as we continue our ongoing investments in people, digital initiatives, and new technology.

Provisions and asset quality

- **Impairments decreased by 24% to AED 305 million** during H1 2025, translating to a **cost of risk (CoR) of 44bps**.
- The **non-performing asset ratio continued to improve to 3.5%**, its lowest level since Q4 2016, due to active remediation of our legacy portfolio coupled with strong underwriting standards.
- The **provision coverage ratio, including collaterals, improved by 11.5 percentage points to 160.8%**. The **provision coverage ratio (excluding collaterals) improved to 85.3%** from 76.9% a year ago.

Balance sheet

- **Total assets increased by 22% year-on-year** to reach **AED 260 billion**. This growth was driven by financing growth in both retail and corporate banking, as well as an expansion in the investment portfolio.
- **Customer financing grew by 23% year-on-year**, representing **AED 31 billion increase compared to last year** and **AED 20 billion increase year to date**. This reflects market share gains across key segments and wholesale banking closing landmark deals.
- **Customer deposits rose by 24% year-on-year** to **AED 213 billion**, compared with AED 172 billion at 30 June 2024. This growth maintained a healthy funding mix, with a **11% year-on-year growth in Current and Savings Accounts (CASA)**, which now comprise **66% of total deposits**.

Liquidity and capital

- ADIB maintained a robust capital position with a **Common Equity Tier 1 ratio of 12.69%** and a total **Capital Adequacy Ratio of 16.56%**.
- The bank's liquidity position was healthy and within regulatory requirements, with the **advances to stable funding ratio at 80.3%** and the **eligible liquid asset ratio at 17.7%**.
- **Total shareholders' equity rose 13% year-on-year to AED 29 billion**, led by growth in earnings.
- The **return on equity (RoE)** stood at **29.8%** in H1 2025.



“ADIB has delivered another strong set of results for the second quarter, bringing first-half earnings to a new high with ROE at 30%. This performance reflects the record business volumes and successful execution of our strategy which have contributed to broad-based growth across our core business.”

H.E Jawaan Awaidah Al Khaili

Chairman

145,000

New customers in H1 2025

₪ 260bn

Total assets



30%

Return on shareholders' equity



“ADIB has delivered another strong set of results for the second quarter, bringing first-half earnings to a new high with ROE at 30%. This outstanding performance was underpinned by the resilience and strong momentum of the UAE economy, record business volumes and successful execution of our strategy.

Group net profit and revenues both reached new highs at AED 4.0 billion for net profit before tax showing a growth of 16% year-on-year driven by strong topline growth in revenue of 11% supported by continued momentum in customer acquisition with 145,000 new customers joining the bank in H1 2025 only.

Asset growth was exceptional during the first half supported by favorable macroeconomic conditions and robust customer activities which resulted in a growth in customer financing. This demonstrates our ability to capture market opportunities with speed and discipline.

From quarter to quarter, ADIB is continuing a trajectory of accelerated growth, delivering exceptional financial results while focusing on executing our strategy, which is based on a diversified business mix, integrating cutting-edge technology, and creating substantial shareholder value.

On the sustainability agenda, we are proud of the progress we have made and the way we are using our financing to contribute to the transition of our customers and the economy. We are taking decisive steps toward a low-carbon future and leading initiatives that significantly contributed to our ESG roadmap, ensuring that our growth creates value not only to shareholders but for the communities and environment we serve.

With the launch of 2035 Vision, we are setting a clear path for significant expansion of our business leveraging the significant opportunities presented by the UAE growth agenda.”



“We reported another very good quarter and continue to demonstrate that our strong results are sustainable. We delivered significant growth in net profit driven by double digit revenue growth, powered by expanding business volumes and continued customer acquisition all while maintaining strong credit quality.”

Mohamed Abdelbary

Group Chief Executive Officer (GCEO)

₹ 4.0bn

Net profit before tax
up 16%



28.2%

Cost to Income ratio



3.5%

Non-Performing Asset
ratio



"We reported another very good quarter and continue to demonstrate that our strong results are sustainable. Our record earnings reflect healthy client activities across all our core businesses, our differentiated franchise position and the talent and commitment of our people. The consistent growth across both funded and non- funded income reflects the strength of our diversified income streams and our enhanced cross- sell ratio.

We delivered significant growth in **net profit before tax of 16%**, driven by **double digit revenue growth of 11%** powered by expanding business volumes and continued customer acquisition all while maintaining strong credit quality.

Balance sheet management and growth in business volumes supported **funded income growth that was up by 9% year-on-year**. Improving customer engagement drove **non-funded income up 15%** compared to corresponding period last year, reflecting our focus on diversifying our income with strong momentum in fees and commissions.

At the same time, we continued to deliver positive jaws with revenue growth outpacing cost increase, a clear signal of enhanced revenues and productivity. Our cost to income ratio improved to 28.2%, reflecting our continued focus on cost efficiency and prudent resource allocation.

The **asset growth of 22% year-on-year** was exceptional, driven by a record **23% year-on-year growth in customer financing**, as we gained market share in retail and closed some landmark deals in corporate banking. This growth was efficiently funded by **AED 41 billion increase in customer deposits year-on-year**, including growing our Current and Savings accounts by **AED 14 billion**. The strong growth In CASA reflects the strength of our franchise and our continuous focus on driving retail account growth.

Our continued focus on high-quality origination and disciplined credit risk practices has resulted in further Improvement in asset quality with our **non-performing asset ratio reaching 3.5%**, the lowest level in nearly a decade. This reflects our success in booking good quality assets while maintaining prudent provisioning, as evidenced by a stronger coverage ratio.

Our Digital strategy continues to be a key driver for growth as we see a strong momentum in digital customer acquisition. We are also advancing our AI-led Innovation agenda to unlock greater personalization, efficiency and intelligence across the bank. These investments are enhancing our customer experience and positioning us at the forefront of the industry.

With our **2035 vision**, we aspire to build a future-proof bank that not only meets today’s dynamic needs but also anticipates tomorrow’s opportunities. With our strong business fundamentals, we are well positioned to create value for our shareholders capitalizing on the ongoing growth of the UAE economy."

GROUP FINANCIAL REVIEW

> Income statement

AED (Mn)	H1 2025	H1 2024	Δ%	Q2 2025	Q2 2024	Δ%
Net revenue from funds	3,608	3,322	+9%	1,856	1,631	+14%
Non-funded income	2,326	2,028	+15%	1,206	1,201	+0.5%
Total operating income	5,934	5,349	+11%	3,062	2,832	+8%
Total operating expenses before impairment charge	(1,672)	(1,528)	+9%	(842)	(763)	+10%
Provision for impairment	(305)	(402)	-24%	(199)	(293)	-32%
Profit before tax	3,957	3,419	+16%	2,021	1,777	+4%
Tax	(467)	(390)	+20%	(241)	(198)	+21%
Profit after tax	3,491	3,029	+15%	1,780	1,578	+13%
EPS (AED)	0.86	0.74	+17%			
Net profit margin	4.27%	4.60%	-33bps			
Cost to income ratio	28.2%	28.6%	-40bps			
Cost of risk	0.44%	0.55%	-11bps			
ROAE	29.8%	28.8%	+97bps			
ROAA	2.95%	3.06%	-11bps			

- ▷ **Group net profit before tax was AED 4.0 billion, up 16% year-on-year** compared to AED 3.4 billion in H1 2024 reflecting strong business momentum.
- ▷ Group net profit after tax was AED 3.5 billion, up 15% year-on-year compared to AED 3.0 billion in H1 2024.
- ▷ **Group net profit after tax for Q2 2025 grew 13% to AED 1.8 billion** compared to AED 1.6 billion in Q2 2024.
- ▷ **Revenues increased by 11% in H1 2025 to AED 5.9 billion** versus AED 5.3 billion in H1 2024 on strong business volumes coupled with strength in fee-based businesses, higher investment income and FX income.
- ▷ **Funded income rose 9%** to reach **AED 3.6 billion** supported by higher volumes in financing with 17% growth in average earning assets. The **net profit margin reached 4.27%** contracting 33bps only despite a cut of 100 bps in the benchmark rate.
- ▷ The bank continues to benefit from growth in diversified income streams, with **non-funded income increasing by 15% to AED 2.3 billion** during H1 2025. The growth was driven by a 33% increase in investment income, 28% increase in fees and commission from various products including card sales, and 98% increase in FX income.
- ▷ **Non-funded income** represents **39% of total income**, underlining the strategic focus on revenue diversification.
- ▷ Overall revenues were supported by growth in **new customers** of approximately **145,000 during the first half of 2025**, showcasing ADIB's long-term commitment to its customers and continuous efforts to deliver superior customer service.
- ▷ **Operating expenses** for H1 2025 were **AED 1,672 million**, reflecting **9% year-on-year increase**. This rise demonstrates continued investments in talent and strategic initiatives to support business growth. Despite this, there was an overall improvement in the **cost-to-income ratio** of 40 basis points to **28.2%**.
- ▷ **The net impairment charge** for H1 2025 **decreased by 24% to AED 305 million**. The **cost of risk** remains stable at **0.44%**, well within the guidance.

> Balance Sheet

AED (Mn)	30 Jun 2025	30 Jun 2024	Δ%
Cash and balances with central banks	37,845	35,137	+8%
Due from financial institutions	12,696	8,584	+48%
Customer financing, net	162,751	132,066	+23%
Investments	34,734	27,153	+28%
Investment in associates	954	857	+11%
Investment and development properties	2,060	1,976	+4%
Other assets	9,312	7,629	+22%
Total assets	260,352	213,403	+22%
Due to financial institutions	9,082	7,418	+22%
Depositors' accounts	212,831	172,244	+24%
Other liabilities	7,895	6,418	+23%
Sukuk financing instrument	1,836	1,836	-
Total liabilities	231,645	187,916	+23%
Share capital	3,632	3,632	-
Retained earnings	13,397	11,254	+19%
Other reserves	5,729	4,969	+15%
Equity attributable to shareholders of the bank	22,759	19,855	+15%
Tier 1 sukuk	4,754	4,754	-
Non - controlling interest	1,194	877	+36%
Equity attributable to equity holders of the bank	28,707	25,486	+13%
Non-performing financing	5,771	6,384	-10%
NPA ratio	3.5%	4.7%	-1.2ppts
NPA coverage ratio	85.3%	76.9%	+8.4ppts
NPA coverage ratio with collaterals	160.8%	149.3%	+11.5ppts
Risk weighted assets	176,049	152,045	+16%
Common Equity Tier 1 Ratio	12.69%	12.86%	-17bps
Tier 1 Ratio	15.45%	16.03%	-59bps
Capital Adequacy Ratio	16.56%	17.17%	-61bps
Financing to deposit ratio	76.5%	76.7%	-20bps
Advances to stable fund ratio (ASFR)	80.3%	79.5%	+88bps
Eligible Liquid Asset Ratio (ELAR)	17.7%	19.7%	-2.0ppts

- ▷ **Total assets reached AED 260 billion** as of 30 June 2025, an **increase of 22% from 30 June 2024** and **15% growth compared to 31 December 2024**. This growth was driven mainly by an increase in net financing and in the investment portfolio.
- ▷ **Gross customer financing increased by 22% year-on-year to AED 167 billion**, increasing by AED 31 billion, driven by growth in retail financing portfolios and wholesale financing, mainly government and public sector enterprises. This reflects our ability to gain market share across different segments. Additionally, gross customer financing increased 14% year-to-date.
- ▷ The portfolio remains well diversified across different segments with retail being 56%, GRE at 24% and large corporates at 14%.
- ▷ The bank's **investment portfolio increased 28% year-on-year to AED 35 billion** with 84% representing amortized cost portfolio.
- ▷ **ADIB's strong customer franchise continued to drive deposits with total deposits reaching AED 213 billion** as of 30 June 2025, **up 24%** from 30 June 2024 and 17% year-to-date as **CASA deposits increased by 11% to AED 141 billion**, comprising **66% of total customer deposits**.
- ▷ **Non-performing financing** reached **AED 5.8 billion** as of 30 June 2025, compared to AED 6.4 billion as of 30 June 2024.
- ▷ **Non-performing financing ratio improved to 3.5%** versus 4.7% as of 30 June 2024. The **provision coverage** of non-performing financing (including collaterals) **improved by 11.5 percentage points to 160.8%**.
- ▷ **Total shareholders' equity** stood at **AED 28.7 billion** compared to AED 25.5 billion as of 30 June 2024.
- ▷ ADIB continued to maintain a healthy liquidity position with an **advance to stable funding ratio at 80.3%** compared to 79.5% on 30 June 2024, while the **eligible liquid asset ratio** was **17.7%** as of 30 June 2025 versus 19.7% on 30 June 2024.
- ▷ The bank further strengthens its capital position with the **Common Equity Tier 1 ratio at 12.69%**, compared to 12.24% as of 31 March 2025 on the back of strong earnings and ongoing optimization initiatives. **Capital adequacy ratio** of **16.56%** as of 30 June 2025, exceeding regulatory requirements prescribed by the UAE Central Bank.

Strategy



ADIB 2035 Vision

Building from our strong foundations as a leading Islamic bank, operating across five countries and serving around 2 million customers, ADIB is well positioned for its next phase of growth, backed by its 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 and accelerating digital asset adoption and scaling ADIB Ventures to drive FinTech innovators.

2. Revolutionize 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 into every aspect of our business. Our commitment is to provide sustainable financing solutions and support business in their transition plan. We also foster an inclusive environment where staff wellbeing, 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 to become a digitally transformed Islamic financial powerhouse delivering exponential growth from diverse sources of income.

Some key Strategic Updates

❖ Digital Transformation

- ▷ ADIB is delivering growth through the accelerated rollout of digital initiatives. In H1, the bank onboarded 145,000 new customers, with 75% joining through from digital channels.
- ▷ Digital sales reached a record high with 55% of new sales coming from digital channels.
- ▷ ADIB has outperformed the industry average for digital adoption with 78% of customers active on mobile app.
- ▷ More than 1.2 million are registered on ADIB Mobile App, a growth of 20% compared to the same period last year.
- ▷ ADIB Mobile App rating at 4.7 (iOS) & 4.5 (Android), reflecting our customers trust, engagement and satisfaction.
- ▷ ADIB continues to invest into its Digital channels to offer best in class customer experience, example of few recent initiatives detailed below:
 - Launch of Fractional Sukuk (first in the market allowing customer to invest into Sukuk digitally, with a minimum investment as low as USD 1,000).
 - Cardless Withdrawal capabilities across all the ADIB ATM Network.
 - Launch of Digital Corporate account onboarding capabilities.
 - New look CX across all our ATM Network.
 - 20+ new services and enhanced features introduced in our ADIB Mobile app.
 - New services introduced in our ITM machines which include cheque book and instant card printing.
 - Introduced GEN AI capabilities into our Chat Banking for better customer experience.

❖ Sustainability

- ▷ ADIB has reported the mobilisation of over AED 17 billion in sustainable finance as of year-end 2024, marking continued progress toward its AED 60 billion sustainable finance commitment by 2030.
- ▷ ADIB published its sector-specific financed emissions targets, making it the first Islamic bank in the region to set such interim 2030 targets. These cover six high-emission sectors such as real estate, utilities and home finance, aligned with IEA Net Zero scenarios and the UAE's national de-carbonisation strategy.
- ▷ ADIB also conducted a double materiality assessment in accordance with the European Sustainability Reporting Standards (ESRS) to evaluate both the financial and societal impacts of its activities, a critical step to understand the material impacts, risks and opportunities (IROs) on the economy, environment and people.
- ▷ ADIB also published its inaugural Green Sukuk allocation and impact report for its USD 500 million Green Sukuk issuance. As of December 2024, 90 percent of proceeds have been allocated toward renewable energy, energy efficiency and sustainable water infrastructure, contributing to over 607,000 tons of estimated annual avoided emissions.
- ▷ Operationally, ADIB reported an 87 percent drop in Scope 1 emissions compared to 2022 and a 3.51 percent reduction in Scope 2. These improvements reflect continued investments in energy efficiency, electrification, and operational optimisation across the Group.
- ▷ ADIB continued to strengthen its social impact agenda, achieving a 44 percent Emiratisation rate, with women comprising 72 percent of UAE national hires and 39 percent of the total workforce.
- ▷ ADIB continues to receive strong ESG ratings, including an 'AA' from MSCI, 74 from LSEG ESG and 41 from DJSI.

37 INDUSTRY AWARDS IN H1 2025

Awards	Categories
Euromoney	<ol style="list-style-type: none"> 1. The Middle East's Best for Digital Solutions 2. The United Arab Emirates' Best for Digital Solutions 3. The UAE's Best Islamic Bank 4. The UAE's Best Islamic Bank for ESG 5. The Middle East's Best Bank for Consumers 6. The UAE's Best Bank for Consumers
Global Finance	<ol style="list-style-type: none"> 7. Best SME Bank in the UAE 8. Best Financial Institution UAE 2025 9. Best Islamic Financial institution for ESG globally
IFN	<ol style="list-style-type: none"> 10. Best Islamic Bank for Treasury Management 11. Most Innovative Islamic Bank in the UAE 12. Best Digital Offering by an Islamic Bank in the UAE
EMEA	<ol style="list-style-type: none"> 13. Best Islamic bank in the United Arab Emirates
Meed	<ol style="list-style-type: none"> 14. MENA Islamic Retail Bank of the Year 15. Best SME Bank – UAE 16. Excellence in Client Services 17. Best Fintech Collaboration 18. Best Islamic Bank – UAE 19. Best Islamic Bank for ESG
Middle East Banking AI and Analytics Awards	<ol style="list-style-type: none"> 20. Best Implementation of Advanced Analytics in Banking
MEA Finance Awards 2025	<ol style="list-style-type: none"> 21. Best Digital Innovation in Islamic Banking of the Year - UAE 22. Banking Technology Transformation CEO Award
Economy Middle East Summit 2025	<ol style="list-style-type: none"> 23. Innovator in Islamic Financial Solutions
The Asset Triple A	<ol style="list-style-type: none"> 24. Islamic Wealth Manager of the Year 25. Islamic Bank of the Year 26. Best Islamic Retail Bank 27. Best Islamic SME Bank 28. Best Islamic Private Bank 29. Best Islamic Liability Management 30. Best New Sukuk for UAE 31. Best Sustainability Sukuk 32. Best New Sukuk for KSA 33. Retail Deal of the Year 34. Best Local Currency Sukuk
CX Strategy Awards 2025	<ol style="list-style-type: none"> 35. The Best Contact Center Experience
Gulf Customer Experience Awards	<ol style="list-style-type: none"> 36. Best Use of Customer Insight and Feedback
Customer Experience Live Conference & Awards 2025	<ol style="list-style-type: none"> 37. Best Contact Center

About ADIB

ADIB is a leading bank in the UAE with AED 260 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 72 branches, the United Kingdom, Qatar and Iraq.

Named **World's Best Islamic Bank by The Financial Times** - 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.

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Please download the ADIB Investor relations dedicated mobile app available on both Apple and Google play stores. The application will keep you up to date with the latest developments - from latest share prices and press releases to investor days, financial results, and our document library. You can view stock exchange announcements, presentations, annual and quarterly reports, and interact with key data onscreen.





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