

CORPORATE GOVERNANCE REPORT

2024

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1. YEAR OVERVIEW - 2024

1.1 CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Corporate Governance Report for Abu Dhabi Islamic Bank (ADIB) for 2024.

ADIB's Corporate Governance Framework (the "Framework" or CG Framework) and culture are built on principles of accountability, transparency, and ethical conduct, aligned with industry best practices. Our Framework underpins the trust and confidence of our stakeholders, ensuring sustainable success aligned with our long-term strategic objectives. Grounded in Shari'a principles and adherence to applicable laws, it reflects ADIB's core values of mutual benefit, transparency, simplicity, sensibility, hospitality, and tolerance.

Throughout 2024, ADIB maintained its commitment to excellence by embedding corporate governance best practices across all areas of the Bank's operations. Our focus on people, governance, digitisation and sustainability has been instrumental in driving operational resilience and enabling strategic growth. With Emiratization as a cornerstone of our workforce strategy, we consistently upheld a 44% Emiratization rate, reflecting our dedication to national development. A comprehensive staff survey conducted during the year achieved an outstanding response rate, underscoring the strength of employee engagement across the organisation. To further enhance capabilities, we implemented training initiatives focused on upskilling and succession planning, with particular emphasis on developing UAE Nationals for leadership roles.

ADIB remains steadfast in its commitment to supporting the UAE government's initiatives and fostering economic growth. As a key partner in advancing the nation's priorities, ADIB has aligned its efforts with the UAE's 2050 Net Zero plan through initiatives such as energy-efficient programs, and a sustainable finance strategy. These efforts culminated in an ESG rating upgrade to AA from MSCI, reinforcing our leadership in sustainability. The integration of these practices, alongside a proactive approach to transparency and disclosure, is detailed further in this year's ESG Report.

In alignment with regulatory priorities, the Board ensured the continuous refinement of governance policies, encompassing ESG, capital management, liquidity risk, information security, and financial reporting. Key insights from Central Bank of UAE (CBUAE) thematic reviews, covering areas such as market conduct, risk appetite, and climate-related financial risks, were embedded into our governance framework, further strengthening regulatory compliance. The Bank's stellar efforts to enhance its regulatory relationship and governance practices were recognized through a consistent increase in its ratings on the CBUAE Quarterly Dashboard, reflecting increased regulatory confidence in ADIB.

ADIB also made significant strides in its digital transformation journey by advancing initiatives focused on generative AI, fostering fintech partnerships, and developing innovative digital solutions.

These efforts highlight our commitment to leveraging cutting-edge technology to enhance operational efficiency, deliver customer-centric innovation, and maintain our leadership in the evolving financial landscape.

The Board's commitment to strengthening governance was evident through its emphasis on continuous training and awareness programs tailored to evolving business needs. These programs addressed critical areas such as Risk Management, Digital Banking & Artificial Intelligence, Compliance, Shari'a Governance, ESG, and Succession Planning, ensuring the Board and management remained well-equipped to navigate complex regulatory and operational landscapes. During the year, the establishment of the Profit Equalisation Committee and the formation of the ESG Committee further highlighted ADIB's dedication to meeting Islamic regulatory requirements, advancing its sustainability agenda, and reinforcing its governance framework.

In 2024, the Board provided decisive leadership in steering the Group's vision and mission, approving key strategic decisions across its UAE and international operations. These decisions were guided by the Group Risk Management Framework, ensuring that all activities were conducted within the Corporate Governance Framework to foster sustainable growth and value creation for our stakeholders.

ADIB's achievements in 2024 reflect the Bank's unwavering focus on innovation, governance, and resilience. I remain confident that with our strong governance practices and commitment to excellence, ADIB will continue to deliver sustainable value to our stakeholders and maintain its position as a leader in Islamic banking.



**H.E. JAWAAN AWAIIDHA
SUHAIL AL KHAILI
CHAIRMAN**

1.2 KEY CORPORATE GOVERNANCE HIGHLIGHTS & ACHIEVEMENTS - 2024



STRENGTHENING GOVERNANCE

In 2024, ADIB advanced its governance framework through targeted initiatives aimed at enhancing efficiency, aligning with regulatory requirements, and reinforcing operational effectiveness. Over the course of the year, several key policies were reserved for Board approval, ensuring alignment with evolving regulations and global best practices.

As part of a strategic benchmarking exercise, ADIB streamlined its management committee structure, reducing the number of committees from 19 to 10, which helped create a more efficient and focused framework. This restructuring has strengthened decision-making processes and improved governance oversight, creating a more agile governance structure.

Two new Board committees were established during the year to address strategic priorities: the ESG Committee, dedicated to advancing the Bank's sustainability agenda, and the Profit Equalisation Committee, focused on meeting Islamic regulatory requirements.

In line with its commitment to consumer protection, ADIB developed a comprehensive plan to align with UAE consumer protection laws. This included reviewing and enhancing consumer-facing documents, updating business requirement documents, and revising policies and procedures to ensure better alignment with regulatory expectations and to enhance customer confidence.

These efforts collectively demonstrate ADIB's dedication to maintaining a robust governance framework that fosters transparency, efficiency, and resilience while meeting the needs of stakeholders and adhering to regulatory obligations.





REGULATORY COMPLIANCE

In 2024, ADIB reinforced its commitment to regulatory excellence by actively engaging with the CBUAE to address findings from thematic reviews. These reviews spanned critical areas such as Market Conduct, Capital Requirements, Liquidity Management, Retail Strategy, Risk Appetite, Investments and Counterparties, Climate-Related Financial Risks, and Large Exposures.

ADIB developed and implemented comprehensive remediation plans to address the outcomes of these reviews, ensuring enhanced alignment with regulatory expectations and bolstering the Bank's operational resilience. These efforts extended beyond compliance, focusing on integrating best practices to strengthen governance, risk management, and internal controls across the organisation.

The Bank's progress in this area was evidenced by a consistent improvement in its CBUAE quarterly dashboard ratings, reflecting enhanced regulatory confidence and recognition of ADIB's proactive approach to addressing key regulatory priorities. These achievements underscore the Bank's focus on maintaining a robust governance framework that supports sustainable growth and risk mitigation.

Looking forward, ADIB remains steadfast in embedding a culture of compliance that prioritises transparency, accountability, and adaptability. By continuously refining its frameworks and aligning with regulatory advancements, ADIB is well-positioned to meet the evolving expectations of regulators, stakeholders, and the financial ecosystem at large.



DRIVING DIGITAL TRANSFORMATION

In 2024, ADIB prioritised digital transformation as a core driver of operational efficiency, customer engagement, and long-term growth. Digital initiatives focused on integrating advanced tools and leveraging data-driven insights to streamline processes, enhance risk management, and improve customer experiences. These efforts enabled the Bank to manage increased transaction volumes effectively while maintaining a robust control environment.

A key milestone was the launch of ADIB Ventures, aimed at fostering fintech partnerships and accelerating the development of innovative digital solutions. This initiative reflects ADIB's commitment to staying at the forefront of technological advancements and creating value through collaboration within the financial technology ecosystem.

The ADIB 2035 Vision further emphasises the Bank's focus on Generative AI, automation, and digital solutions. These pillars are central to ADIB's strategy to drive efficiency, deliver exceptional customer experiences, and unlock growth opportunities in an increasingly digital world. By embracing cutting-edge technology, ADIB is positioning itself as a forward-looking institution prepared to adapt to the evolving needs of the financial services sector.



ADVANCING SUSTAINABILITY AND ESG

In 2024, ADIB made significant progress in advancing its sustainability agenda, reaffirming its commitment to decarbonisation. The Bank implemented multifaceted strategies addressing both operational and financed emissions, including energy efficiency initiatives, a sustainable finance strategy, and responsible procurement practices. These efforts underscore ADIB's dedication to reducing its environmental impact while aligning with global sustainability objectives.

The Bank's achievements were recognised through an ESG rating upgrade to AA by MSCI, reflecting the strength of its ESG practices and governance framework. This milestone highlights ADIB's continued focus on integrating environmental, social, and governance principles into its operations and strategic decision-making.

ADIB also maintained its leadership in sustainable finance. A landmark achievement was the issuance of the world's largest green sukuk by a bank, raising USD 500 million. This issuance underscores ADIB's commitment to supporting green initiatives and fostering sustainable Islamic financial products and services, reinforcing its position as a leader in sustainable banking.



PEOPLE AND CULTURE

ADIB's unwavering focus on its people lies at the heart of its success, fostering a culture that drives innovation, excellence, and resilience. In 2024, the Bank reinforced its strategic commitment to Emiratisation, strengthening its role as a key contributor to UAE economic growth and national development. Diversity and inclusion remain integral to ADIB's organisational ethos. The workforce represents over 60 nationalities, creating a rich and dynamic environment that reflects the global outlook of the Bank. Additionally, women constitute 39% of ADIB's employees, demonstrating the Bank's dedication to gender balance and its continued efforts to empower women across all levels of the organisation.

An important milestone for 2024 was the employee engagement survey, which achieved one of the highest response rates in the sector. This outstanding participation underscores the deep alignment between the Bank and its employees, as well as their shared commitment to ADIB's mission and values. Insights from the survey are actively shaping initiatives that enhance workplace satisfaction, cultivate well-being, and elevate professional development, further positioning ADIB as an employer of choice.

By advancing its focus on talent development, diversity, and employee engagement, ADIB is building a future-ready workforce that underpins the Bank's strategic ambitions, drives sustainable growth, and sets a benchmark for excellence in the industry.

1.3 BOARD MEMBERS PROFILE



H.E. JAWAN AWaidHA SUHAIL AL KHAILI

Chairman, Non-Independent, Non-Executive Director

- He joined ADIB in February 2008.

External Positions:

- Serves as the Chairman of National Holding
- Co-founder & Chairman of Emirates Link Group
- Chairman of Ittihad International Investment.



DR. FAISAL SULTAN NASER SALEM AL SHUAIBI

Vice Chairman, Independent, Non-Executive Director

- He holds a PhD in Application of Strategic Development in Government and Security Institutions (Balanced Scorecard).
- He joined ADIB in March 2019.

External Positions:

- Director General of the Strategy and Performance Development, General Directorate at the Ministry of Interior.



MR. ABDULLA ALI MUSLEH JUMHOUR AL AHBABI

Independent, Non-Executive Director

- He joined ADIB in March 2019. Previously he was Chairman of the Abu Dhabi Water and Electricity Authority (ADWEA), acting undersecretary for Abu Dhabi Department of Finance, Assistant general secretariat and a member of the Executive committee of the Abu Dhabi Executive Council. He holds a master's degree in business administration.



MR. ABDUL WAHAB AL HALABI

Independent, Non-Executive Director

- He joined ADIB in March 2022. He holds an Executive Master's degree in Business Administration and a Bachelor's Degree from the London School of Economics.

External Positions:

- Managing Director and Founder at Embassy Capital
- Partner at Decker & Halabi Limited
- Board member of Union Properties PJSC
- Board member and Senior Advisor of Houlihan Lokey MEA
- Board Member of Massaleh Investments PJSC and TPL Properties Limited

LEGEND

- | | |
|---|--|
| ● Strategy Committee (BSC) | ● Credit & Investment Committee (BCIC) |
| ● Audit Committee (BAC) | ● ESG Committee (ESG) |
| ● Risk Committee (BRC) | ● Committee Chair |
| ● Nomination & Compensation Committee (NCC) | |

1.3 BOARD MEMBERS PROFILE



MR. KHALIFA MATAR KHALIFA ALMHEIRI

Independent, Non-Executive Director

He joined ADIB in April 2016. He is the Executive Director of the Fixed Income Department at Abu Dhabi Investment Authority ("ADIA"), with responsibility for the overall management of the Department specifically in the areas of investment strategy, performance, risk, and organisational development. Prior to that, Mr. Almheiri was the Executive Director of the Alternative Investments Department, with responsibility for overseeing ADIA's investments in hedge funds. Mr. Almheiri joined ADIA in 1995 as a member of the Far East Department. Mr. Almheiri is a member of ADIA's Investment Committee and is also Chairman of the Board of Directors of ADIA (Hong Kong) Limited. He holds a BSc in Business Administration focusing on Management Information Systems from the University of Arizona. He holds a Masters in Finance from the London Business School. He is a CFA charter holder from the CFA Institute.

External Positions:

- Executive Director – Fixed Income Department at Abu Dhabi Investment Authority ("ADIA")
- Chairman of the Board of Directors for Abu Dhabi Islamic Bank – Egypt
- Board member of ADIA (Hong Kong) Limited



MS. MAHA MOHAMMAD AL QATTAN

Independent, Non-Executive Director

- She holds a Master's degree in Industrial and Labour Relations from Cornell University.
- Previously she was Group Chief People and Sustainability Officer at DP World.
- She joined ADIB in March 2022.

External Positions:

- Member of the Board of Trustees at Université Panthéon Assas
- Executive Board Member of DP World UAE Region (UAE)
- Executive Board Member of Hindustan Ports Private Ltd (India)
- Non-Executive Board Member at SHUAA Capital psc (UAE)



MR. NAJIB YOUSSEF FAYYAD

Non-Independent, Non-Executive Director

He joined ADIB Board in March 2019. He currently holds the position of Special Advisor to the Board of Directors at National Holding Group. Mr. Fayyad has over 30 years of global work experience with various conglomerate and global firms in the USA, Europe, and the MENA region serving in leadership roles including Chairman, CEO, and Managing Director. Mr. Fayyad has worked in the regulated environment for years and has developed in depth knowledge and hands on experience in the development of capital markets, corporate governance, and strategy, providing excellent leadership skills.

External Positions:

- Special Advisor to the Board of Directors at National Holding Group

LEGEND

- | | |
|---|--|
| ● Strategy Committee (BSC) | ● Credit & Investment Committee (BCIC) |
| ● Audit Committee (BAC) | ● ESG Committee (ESG) |
| ● Risk Committee (BRC) | ● Committee Chair |
| ● Nomination & Compensation Committee (NCC) | |



1.4 EXECUTIVE MANAGEMENT PROFILE



MOHAMED ABDELBARY, CFA

Group Chief Executive Officer

Mohamed Abdelbary is the Group Chief Executive Officer at Abu Dhabi Islamic Bank (ADIB). As Group CEO, he is responsible for leading ADIB strategic directions, overseeing the group operations and ensuring the bank's profitability and growth. With over 28 years of experience in financial services and banking, he has held key positions in leading financial institutions, including Citibank, Barclays Bank, and Standard Chartered Bank. His deep knowledge and strategic vision have been instrumental in driving the growth and success of the organisations he has been part of.

Abdelbary joined ADIB in May 2020 as the Group Chief Financial Officer, a role in which he played a pivotal role in shaping the financial strategy and performance of the bank.

Mohamed possesses the CFA® Charter holder credential, demonstrating his commitment to the highest standards of ethics and professionalism in the industry. His visionary leadership and unwavering commitment to excellence continue to shape ADIB's path towards a future of sustainable growth and prosperity.

External Interests

- Board Member of Kawader Services LLC
- Board Member of ADIB Capital Limited
- Vice Chairman of MPM Properties LLC
- Vice Chairman of Burooj Properties LLC



ABDULLA AL SHEHHI

Global Head International Business Group

Abdulla Al Shehhi is Global Head International Business Group. He joined ADIB more than 20 years ago and has a number of senior positions in various departments before he was appointed to his current role as the Global Head International Business Group, focusing on the bank's international growth strategy and managing ADIB's businesses outside the UAE. Abdulla has over 30 years of banking experience, having worked in Finance and Strategy. He sits on different boards including Saudi Finance Company, Bosnia Bank International, and Abu Dhabi National Takaful PJSC.

External Interests

- Board Member of Saudi Finance Company (SFC)
- Vice Chairman Bosna Bank International
- Board member of Abu Dhabi National Takaful



AMIT MALHOTRA

Group Head of Retail Banking, ADIB

Amit Malhotra is the Group Head of Retail Banking at Abu Dhabi Islamic Bank. With a robust career spanning nearly three decades, Amit has made significant contributions to the banking sector across various geographies. In his current role, he oversees the retail banking operations, driving strategic initiatives to enhance customer experience, expand the bank's retail footprint, and leverage digital innovations to deliver superior banking services. Amit's diverse expertise includes sales and distribution management, product management, credit operations, risk management, and digitisation. He managed extensive portfolios at institutions like CBD, Citibank, Al Hilal Bank, and Standard Chartered Bank.

External Interests

- Chairman of Abu Dhabi Islamic Securities LLC (ADIB Securities)
- Chairman of Abu Dhabi Islamic Merchant Acquiring Company LLC (ADIMAC)
- Board Member of ADIB Capital Limited
- Director in Emirates Digital Wallet



AHSAN AKHTAR

Acting Group CFO

Ahsan Akhtar serves as the Acting Group Chief Financial Officer. He joined ADIB in 2008, bringing with him a wealth of experience in financial management and strategic planning. Prior to his appointment as acting CFO in March 2024, he was the Group Financial controller since 2008. In his current position, he oversees the Group Finance function (Financial Planning, Business Performance, Taxation, Economics, Group Strategy, Strategic Sourcing and Procurement). He previously spent 15 years in different senior positions with international banks and firms including Citi Bank and PWC. He is a chartered accountant from the UK and a graduate from the London school of Economics (LSE), underscoring his strong professional qualifications in finance and accounting.



ABDUL QADIR KHANANI

Group Treasurer

Abdul Qadir Khanani joined ADIB in 2012 as Group Treasurer. He has over 35 years of experience in the banking and finance sector where he held various positions in regional and international banks such as Citigroup. At ADIB, he is responsible for the Group Treasury function including FX trading and sales, funding and management and managing the bank's liquidity. He is a member of the Bank's Management Executive Committee as well as the Assets and Liabilities management committee and various management committees at the Group level. He has more than 35 years of global experience in banking and finance.



BUSHRA ALSHEHHI

Group Chief HR Officer & Chairman of Kawader

As the Group Chief of Human Resources & Chairman of Kawader at ADIB, Bushra leads HR strategy and operations, with a strong focus on advancing Emiratisation and fostering a positive workplace culture. With over 20 years of experience in both public and private sectors, Bushra is recognised for driving initiatives that enhance employee engagement, development, and recruitment. Bushra's career spans both public and private sectors, including her tenure at the Abu Dhabi Department of Economic Development, where she led HR planning and recruitment. Bushra holds a master's degree in human resources from the New York Institute of Technology and is CIPD certified.

External Interests

- Chairman of Kawader Services LLC
- Board Member of MPM Properties LLC

1.4 EXECUTIVE MANAGEMENT PROFILE



DUANE MAXWELL

Acting Group Head of Compliance

Duane Watson Maxwell brings over 25 years of experience in financial services, specialising in compliance, governance, and regulatory frameworks. Duane joined ADIB in 2016 from the UK where he had held senior compliance roles in banking and insurance including Lloyds Bank, AIG, Barclays and HSBC. Within ADIB, Duane has held roles in Group Compliance and Corporate Governance Departments. As the ADIB Acting Group Head of Compliance, Duane's primary responsibility is oversight of the bank's adherence to applicable regulatory rules, standards and the bank's internal compliance policies, and to provide assurance to the Bank Audit Committee.



DR. GHAITH MISMAR

General Counsel & Board Secretary

Dr. Ghaith Mismar serves as the General Counsel at Abu Dhabi Islamic Bank (ADIB), overseeing the bank's legal affairs, corporate governance and collections, ensuring compliance with regulatory standards. He joined ADIB in 2014 with extensive experience of over 35 years where he held significant roles in the legal sector, including positions at prominent financial institutions. His extensive experience in banking and finance law has been instrumental in shaping ADIB's legal strategies and ensuring robust governance.

External Interests

- Board Member of Burooj Properties LLC



KENNETH TAN

Group Head of Audit

Kenneth Tan was appointed as the Group Head of Audit at ADIB on the 3rd of January 2021. Kenneth is responsible for covering all audit activities across the Bank and its subsidiaries ensuring adherence with regulatory standards and internal policies. Kenneth has more than 30 years of experience in External and Internal Audit that spans across various leadership positions in the financial sector acquired through roles with Standard Chartered Bank, Citigroup, Goldman Sachs and PricewaterhouseCoopers.

He is a qualified Chartered Accountant (FCA) with the Institute of Chartered Accountants in England & Wales (ICAEW) as well as the Institute of Singapore Chartered Accountants (ISCA). He has also passed the exams leading to the following professional qualifications: Associate Corporate Treasurer (ACT), Certified Financial Risk Manager (FRM) and Certified Information Systems Auditor (CISA).



MAHER AL RUZ

Group Chief Customer Officer

Maher Al Ruz is the Group Chief Customer Officer at Abu Dhabi Islamic Bank (ADIB), heading Customer Excellence Group. With more than 30 years of banking experience across different divisions, including 27 years with ADIB, Maher leads customer experience, complaints management and resolution; proactively addressing customer pain points and driving service improvements across all touchpoints for the entire organisation. Additionally, Maher oversees the implementation of Consumer Protection regulations across all products and services ensuring compliance to market conduct obligations.

With a strong commitment to enhancing the customer experience and focusing on customer-centricity and process efficiency, Maher and his team are dedicated to identifying the root causes across all digital and conventional channels and implementing innovative solutions. The team provides service-related insights that help the bank better predict and understand customer needs.



METHA AL HASHMI

Group Chief Credit Officer

Metha Al Hashemi is the Group Chief Credit Officer at Abu Dhabi Islamic Bank. In her role, Metha chairs the independent Group Credit Management function which supports all ADIB's businesses including banking services for retail customers, small and medium sized businesses, corporates and international financial institutions. Metha has over 25 years of experience in the banking industry, predominantly in Credit and Risk management. She joins ADIB from Emirates NBD Group where she held leadership positions including Chief Risk Officer for Emirates Islamic and Chief Credit Officer, Group Credit for Emirates NBD. Metha is a Board member of Abu Dhabi National Takaful.

External Interests

- Metha is a Board member of Abu Dhabi National Takaful.



MOHAMMED AL FAHIM

Acting Global Head of Wholesale Banking Group

Mohammed Al Fahim is the Acting Global Head of Wholesale Banking Group. With 23 years of banking experience, he has held diverse leadership roles in various banks, demonstrating his extensive expertise in the field. In his current position, Mohammed oversees the execution of high-profile Corporate Finance and Capital market transactions. Prior to his current role, Al Fahim served as the Regional Head of Corporate Banking, responsible for corporate banking in Abu Dhabi including trade and industrial sector, services sector, and government sector. He was also responsible for commercial real estate, and commercial banking business.

External Interests

- Chairman of Burooj Properties LLC
- Board Member of MPM Properties LLC



DR. OSAÏD KILANI

Global Head of Shari'a

Dr. Osaïd Kilani serves as the Global Head of Shari'a at Abu Dhabi Islamic Bank (ADIB). In this capacity, he oversees the bank's Shari'a compliance and governance, ensuring that all financial products and services adhere to Islamic principles. Through his work, Dr. Kilani continues to contribute significantly to the advancement of Islamic finance, ensuring that ADIB remains at the forefront of ethical and Shari'a-compliant banking practices. Dr. Kilani has been instrumental in promoting innovation within the Islamic finance sector. He has played a pivotal role in organising the Ethical Finance Innovation Challenge and Awards (EFICA), an initiative by ADIB to recognise and reward innovative ethical financial solutions.



SULIMAN AL RAEÏ

Group Head of Internal Shari'a Audit

Suliman Al Raeei, Group Head of Internal Shari'a Audit, as well as Vice Chairman of the Shari'a Audit Committee at the UAE Banks Federation besides several audit committees for a number of Islamic companies and financial institutions. Holds extensive global academic and practical experience in Islamic banking and Takaful insurance. Over 25 years in the areas of product development, finance structuring, syndicated financing, investment instruments, portfolios and sukuk. In addition to Shari'a supervision and governance and Shari'a auditing. As an expert in the field of internal and external Shari'a auditing, he played a vital role in establishing the Internal Shari'a Audit Group of ADIB Group, initiating and developing an advanced methodology for the internal Shari'a audit work of ADIB Group.



TALHA KARIM

Group Chief Risk Officer

Talha Karim was appointed as ADIB's Group Chief Risk Officer in March 2024, with over 27 years of experience in risk management within the banking sector working across both developed and emerging markets. Prior to joining ADIB, he was the Chief Risk Officer at Commercial International Bank (CIB) of Egypt. He has been working in the Middle East since 2001 and spent close to 8 years in Bahrain with Bank ABC. In his current role, Talha oversees the bank's diverse and dynamic portfolio, encompassing all financial and non-financial risks. He is a member of the executive committee and other management committees and attends the relevant board sub-committees.

1.5 GROUP CORPORATE GOVERNANCE FRAMEWORK

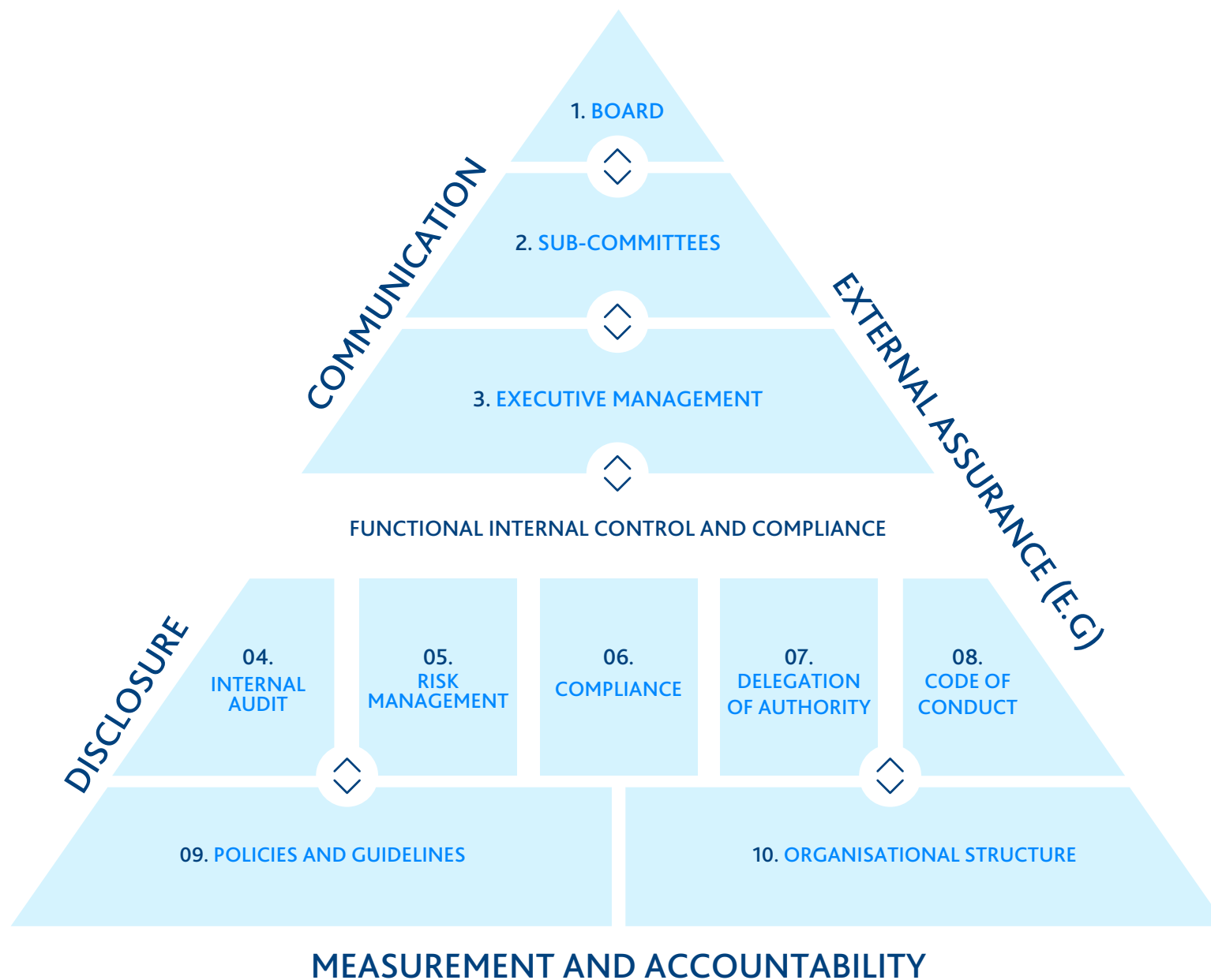
The foundation of ADIB's consistent history of significant operational and financial success has been its commitment to a solid corporate governance culture. The faith and confidence that ADIB's investors, clients, business partners, and communities have in the Bank is strengthened by its dedication to honesty and a disciplined culture. Its growth strategy and long-term goals are based on this dedication.

ADIB has embedded a robust corporate governance framework in line with CBUAE Corporate Governance Regulations No. 83 / 2019 to support a resilient high performing and accountable culture to enable achievement of long term financial and franchise growth. The Framework is implemented across the Group's entities to provide confidence to our stakeholders to continue investing in the institution. To promote collaboration and alignment, the governance framework is implemented by intra-group service level agreements, group-wide policies, delegation to management committees and effective representation on the boards of ADIB's subsidiaries and entities.

ADIB regularly reviews its policies, focusing on corporate governance, risk management, internal controls, compliance, internal audit, financial reporting, external audit, and outsourcing, to ensure they meet regulatory requirements. Find the Policies, Procedures, and Charters reviewed during 2024 by the Board and Board Committees:

- Credit Risk Policy
- Credit Loss Provisioning Policy
- Outsourcing Policy Update
- Fraud Investigation Policy
- Counterparty Credit Risk Policy
- Trading Strategy
- Funding Strategy /Liquidity Strategy
- Risk Appetite Policy
- Risk Governance Framework
- Global Information Security Policy
- BCM Policy
- Liquidity Policy
- PRRBB Policy
- Market Risk Policy
- Trading book vs Banking book classification standard
- Stress Testing Policy
- ICAAP Policy
- Valuers Selection Policy
- ESG Risk Policy
- Recovery Plan
- Model Risk Management Policy
- Model Data Management Policy
- Treasury Investment Strategy
- Global Retail Credit Policy Manual
- Internal Capital Adequacy Assessment Process (ICAAP 2023)
- Investment Policy
- Contingency Funding Plan Policy
- Hedging Policy
- ORM Policy and Framework
- ALM Policy
- Pillar 2 Concentration Risk Methodology
- Macro-economic stress test
- Sustainability Finance Framework
- Intraday liquidity standard
- Operational Risk RWA - Migration to the Standardised Approach
- Delegation of Authority Framework
- ISSC Charter
- ESG Committee Charter
- Small Business Finance policy enhancement
- Staff finance policy
- Unpaid leave policy

COMPONENTS OF ADIB CORPORATE GOVERNANCE FRAMEWORK



01 BOARD

The Board is responsible for setting the strategic direction and goals for an organisation and to provide effective oversight management on the execution and achievement of those goals through the setting and monitoring of performance expectations.

02 BOARD COMMITTEES AND MANAGEMENT COMMITTEE

The Board establishes committees to assist in discharging its responsibilities effectively and efficiently. Management Committees are responsible for ensuring good governance and that effective systems and processes are in place to shape, enable and oversee the management of ADIB.

03 EXECUTIVE MANAGEMENT ("MANAGEMENT")

Management personnel are appointed by the Board/Committee to implement processes and to execute day to day affairs in accordance with the strategic direction, tone and expectations set by the Board.

04 INTERNAL AUDIT

To provide a level of monitoring activity over risks and to support in the identification of process improvements and efficiency gains.

05 RISK MANAGEMENT

The Risk Management Framework establishes expected business practices for the effective identification, assessment and management of risk.

06 COMPLIANCE

To promote ethical conduct and compliance with rules, regulations and internal standards that govern how ADIB conducts its business.

07 DELEGATION OF AUTHORITY

A delegation of authority is established to delegate the Board's authority and powers downward and to assist employees in understanding their authority to make decisions on behalf of the organisation. The above facilitates effective and accountable decision making and reduces ambiguity.

08 CODE OF CONDUCT

A code of conduct establishes a common understanding of the standards of behaviour and values expected of all Board members and employees.

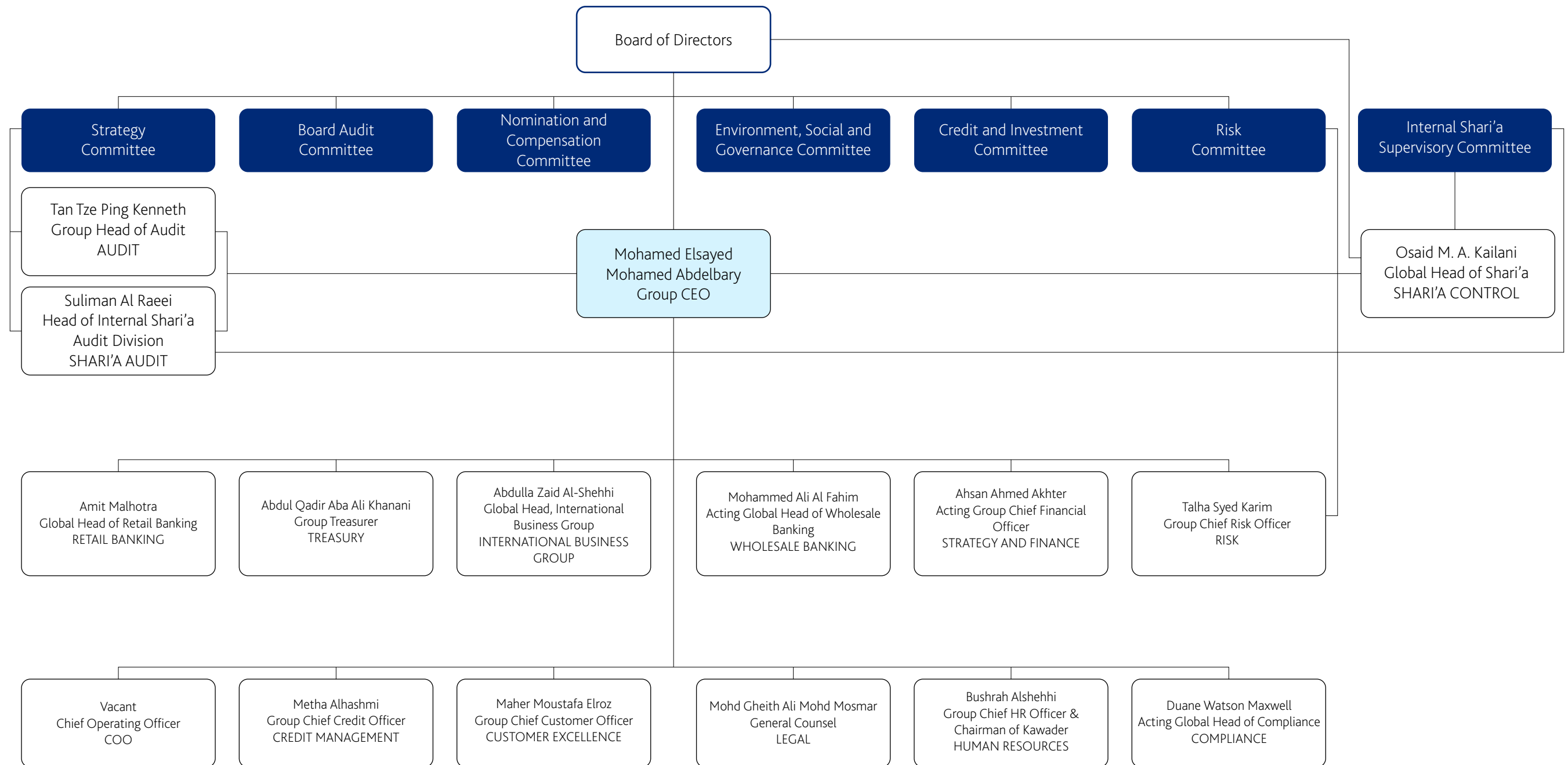
09 POLICIES AND GUIDELINES

Policies and guidelines are established to allow ADIB employees to clearly understand their roles and responsibilities and to guide all major decisions making processes and actions within predefined limits.

10 ORGANISATIONAL STRUCTURE

ADIB structure should reflect the organisation's main operational objectives and do so in a coherent way while at the same time being flexible enough to respond to changes in the ADIB's strategy or mission.

1.6 GOVERNANCE STRUCTURE



* Group Chief Risk Officer primarily reports to the BRC and a secondary executive reporting line to the Group CEO.

** Global Head of Compliance reports directly to the Group CEO and has direct access to the Board Audit Committee.

A strong and effective governance structure requires continuous oversight, a strong tone from the top, and a comprehensive understanding of the regulatory landscape. ADIB's governance framework is built on a foundation of a capable and dedicated Board, supported by specialised Board Committees tasked with executing their mandates to uphold the highest standards of governance.

Under the leadership of the Group Chief Executive Officer (GCEO), the Management Executive Committee—comprising the Bank's Executive Management—drives the implementation of the Board's strategic direction. This structure ensures a clear division of responsibilities, enabling alignment across all governance layers while fostering accountability and operational efficiency. Together, these components form a cohesive governance framework that reflects ADIB's commitment to transparency, resilience, and regulatory compliance.

1.7 BOARD OVERSIGHT OF ADIB GROUP ENTITIES

ADIB's governance framework is designed to provide robust oversight on its international branches, subsidiaries, and affiliates while maintaining the autonomy of each legal entity. This framework ensures compliance with regulatory requirements in all jurisdictions where ADIB operates and is regularly reviewed to address the evolving regulatory environment and the growing complexity of the Group's operations.

Throughout 2024, the Board fulfilled its oversight responsibilities for ADIB Group entities through a structured, multi-layered approach. Primary oversight was achieved by approving the nomination of ADIB representatives to the boards of Group entities. These representatives play a pivotal role in ensuring alignment with ADIB's strategic objectives and governance principles. They report to the GCEO, who provides regular updates to the Board, ensuring transparency and accountability.

Furthermore, the Board also implemented secondary oversight mechanisms under the delegated authority of the GCEO. This included empowering management committees and Group Heads to monitor and guide the activities of subsidiaries and affiliates. These mechanisms were supported by structured tools such as joint steering committees, service level agreements, oversight framework agreements, and mutual participation in management committee meetings. Together, these tools ensure the effective monitoring of principal risks, adherence to governance standards, and alignment with the Group's broader objectives. By integrating these oversight layers, ADIB ensures cohesive governance across its entities while preserving operational flexibility. This approach reflects ADIB's commitment to regulatory compliance, operational consistency, and sustainable growth, further enhancing its reputation as a resilient and forward looking institution.

The following is a list of Group entities including International Branches, UAE and international subsidiaries and affiliates:

Name	Activity	Country of Incorporation	Percentage of Holding (2024)
List of Subsidiaries			
Abu Dhabi Islamic Bank – Egypt (S.A.E)	Islamic Banking	Egypt	53%
Abu Dhabi Islamic Securities Company LLC	Equity brokerage Services	United Arab Emirates	95%
Burooj Properties LLC	Real estate investments	United Arab Emirates	100%
MPM Properties LLC	Real estate services	United Arab Emirates	100%
ADIB Invest I	Equity brokerage services	BVI	100%
Kawader Services LLC	Manpower supply	United Arab Emirates	100%
ADIB (UK) Limited	Other services	United Kingdom	100%
ADIB Capital Ltd	Funds Services	United Arab Emirates	100%
Fractionalised Sukuk Holding Limited	Special purpose vehicle	United Arab Emirates	100%
ADIB Sukuk Company II Ltd	Special purpose vehicle	Cayman Islands	-
ADIB Capital Invest 2 Ltd	Special purpose vehicle	Cayman Islands	-
ADIB Capital Invest 3 Ltd	Special purpose vehicle	Cayman Islands	-
Associates			
Abu Dhabi National Takaful PJSC	Islamic insurance	United Arab Emirates	42%
Bosna Bank International D. D	Islamic banking	Bosnia	27%
The Residential REIT (IC) Limited	Real estate fund	United Arab Emirates	29%
Joint Ventures			
Saudi Finance Company CSJC	Islamic Retail Finance	Kingdom of Saudi Arabia	51%
Abu Dhabi Islamic Merchant Acquiring Company LLC	Merchant acquiring	United Arab Emirates	51%

International Branches & Subsidiaries

ADIB Egypt	International Banking Branches
Khalifa Almheiri - Non-Executive Chairman	ADIB Qatar
Bassam El Hage - Non-Executive Member	ADIB Iraq
Mohammed Aly - Executive Member	ADIB Sudan
Affiliates	Joint Venture & Strategic Investments
Abu Dhabi National Takaful	Saudi Finance Company
Khalid Almansoori - Non-Executive Member	Khalid Almansoori - Vice Chairman
Meitha Alhashemi - Non-Executive Member	Abdulla Al Shehhi - Member
Abdulla Al Shehhi - Non-Executive Member	Ibrahim Al Mansoori - Independent Member
Bosnia Bank International	Abdulrahman AlAnqari-Independent Member
Abdulla Al Shehhi - Vice Chairman	

Details on Key Subsidiaries:

Abu Dhabi Islamic Securities LLC (ADIB Securities) - Overview

ADIB Securities is a subsidiary regulated by Securities and Commodities Authority (SCA). ADIB has 95% ownership of ADIB Securities. The separation between financial services companies such as Brokerage firms and Banks is mandatory in UAE. To satisfy regulatory requirements; a board of directors must be appointed for the company.

Board of Directors				
#	Name	Role	Representing	Position in ADIB
1	Amit Malhotra	Chairman	ADIB PJSC	Global Head of Retail Banking
2	Amer Alameri	Vice Chairman	ADIB PJSC	Head of Private Banking
3	Sultan Al Marzouqi	Member	ADIB PJSC	Head of Credit Initiation

Kawader Services LLC - Overview

Kawader is the outsourcing arm of ADIB, it manages and employs some employees for ADIB, in addition to managing the outsourced employees and the agencies managing them.

Board of Directors				
#	Name	Role	Representing	Position in ADIB
1	Bushrah Abdullah Alshehhi	Chairman	ADIB PJSC	Group Chief HR Officer & Chairman of Kawader
2	Mohamed Abdelbary	Member	ADIB PJSC	Group Chief Executive Officer (GCEO)
3	Fahad Alkhoori	Member	ADIB PJSC	Head of HR Operations

ADIB Capital Limited - Overview

Established in the Dubai International Financial Centre (DIFC) and regulated by the Dubai Financial Services Authority (DFSA); ADIB Capital is 100% owned Asset Management business subsidiary involved in arranging deals, advising on financial products, managing collective investment funds and arranging and advising on credit relating to the management of Shari'a - compliant investment vehicles.

Board of Directors				
#	Name	Role	Representing	Position in ADIB
1	Najib Fayyad	Chairman	ADIB PJSC	ADIB Board Member
2	Mohamed Abdelbary	Member	ADIB PJSC	Group Chief Executive Officer (GCEO)
3	Bassam El Hage	Member	ADIB PJSC	Subject Matter Expert – ADIB Board Audit Committee
4	Amit Malhotra	Member	ADIB PJSC	Global Head of Retail Banking

MPM properties is a wholly owned subsidiary of Abu Dhabi Islamic Bank and currently manages over 20,000 properties across the U.A.E. MPM is a Sharia 'a - compliant company with key offices in Abu Dhabi, Al Ain, Dubai and Sharjah with a team of over 100 staff offering various services including: Property Management, Project Management, Facility Management, Valuation, Research, Development & Investment Consulting, Corporate Real Estate Solutions, Investment Sales & Acquisitions, Residential Sales Brokerage & Leasing and Commercial Leasing.

Board of Directors				
#	Name	Role	Representing	Position in ADIB
1	Khalid Almansoori	Executive Chairman	ADIB PJSC	Executive Chairman of MPM
2	Mohamed Abdelbary	Vice Chairman	ADIB PJSC	Group Chief Executive Officer (GCEO)
3	Mohammed Ali Al Fahim	Member	ADIB PJSC	Acting Global Head of Wholesale Banking Group (WBG)
4	Bushrah Abdullah Alshehhi	Member	ADIB PJSC	Group Chief HR Officer & Chairman of Kawader
5	Omar Mohamed Shariff	Member	ADIB PJSC	Senior Counsel Group Legal -Retail & General Legal Services

Burooj Properties was established in 2005 as a wholly owned subsidiary of Abu Dhabi Islamic Bank. Burooj has built a strong reputation for developing fully integrated communities, offering premium real estate services (property selling, property management and property development) to deliver value to investors.

Board of Directors				
#	Name	Role	Representing	Position in ADIB
1	Mohammed Ali Al Fahim	Chairman	ADIB PJSC	Acting Global Head of Wholesale Banking Group (WBG)
2	Mohamed Abdelbary	Vice Chairman	ADIB PJSC	Group Chief Executive Officer (GCEO)
3	Dr. Ghaith Mismar	Member	ADIB PJSC	General Counsel
4	Khalid Almansoori	Member	ADIB PJSC	Executive Chairman of MPM
5	Abdulla Ghuloom Al Attar	Member	ADIB PJSC	Head of Administration

2. BOARD GOVERNANCE

2.1 BOARD COMPOSITION

ADIB's Board of Directors composition adheres to the regulatory guidelines of the SCA and CBUAE, ensuring effective governance and representation. The key elements of the Board's composition include:

Gender Diversity: Reflecting national gender diversity goals and regulatory requirements, ADIB appointed Ms. Maha Mohammad Al Qattan as a Board Director in March 2022. Through her appointment, female representation in the Board is now 14%, demonstrating the Bank's commitment to fostering gender diversity at the highest levels. This commitment extends across the organisation, with women comprising 39% of ADIB's workforce.

Independence: All Board members are non-executive directors, with a majority (5 out of 7) classified as Independent, meeting stringent independence criteria to ensure objectivity and alignment with best governance practices in accordance with the ADIB's Director's Independence Guideline and relevant governance regulations.

Local Representation: The Chairman and a majority of the Board members (5 out of 7) are UAE Nationals, reflecting regulatory requirements and the Bank's commitment to local representation and leadership.

Skills and Expertise: ADIB's Board brings together a broad and diverse skill set, enabling it to effectively guide the Bank's strategic direction. Members possess expertise across key areas, including risk management, strategic planning, capital markets, financial analysis, Shari'a compliance, governance, sustainability and ESG, and digital and technological innovation. The Board is also committed to continuous professional development, ensuring its leadership capabilities remain aligned with the evolving needs of the Bank and the financial sector with a dedicated training and awareness program.

Skills and Qualification: All Board appointments follow ADIB's Guideline for Nominee Directors and Directors Selection Policy and procedures. This rigorous process evaluates candidates' qualifications, experience, integrity, and independence, ensuring they are well-equipped to fulfil their responsibilities and fiduciary duties.

Board Member	Tenure
Abdul Wahab Al Halabi	3
Abdulla Ali Musleh Jumhour Al Ahbabi	6
Faisal Sultan Naser Salem Al Shuaibi (Vice Chairman)	6
H.E. Jawaan Awaidha Suhail Al Khaili (Chairman)	17
Maha Mohammad Juma Abdel Rahman AlQattan	3
Najib Youssef Fayyad	6
Khalifa Matar Khalifa Saif AlMheiri	9

2.2 BOARD LEADERSHIP AND GOVERNANCE

The Board is chaired by H.E. Jawaan Awaidha Suhail Al Khaili, a Non-Executive Chair responsible for ensuring its effectiveness and leadership.

As the Chairman his key responsibilities include:

- Acting as the primary representative of the Board in interactions with senior management, shareholders, and regulators.
- Promoting informed decision-making and fostering an environment where critical discussions and dissenting views are encouraged.
- Ensuring sound governance practices in line with the Board Charter.

Further, each Board member's role is clearly delineated, as are their joined responsibilities, facilitating collective responsibility for effective decision-making.



2.3 BOARD SELECTION, APPOINTMENTS AND RE-APPOINTMENTS

The appointment and reappointment of Directors at ADIB are governed by the Corporate Governance Code, the Director's Code of Ethics, the UAE Commercial Companies Law, and the Bank's Articles of Association. Directors are elected by an Ordinary Resolution passed by shareholders during the General Assembly Meeting (GAM) and are subject to approval by the CBUAE. The Board Nomination and Compensation Committee (NCC) oversees the process, ensuring that candidates meet the qualifications outlined in ADIB's Guideline for Nominee Directors and Directors Selection Policy and procedures. Candidates are assessed based on their professional expertise, including financial markets, governance, and risk management, as well as their independence, integrity, and availability to commit adequate time to Board responsibilities. Furthermore, in accordance with regulatory requirements, at least 20% of the candidates considered for Board appointment are women, reflecting ADIB's dedication to fostering gender diversity.

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DURING THE YEAR 2024, NO NEW APPOINTMENTS OR RE-APPOINTMENTS WERE MADE TO ADIB BOARD.

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In the event of a vacancy in the Board, the NCC is required to identify and propose a suitable replacement within 30 days, in line with the Articles of Association and Corporate Governance Code. The proposed appointee assumes the role on an interim basis and is formally elected at the subsequent GAM to confirm their position.

The NCC regularly reviews the composition of the Board to ensure it reflects the optimal mix of skills, expertise, and diversity needed to navigate the complexities of the financial sector, meet stakeholder expectations, and comply with regulatory requirements. This ensures that ADIB's Board remains equipped to provide effective leadership, governance, and strategic oversight.

Succession Planning

ADIB has a succession planning process, and the Board acted swiftly to appoint representatives on the boards of Group Entities whenever a vacancy arose during 2024.

2.4 EXTERNAL DIRECTORSHIPS

ADIB adheres to strict guidelines regarding external directorships, as defined by the Director's Conflict of Interest Policy. The policy ensures that external commitments do not conflict with ADIB Board responsibilities.

Key provisions include:

- Director may hold memberships in the boards of up to five (5) Public Joint Stock Companies ("P.J.S.C.") in the UAE, to include P.J.S.C.s inside the banking Group.
- A Director may hold memberships in the Board of only one (1) bank in the UAE and up to four (4) banks outside the UAE.
- External appointments require prior Board approval and must not create any conflict of interest.
- Directors must annually confirm they have sufficient time available to manage the time commitments required from the role in the Group.
- The Board Secretariat monitors compliance, maintaining transparency and alignment with regulatory expectations.

2.5 BOARD INDUCTION, TRAINING & AWARENESS PROGRAM

Board Induction

The NCC ensure that newly appointed Board Members undergo a comprehensive orientation to ensure their alignment with their fiduciary responsibilities. This process is given the necessary resources, in regard to time, and monetary or non-monetary resources. This induction fully informs new members on their rights, duties, and responsibilities. The Group's corporate strategies, financial profile, risk management, compliance and governance activities are all included. Further, the Director Code of Conduct is addressed, along with that of the Group employees. Any regulatory compliance information is also accounted for.

Board Trainings & Awareness Program

During 2024, the Board demonstrated willingness and capability to be kept fully informed in areas essential to making a significant contribution to overall board governance by attending awareness sessions. The Program was designed based on an assessment of the external environment including corporate governance trends, regulator focus mapped against ADIB's Group structure and strategy. Training sessions were also delivered by external consultants during committee meetings. Further, the Corporate Governance Department provided Director's Induction Packs to new Directors on the Boards of subsidiaries and affiliates.

The following training sessions were held:

- Induction model for Board, ADIB Representatives on Boards of Subsidiaries, JVs and Affiliates & Senior Management.
- Principal Risks Management & International Financial Reporting Standards (includes IFRS & ESG)
- Compliance (delivered via Group Compliance)
- Shari'a Governance Standards (delivered by Shari'a Control)
- Succession Planning.

2.6 BOARD EVALUATION FOR EFFECTIVENESS

The ADIB Board is committed to maintaining and enhancing its effectiveness through a structured and comprehensive performance evaluation process conducted annually in accordance with the Board Assessment Policy. The responsibility for the evaluation has been delegated to the NCC, which conducts the process under the guidance of the Board Chairman and with support from the Board Secretary. This annual evaluation encompasses the performance of the Board as a whole, its committees, and individual Directors.

The evaluation focuses on critical areas, including:

- Board structure and composition.
- Strategic oversight and alignment with the Bank's objectives.
- Governance and internal controls.
- Risk management and compliance.
- The effectiveness of Board Committees in fulfilling their mandates.

In addition to the annual internal assessment, ADIB engages an independent external consultant every three to five years to provide an objective evaluation of the Board's performance, as mandated by CBUAE regulations. This external review benchmarks the Board against global best practices and identifies actionable improvements. The findings are reviewed by the NCC, which ensures that recommendations are implemented effectively. The Corporate Governance department monitors progress on the resulting action plans to ensure continuous improvement in governance practices.

In line with the Board Assessment Policy, the periodic evaluation of the Board for 2024 highlighted several areas of good governance and opportunities for further enhancement.

BOARD EVALUATION FOR EFFECTIVENESS 2024

The Board of Directors conducts annual evaluations to assess its performance and governance effectiveness in alignment with the Board Assessment Policy.

The 2024 evaluation focused on assessing the strength and resilience of corporate governance practices across five key areas:

- Board Structure and Practices
- Strategic Planning and Performance
- Governance and Internal Controls
- Risk Management
- Board Committee Structures and Practices

The evaluation highlighted key achievements, including a well-aligned governance framework, effective oversight structures, and a commitment to continuous improvement.

Highlights of the Evaluation

Board Structure and Practices

The evaluation reaffirmed that the Board is composed of individuals with diverse expertise and skills, ensuring effective governance. Processes for member selection, conflict of interest management, and ongoing training are robust and continuously refined. Independent evaluations are conducted every five years to benchmark against industry standards, reinforcing best practices.

Strategic Planning and Performance

The Board continues to demonstrate strong strategic oversight, with clear objectives and actionable plans. Strategic initiatives are regularly reviewed, and performance metrics are aligned with the Bank's long-term goals. The Board's approach emphasises balancing risks and rewards to support sustainable growth.

Governance and Internal Controls

Governance and internal controls remain a cornerstone of the Bank's operations.

The evaluation noted:

- A well-defined and periodically updated Corporate Governance Framework.
- Effective oversight of succession planning and adherence to the Code of Ethics.
- Streamlined decision-making processes supported by timely and well-prepared materials.

Risk Management

The Board's active engagement in risk oversight was underscored by:

- A comprehensive Risk Governance Framework aligned with the Bank's risk appetite.
- Enhanced reporting mechanisms that provide clear visibility of enterprise risks.
- Periodic reviews and discussions to ensure alignment with strategic objectives.

Board Committee Structures and Practices

Board Committees were assessed as effective and well-structured, with clearly defined roles, responsibilities, and reporting mechanisms. Regular performance assessments and timely escalation of key risks and issues were noted as areas of strength.

Commitment to Continuous Improvement

Opportunities for enhancement identified during the evaluation are being actively addressed through action plans and performance improvement initiatives. These efforts ensure that the Board remains adaptive to evolving challenges and well-positioned to support ADIB's strategic goals.

2.7 GOVERNANCE CULTURE

Board Management of Corporate Culture

ADIB places significant emphasis on fostering a strong corporate culture that reflects its core values of transparency, accountability, and Shari'a compliance. Under the leadership of the Board, the GCEO and Senior Management play an instrumental role in embedding this culture across the organisation by modelling ethical behaviour and ensuring adherence to the Group Code of Conduct.

The Bank has established robust mechanisms, including Whistleblowing policies and Conflict Management frameworks, to empower employees and stakeholders to report any violations of ethical standards confidentially and without fear of retaliation. Disciplinary actions are enforced as necessary to uphold the Bank's values and maintain the highest standards of integrity.

Employee Code of Conduct

All employees at ADIB are required to adhere to a comprehensive Group Code of Conduct that sets clear expectations for ethical behaviour and integrity. The Code mandates employees to avoid conflicts of interest with the Bank, its customers, and suppliers. In instances where a conflict arises, employees must promptly inform their line manager to ensure that appropriate measures, such as reassigning the transaction or account management to another employee, are implemented.

In specific cases, employees must obtain prior approval from Group Compliance for certain transactions, ensuring transparency and governance. Additionally, employees are obligated to annually disclose personal interests, including dealings with third parties connected to the Group, reinforcing accountability and alignment with the Bank's ethical standards.

Whistleblowing

ADIB Group entities are committed to fostering a culture where employees feel empowered to raise concerns when something does not feel right. This commitment, embedded in the Group's values, ensures employees can report issues confidently, knowing that appropriate action will be taken.

A variety of confidential channels are available for employees to report concerns, including:

- The Group's confidential whistleblowing platform
- Dedicated email and hotline for whistleblowing inquiries

ADIB Group entities adheres to leading international practices by conducting all business activities with honesty, integrity, and compliance with applicable laws against corporate wrongdoing, corruption, fraud, and bribery. Employees across the Group are expected to uphold the highest ethical standards and report any suspected or actual misconduct in good faith.

To support this, the Board has implemented a robust Whistleblowing Policy, establishing clear protocols for addressing concerns. The Board Audit Committee (BAC) is responsible for overseeing the policy's effectiveness and ensuring its consistent application throughout the organisation.

Heads of Department are tasked with ensuring that their teams are well-informed about the Whistleblowing Policy and process. Any training needs arising from the policy's application are addressed through induction programs and mandatory annual e-learning refresher courses, ensuring an adequate level of awareness across all employees.

By maintaining strong governance practices and providing accessible, confidential reporting channels, ADIB demonstrates its unwavering commitment to integrity, transparency, and accountability across all levels of the organisation.



2.8 CONFLICTS OF INTEREST

ADIB is committed to maintaining the highest standards of governance by effectively identifying, disclosing, and managing conflicts of interest. To this end, the Bank has implemented a comprehensive Director's Conflict of Interest Policy, ensuring that any actual, potential, or perceived conflicts involving Directors are addressed in the best interests of the Group, its shareholders, and other stakeholders.

Directors are required to disclose all actual or potential conflicts of interest upon their appointment and on a quarterly basis thereafter. These disclosures, submitted through written declarations, are reviewed by the Board, which ensures that other commitments of the Directors do not conflict with their duties. Where conflicts arise, the Board ensures appropriate policies and controls are in place to mitigate associated risks.

Transactions or arrangements in which a director or a related party has a potential interest are presented to the Board for review and approval. Any Director with a conflict in relation to such matters is required to declare the nature of the conflict at a Board meeting, and this is duly recorded in the meeting minutes. To preserve the integrity of the decision-making process, the conflicted Director is recused from participating in discussions or voting on the relevant resolutions.

The Board Secretary maintains a Register of Interests, which documents all declarations made by the Directors. This register is regularly reviewed to ensure transparency and compliance with ADIB's governance framework. Additionally, the policy ensures that Directors avoid any activities or engagements that could create conflicts and, when in doubt, promptly disclose such matters to the Board or the Board Secretary for resolution.

2.9 RELATED-PARTY TRANSACTIONS

Significant transactions with related parties during the year 2024 and compensation of key Senior Management personnel are included in the consolidated income statement of the Financial Statements. During the 2024 business cycle the Board approved significant transactions with related parties including the Group Entities, entities with connections to directors and senior executive management, on the recommendation of the Credit and Investment Committee, in line with established policies and procedures.

2.10 ACCESS AND REPORTING TO THE BOARD COMMITTEES

The Group Head of Audit and Head of Internal Shari'a Audit reports to the BAC. The Global Head of Compliance reports to the GCEO and has access to the BAC. The Group Chief Risk Officer (GCRO) primarily reports to the BRC and has a secondary executive reporting line to the GCEO.

The roles of the Chairman and the GCEO are distinct and separate, with a clear division of responsibilities. The Chairman leads the Board and ensures the effective engagement and contribution of all directors. The GCEO has responsibility for all ADIB Group businesses, including their strategy, policy and operational management, and acts in accordance with the authority delegated by the Board.

2.11 DIRECTORS' INTERESTS & SHAREHOLDINGS

The following table shows the ownership and transactions of shares (both purchase and sale) of the Board of Directors in the securities of ADIB during the year ended 31 Dec 2024.

#	Name (English)		Name (Arabic)	ADX Investor Number	No. of shares In ADIB
1	Chairman	HE Jawaan Awaidha Suhail Al Khaili	سعادة جوعان عويضة سهيل الخيلي	UAE151002034803	64,158,605
2	Vice Chairman	Faisal Sultan Naser Salem Al Shuaibi	فيصل سلطان ناصر سالم الشعبي	UAE101004212603	-
3	Board Member	Khalifa Matar Al Mheiri	خليفة ماطر المهيري	UAE101004833803	257,381
4	Board Member	Najib Youssef Fayyad	نجيب يوسف فياض	784196630248761	-
5	Board Member	Abdulla Ali Musleh Jumhour Al Ahbabi	عبد الله علي مصلح جمهور الأحبابي	UAE151001076703	-
6	Board Member	Abdul Wahab Al-Halabi	عبد الوهاب معن الحلبي	784197425173255	-
7	Board Member	Maha Mohammad Juma Abdel Rahman Alqattan	مها محمد جمعه عبدالرحمن القطان	784198452859683	-

2.12 BOARD REMUNERATION

The Board's total remuneration paid in 2024 for the year ended 31 December 2023 was AED 16.1 million, following the approval by shareholders in the GAM held on 29 February 2024. Board member remuneration also includes an Attendance Allowance AED 3,000 for each Board Committee meeting attended.

In 2025, AED 16.1 million is proposed to be paid out to the Board of Directors as a directors' remuneration pertaining to the year ended 31st December 2024, following the approval by shareholders in the GAM held on the 10th March 2025.

3. GROUP BOARD COMMITTEES & SUBCOMMITTEES

3.1 BOARD RESPONSIBILITIES

The Board holds the ultimate responsibility for the Group, which includes authorising and supervising the execution of the Group's strategic goals, adhering to all applicable laws and regulations, and maintaining corporate culture and governance. The Board leads the formulation and execution of the Group's vision and mission and oversees the general direction, management, oversight, and control of its corporate operations. The Board is also in charge of supervising Senior Management, ensuring they execute the strategic objectives effectively and efficiently. The Board also oversees the Group's operations and financial stability and ensures that the interests of regulators, consumers, employees, shareholders, and other stakeholder groups are served. The Board carries out these duties by preserving the accuracy of the Group's financial and accounting records, establishing sufficient internal controls and monitoring the performance of the Group's business.

More specifically, the Board is responsible for:

- The Board's role is to encourage the entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. The consistent practice of high ethical standards will enhance the credibility and trustworthiness of the Group.
- The Board of Directors will provide effective governance over the Group's affairs for the benefit of its Shareholders, and to balance the interests of its diverse constituents, including its customers, employees, suppliers, regulators, local communities, and others. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Group and to comply with relevant laws, regulations, rules, and best banking practices. In discharging that obligation, Directors may rely on the honesty and integrity of the Group's senior executives and its outside advisors and auditors.
- The Board is responsible for strategic direction, management supervision and adequate controls with the ultimate objective of promoting the success and long-term value of the Group. The Board must ensure that management balances the promotion of long-term growth with the delivery of short-term objectives. The Board will review the Group's long-term strategic plans and the principal issues that it expects the Group may face in the future during at least one Board meeting each year.
- The Board should be clear about the Group's purpose and set its values and ethical standards and ensure that management behaves with integrity and that the Group's obligations to its Shareholders and other stakeholders such as customers, employees, suppliers, regulators, local communities and others are understood and met. The Board of Directors will approve and oversee the Group's strategic objectives and corporate values that are communicated throughout the Group.
- The Board will determine the corporate governance guidelines for the way in which it wants the Group to be managed and controlled. and will review and approve the corporate governance framework of the Group. In addition, the Board will establish a mechanism for monitoring Shari'a Compliance within the Group.
- The Board will ensure that there are policies and procedures to identify, avoid or manage and appropriately disclose potential conflicts of interest. Such policies will include lending to Directors and Staff of the Group, and transactions and other contractual relations between related companies or other counterparties such as Shareholders or Directors. Ultimately, the Board will seek to ensure that activities that might give rise to conflicts of interest are carried out with a sufficient degree of independence from each other. Conflicts between the personal interests of Directors and those of the Group or its customers will also be identified, managed and disclosed.
- The Board will have disclosure policies with an aim to ensure the fair and timely release of material information to the market and that such information is accurate, not misleading, complete and in line with regulatory requirements. In addition, the Board will ensure that there are policies in place that require significant information that could affect the price of its securities or an investor's decision to buy, sell or hold those securities to be disclosed promptly to the market authorities and placed on the Bank's website.
- The Board of Directors must ensure that the Group has robust corporate governance policies and processes commensurate with its risk profile and systemic importance. The Board must also establish, review and monitor the effectiveness of the Group's processes for corporate governance in accordance with the applicable regulations and best international practices, with due regard to the Group's Stakeholders and its role in the community.
- The Board must ensure to maintain a clear governance framework appropriate to the Group's operational structure and the risk that it poses. The Board must also approve policies for the delegation of authority and the actual delegations to executives, particularly in respect of the financial and administrative affairs of the Group.
- The Board must determine the nature and extent of the significant risks it is willing to undertake to achieve the strategic objectives of the Group. The Board would develop and monitor the Group's risk appetite statement, risk policies, risk limits, and ensure adherence to them.
- The Board of Directors must ensure that the Group is in full compliance with Shari'a rules and must establish a sound and effective Shari'a governance framework with the key mechanisms and functionalities to ensure effective and independent Shari'a oversight as per the requirements set out by the Central Bank and / or the Higher Shari'a Authority. The expected Shari'a governance framework is expected to incorporate a three lines of defence approach comprising the business line, the support and control functions and the internal Shari'a audit function.
- The Board must ensure that adequate resources are dedicated and provided to meet the objectives of Shari'a compliance and Shari'a governance.
- The Board, in coordination with the Internal Shari'a Supervisory Committee, must ensure the development, approval and implementation of internal policies related to the Group's compliance with Islamic Shari'a. Further, the Board shall also develop a performance assessment plan on the Internal Shari'a Supervisory Committee.

- The Board must maintain effective communication with the Internal Shari'a Supervisory Committee and ensure that meetings with the committee are held at least once per financial year.
- The Board must refer to the Internal Shari'a Supervisory Committee for all Shari'a matters related to the Group's activities, operations and code of conduct.
- The Board must ensure that the annual Shari'a report issued by the Internal Shari'a Supervisory Committee is submitted to the Higher Shari'a Authority for review and approval before sharing it with the shareholders at the general assembly.
- The Board is responsible for nominating the members of the Internal Shari'a Supervisory Committee and obtaining the Higher Shari'a Authority's approval on such members prior to presenting the nomination to the general assembly.
- The Board shall be responsible for appointing the Shari'a Controller (Head of the Internal Shari'a Audit Division) as required under the Shari'a Governance Standards as well as the Head of the Internal Shari'a Control Division.
- The Board is responsible for setting out a process to follow up on previous action points and the reporting of any breach or failure to comply. Following up on action points would help prevent any delay and manage the affairs on time.
- **Conduct Risk Oversight:** The Board is responsible overall for defining and setting out strategies, as well as managing and playing an active role in ensuring that relevant committees in general and the Board Risk Committee in particular have developed systems and procedures in place to identify and manage the conduct of the business across the Group. As part of its conduct risk supervision strategy, the Board will oversee the Risk Committee to make sure that the following strategic goals are achieved:
 - A. To take proactive steps to identify the conduct risks inherent within the business;
 - B. To encourage the individuals who work in front, middle, back office, control and support functions to feel and be responsible for managing the conduct of the business;
 - C. To provide the necessary support (broadly defined) to enable the staff to improve the conduct of the business or functions; and
 - D. To assess whether there are any other activities that should be undertaken and that could undermine strategies put in place to improve conduct.



In addition, the Board shall ensure conduct risk oversight in the following ways:

- i. Holding the senior management accountable for conduct risk failings and, accordingly, to encourage the establishment of a strong conduct risk framework as an important tool in protecting senior management from any relevant liability;
- ii. The Board Risk Committee to define the conduct risks that the Group is exposed to, such as insider dealing, conflicts of interest, product design or miss-selling, etc.;
- iii. The Board Risk Committee shall have controls in place to monitor and mitigate the conduct risk on an on-going basis;
- iv. The Board Risk Committee shall ensure that a gap analysis be conducted to assess any additional controls that need to be put in place;
- v. The Board Risk Committee shall carry out any changes that need to be made within the Group from a cultural/values perspective and ensure that it is tracked;
- vi. Establishing a clear relationship between conduct risk and business strategy;
- vii. The Group should be able to demonstrate/evidence how conduct risk matters are driving business strategy and decision making; and
- viii. Clear lines of responsibility and accountability for conduct risk should be established including a reporting line to a relevant senior manager if an individual is not a senior manager.

3.2 BOARD MEETINGS:

Statement of the Chairman of the Board:

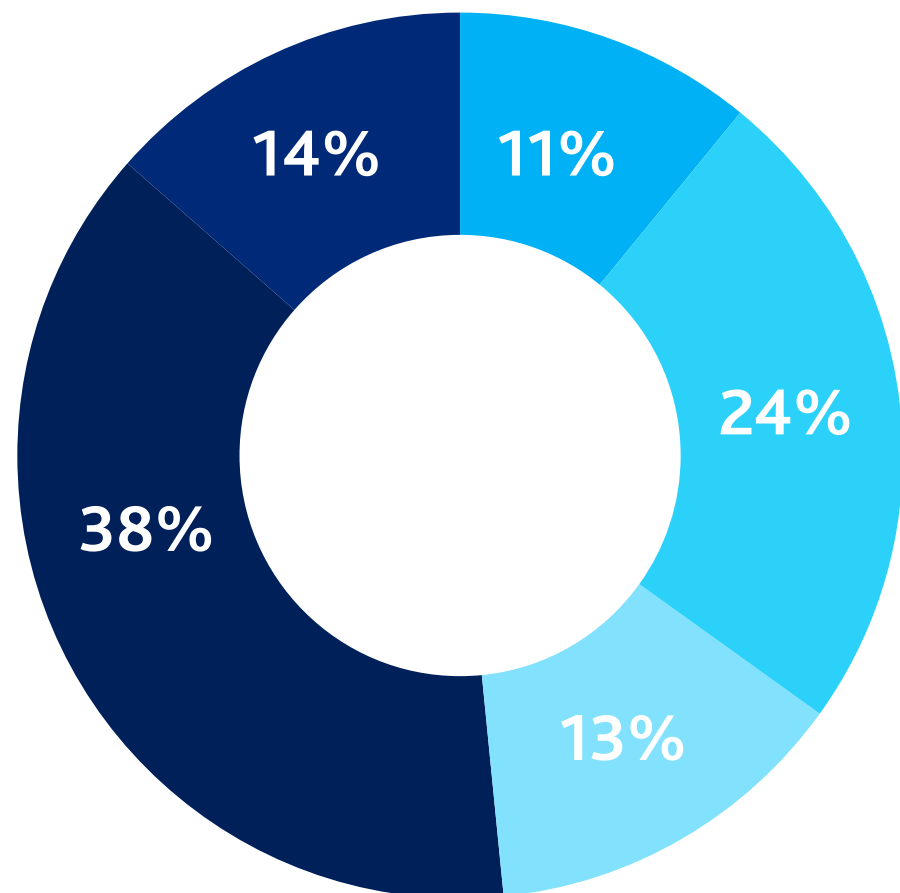
"H.E. Jawaan Awaidha Suhail Al Khaili, Chairman of the Board of Directors, acknowledges his responsibility to discharge the responsibilities of the Board of Directors under its terms of reference and ensure its effectiveness."

During 2024, the Board remained focused on guiding ADIB's strategic direction, and its committees regularly discussed topics that are fundamental to the direction of ADIB, including business performance, long-term planning, strategy, ESG, digital transformation, risk appetite and management, succession planning, and human resources.

In 2024, the Board and its committees dedicated their efforts to a robust calendar of activities reviewed over 70 meetings to address activities across risk governance, business and credit management, strategy, compensation, succession planning and the internal control framework of the Group. The Board and its committees worked assiduously to provide direction to Senior Management and set the tone for a balanced approach to performance in line with strategic objectives. The Board and its committees also invested significant efforts to enhance their effectiveness. This was achieved by way of obtaining the guidance of the CBUAE, subject matter experts and the Group's external auditors. The Board also demonstrated a willingness and capability to be kept fully informed in areas essential to making a significant contribution to overall board governance by attending awareness sessions.

Date of Board Meeting	Number of Director Attendees	Number of Board Resolutions Passed	Number of Circular Resolutions Passed
January 23, 2024	7	6	3
March 5, 2024	7	1	
April 24, 2024	7	-	
July 24, 2024	7	-	
October 30, 2024	7	1	
November 18, 2024	7	-	

TIME ALLOCATION FOR 2024 BOARD MEETINGS



- Credit Facilities
- Updates of BAC & compliance with regulatory requirements
- Shariah Governance & Oversight
- Reviewing the financial performance of the Bank, annual budget plan for the year, and business updates
- Business, operational and strategic updates

3.3 BOARD COMMITTEES DETAILS & MEETINGS

The ADIB Board has established six specialised committees to assist in carrying out its duties and ensuring effective decision-making processes. These Board Committees play a critical role in supporting the Board by distributing its workload and enabling focused oversight of the Group's operations. Through their specialised nature, the committees are able to investigate and analyse complex matters, including technological and operational issues, and recommend actions or changes for final Board approval.

Each committee is chaired by a non-executive director with relevant areas of expertise, in line with best practices and the corporate governance regulations of the CBUAE. The committees operate under clearly defined Terms of Reference (ToR), which set out their scope, responsibilities, and objectives. The committees are required to meet as frequently as necessary to fulfil their mandates, ensuring adequate time for discussions, presentations, deliberations, and decision-making.

By leveraging the expertise and active participation of committee members, ADIB's Board Committees contribute significantly to the effective governance and oversight of the Group's operations, ensuring alignment with the strategic goals and regulatory requirements.



3.3.1 BOARD STRATEGY COMMITTEE (BSC)

“Dr. Faisal Al Shuaibi, Chairman of the Board Strategy Committee, acknowledges his responsibility to discharge the responsibilities of the Strategy Committee under its terms of reference and ensure its effectiveness.”

The Strategy Committee guides ADIB's Executive Management in the execution of the Group's strategic objectives and business strategy within the limits of the Board Risk Appetite. The Committee also serves as a conduit between the Board and Senior Management on business issues. The Committee has the following major responsibilities:

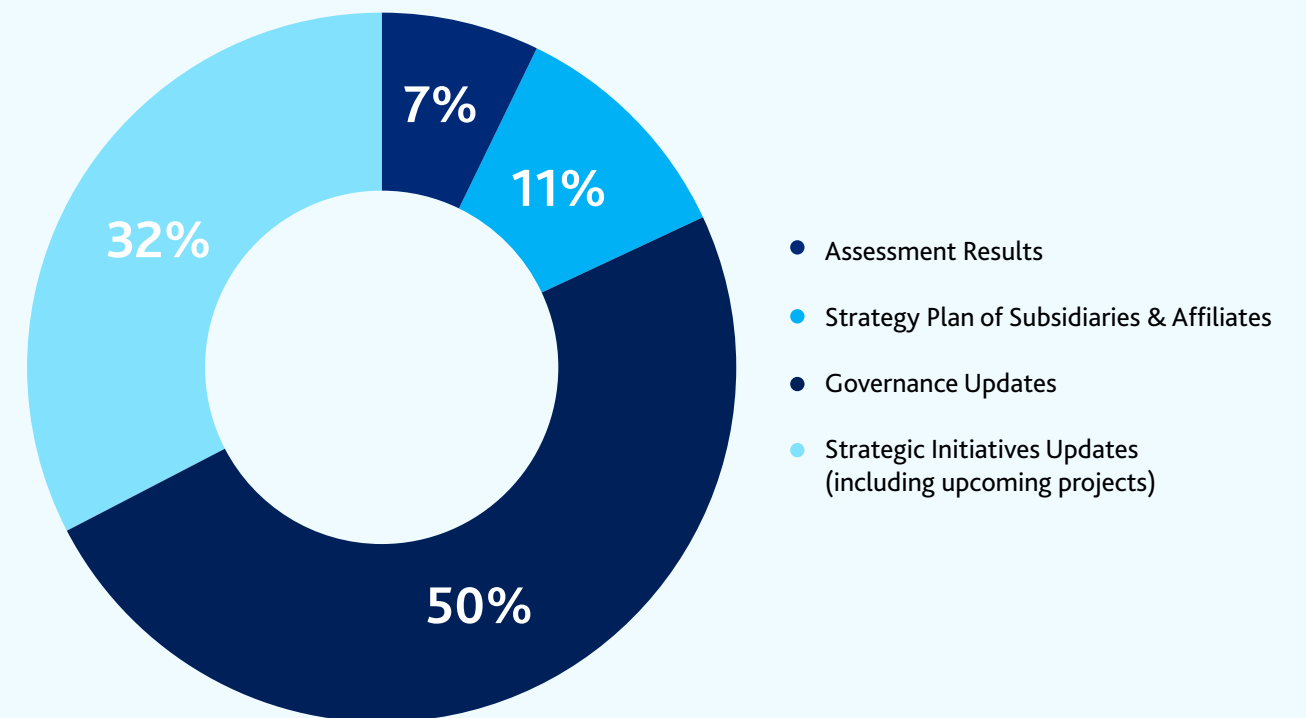
- Guide the Group's Executive Management to develop the Group's strategic objectives and business strategy.
- Conduct periodic reviews on the achievement of strategic objectives and business plans.
- Advise corrective actions wherever required.
- Act as a conduit between the Board and Senior Management on business issues.
- Review, consider, discuss, and challenge the recommendations submitted by the executive management regarding business strategy, budgets and annual plans.
- Work with management to make recommendations to the Board on the business strategy and long-term strategic objectives of ADIB, including all subsidiaries and affiliates.
- Review the financial performance of each business group on a quarterly basis and make recommendations should action be required.
- Review and recommend capital allocation within the ADIB Group to the Board
- Review the organisational structure of ADIB and make recommendations to the Board on any changes deemed necessary; and
- Review proposals from management for the establishment or disposal of branches, subsidiaries and new joint ventures, referring them to the Risk and Investment Approval Committee for final decision.

Members of the Strategy Committee:

- **Faisal Al Shuaibi – Chairman**
- **Najib Fayyad – Vice Chairman**
- **Abdul Wahab Al Halabi – Member**
- **Khalifa Al Mheiri – Member**
- **Maha Al Qattan - Member**

The BSC held 5 meetings, during the course of 2024, discussing critical points such as assessment results, governance updates, the strategic direction of upcoming projects, and the strategy plans for subsidiaries and affiliates. A significant focus was placed on prioritising the digital transformation of the bank, ensuring that technological advancements and digital initiatives were at the forefront of their strategic planning to enhance operational efficiency and customer experience.

TIME ALLOCATION FOR 2024 STRATEGY COMMITTEE MEETINGS



Date of Committee Meetings	Number of Member Attendees
January 29, 2024	5
May 6, 2024	3
August 21, 2024	5
October 15, 2024	5
November 20, 2024	5

3.3.2 BOARD AUDIT COMMITTEE (BAC)

“Mr. Abdul Wahab A Halabi, Chairman of the Board Audit Committee, acknowledges his responsibility to discharge the responsibilities of the Audit Committee under its terms of reference and ensure its effectiveness.”

The BAC assists the Board in fulfilling its oversight responsibilities with respect to financial reporting and the adequacy of the Internal Controls Framework, which is assessed by External Auditors, Group Internal Audit, Group Compliance, and Internal Shari'a Audit Departments. Its major responsibilities are:

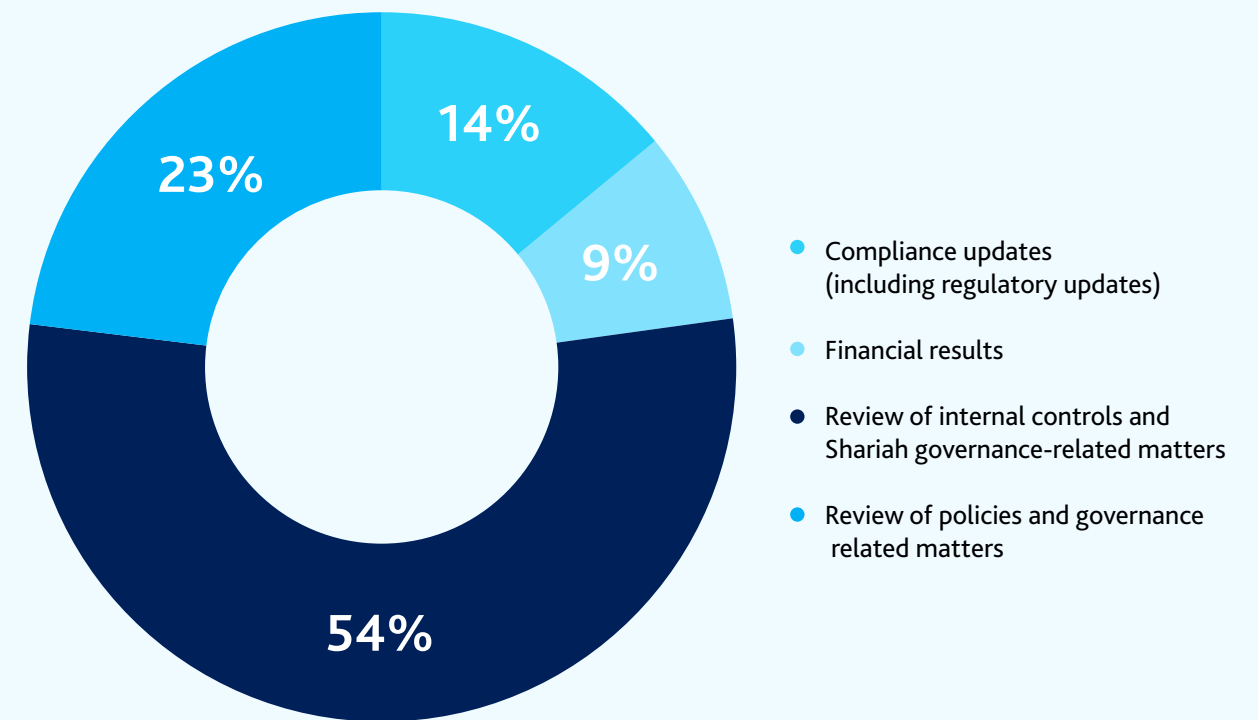
- Adequacy of the consolidated financial statements.
- Compliance with applicable laws and regulations by the Group.
- Effective risk management covering emerging risks in coordination with the Board Risk Committee.
- Competence and independence of the external auditors.
- Performance by Audit and Risk Review (Internal Audit) of its duties and maintenance of its independence.
- Performance review of Compliance function and assuring its independence.
- Adequacy and effectiveness of the internal control system.

Members of the Strategy Committee:

- **Abdul Wahab Al Halabi – Chairman**
- **Abdulla Al Ahbabi – Member**
- **Najib Fayyad – Member**

The BAC held six meetings, during the course of 2024, to address several critical areas such as the quality and integrity of the Bank's financial statements, financial reporting, and disclosures, ensuring the effectiveness of the internal control framework. During these meetings, they reviewed and discussed audit committee reports, which included detailed evaluations of the institution's internal controls and risk management processes. Compliance updates were also a key focus, ensuring adherence to regulatory requirements and internal policies. The Committee examined financial results, analysing the bank's financial statements, performance metrics, and overall financial health. Additionally, they reviewed updates from the whistleblowing committee, which involved assessing reports of potential misconduct or unethical behaviour, ensuring that appropriate investigative and corrective actions were taken.

TIME ALLOCATION FOR 2024 AUDIT COMMITTEE MEETINGS



Date of Committee Meetings	Number of Member Attendees
January 23, 2024	3
March 6, 2024	3
April 24, 2024	3
July 24, 2024	3
October 30, 2024	3
December 10, 2024	3

RELATION BETWEEN BOARD AUDIT COMMITTEE AND EXTERNAL AUDITORS

Appointment and Oversight of the External Auditor by the BAC

ADIB has a structured policy governing the selection, engagement, and oversight of its external auditors, with robust assessment and rotation procedures managed by the BAC. The appointment of the external auditor is subject to shareholder approval at the General Assembly Meeting (GAM), with Deloitte appointed as ADIB's external auditor for 2024. In accordance with regulatory requirements, the GAM appoints the external auditor for a one-year term, with a maximum tenure of six consecutive years.

The BAC conducts an annual review of the external auditor's quality, performance, and independence, providing recommendations to the Board regarding reappointment or change. This assessment considers factors such as service quality, institutional knowledge and experience, resource adequacy, communication effectiveness, independence, objectivity, and professional scepticism.

For the financial year ended 31 December 2024, the BAC reviewed and discussed ADIB's audited financial statements with management and the external auditor, including management's assessments and the auditor's evaluation of ADIB's internal control over financial reporting. The BAC confirmed the external auditor's independence, having received all required disclosures and correspondence in line with the International Ethics Standards Board for Accountants (IESBA) Code and other applicable ethical standards.

By adhering to these stringent policies and procedures, ADIB ensures that its external audit process remains transparent, accountable, and aligned with the highest standards of corporate governance.

External Audit Reservations

No reservations were raised by the external auditor in respect to the annual Audit for the year ending on 31st December 2024.

Management of Non-Audit Services

Permitted non-audit services are those allowable under the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants and may be performed by ADIB's Statutory Auditor. For such services, the scope and fees are proposed and approved by the BAC. It is ensured that the nature of these services does not create a conflict of interest or compromise the auditor's independence.

External Auditor fees

Annual Audit and Quarterly Review Fees

Charges incurred for the professional services rendered by external auditors in auditing and reviewing the financial statements of ADIB, ensuring compliance with regulatory requirements and accounting standards.

Other fees

Fees for services provided by the external auditors that do not fall under "Annual Audit and Quarterly Review Fees" and required to be performed by auditors according to applicable regulatory requirements.

Fee (AED)	2024
Annual audit and quarterly review fees	AED 1,972,608
All other fees	AED 1,654,180
Total fees	AED 3,626,788

3.3.3 BOARD RISK COMMITTEE (BRC)

"Mr. Khalifa Al Mheiri, Chairman of the Risk Committee, acknowledges his responsibility to discharge the responsibilities of the Risk Committee under its terms of reference and ensure its effectiveness."

The BRC assists the Board in fulfilling its oversight responsibilities including:

- Review of the risk profile of the Group at the enterprise level and recommendations on appropriate calibration of this profile, in line with the applicable regulatory standards, rating consideration and business strategy.
- Review of the risk management frameworks for the Group and recommendations on the same to the Board, in alignment with the requirements of the Basel Committee on Banking Supervision, and in compliance with all local regulatory requirements.
- Review of the Risk Strategy covering the risk appetite, risk management framework encapsulating risk infrastructure, framework for risk policies and procedures, adequacy of risk staffing and implementation plan. In addition, any major changes in the risk rating approaches followed by the Group will also be reviewed and recommended to the Board.
- Review of portfolio limits relating to the key risk exposures undertaken by the Bank.
- Monitor the alignment of ADIB's risk profile with its approved risk strategy and risk appetite.
- Receive regular reports from the Group Chief Risk Officer (GCRO) on the Group's major risk exposures, monitor significant financial and other risk exposures; and reviewing the steps taken by the management to control such risks within the approved risk appetite of the Group.
- Review annual Internal Capital Adequacy Assessment Process (ICAAP) plan and recommend its approval to the Board.
- Review and recommend key risk policies including credit risk, market risk, trading risk, liquidity risk, and operational risk.
- Review reports from regulatory agencies or internal audit relating to risk issues and monitor management's responses.

Members of the Risk Committee:

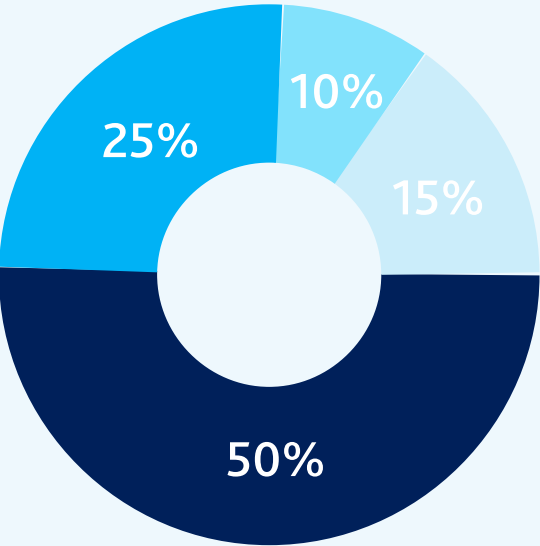
- Khalifa Al Mheiri – Chairman
- Abdul Wahab Al Halabi – Member
- Faisal Al Shuaibi – Member
- Najib Fayyad – Member

The BRC held five meetings, during the course of 2024, to ensure that the Bank's enterprise risk management framework, related policies, systems and practices are fully aligned with regulatory expectations and the Board approved strategy and risk appetite. During the meetings, the BRC approved the formation of a Profit Equalisation subcommittee to fully comply with the CBUAE Standard Regarding Profit Equalization for Islamic Banks, linked to the Risk Management Regulations, which is significantly relevant to ADIB. The Committee conducted performance evaluations to assess their effectiveness and identify areas for improvement. They examined group risk standard reports and the risk appetite statement, which define the level of risk the bank is willing to accept in pursuit of its objectives. Updates from international branches were discussed to ensure consistent risk management practices across all locations. Regulatory updates were reviewed to ensure compliance with evolving legal and regulatory requirements. The Committee also evaluated risk-related policies to ensure they are up-to-date and effective. Additionally, stress testing reports were analysed to assess the bank's resilience under various adverse scenarios, ensuring preparedness for potential risks.





TIME ALLOCATION FOR 2024 RISK COMMITTEE MEETINGS



- COMMITTEE PERFORMANCE EVALUATION
- INTERNATIONAL BRANCHES UPDATES
- RISK FRAMEWORK - POLICY REVIEW & APPROVAL
- REGULATORY UPDATES & STRESS TEST REPORTS

Date of Committee Meetings	Number of Member Attendees
February 28, 2024	3
June 12, 2024	4
June 25, 2024	3
September 19, 2024	4
November 26, 2024	4

3.3.3.1 PROFIT EQUALISATION COMMITTEE

The Profit Equalisation Committee is subcommittee to the Board Risk Committee constituted in accordance with the Standard Regarding Profit Equalization for Islamic Banks set by the CBUAE. The primary role of the Committee is to manage and oversee the Profit Equalisation Reserve (PER) and Investment Risk Reserve (IRR). The PER is a reserve set aside from the profits before they are distributed to investment account holders and the bank, ensuring consistent and competitive returns even during periods when the investment pool's profits are below market expectations. The IRR is a reserve created from the income of investment account holders, after allocating the mudarib's share, to cushion the effects of future investment losses. These reserves are instrumental in stabilising returns for investment account holders and mitigating potential future investment losses, thereby significantly enhancing the bank's financial stability and resilience.

The Committee is responsible for:

- Setting aside amounts from the profits before allocation between the Investment Account Holders (IAH) and the bank. This reserve is used to smooth out the returns for IAHs during periods when the investment pool's profits are below market expectations.
- Monitoring the utilisation of reserves like the PER and Investment Risk Reserve (IRR).
- Developing and implementing methodologies to identify, monitor, measure, and report the impact of Displaced Commercial Risk (DCR). This involves ensuring that the bank can voluntarily pay a return that exceeds the rate earned on the assets financed by IAH's funds when necessary.
- Ensuring that the management of the Profit Equalisation Reserve (PER) and Investment Risk Reserve (IRR) complies with regulatory requirements and guidelines set by the CBUAE and the Higher Shari'ah Authority (HSA). This includes developing and updating policies and procedures related to profit equalisation.
- Deciding on the allocation and utilisation of the PER and IRR to balance the interests of the bank, shareholders, and IAHs. This involves making strategic decisions to optimise returns and manage risks.
- Transparent reporting and communication regarding the PER and IRR to stakeholders. This ensures clarity on how the reserve is managed and utilised.

3.3.4 BOARD CREDIT & INVESTMENT COMMITTEE (BCIC)

"H.E. Jawaan Awaidha Suhail Al Khaili, Chairman of the Credit & Investment Committee, acknowledges his responsibility to discharge the responsibilities of the Credit & Investment Committee under its terms of reference and ensure its effectiveness."

The BCIC considers and approves ADIB's risk exposures, high value transactions and major items of capital expenditure. In addition, this Committee is also responsible for monitoring credit portfolio quality and provisions. The Committee has the following major responsibilities:

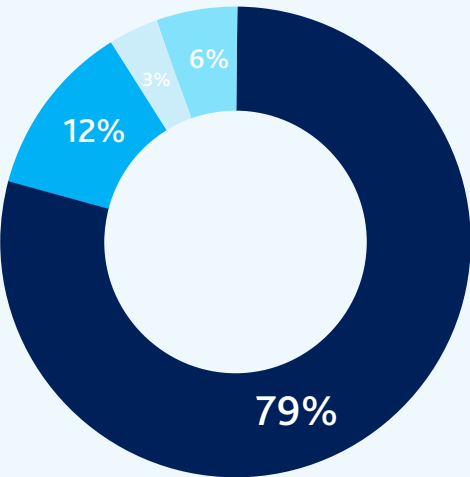
- Review and approve credit and other risk exposures.
- Review the credit portfolio on a periodic basis to assess alignment with the approved credit strategy and risk appetite of the Group.
- Review actions undertaken by management regarding remedial activities.
- Monitor general and specific provisions.
- Approve significant and high value transactions regarding acquisitions and divestures, new business initiatives and proprietary investments, international business, and merger and acquisitions.
- Review and recommend approval to the Board for those investment proposals requiring such approval due to regulations.
- Approve high value transactions in respect of capital expenditure, IT projects and procurement of equipment and materials for the Bank's operations.
- Review and make recommendations to the Board on any material non-credit related party transactions.

Members of the Credit & Investment Committee:

- Jawaan Al Khaili – Chairman
- Khalifa Al Mheiri – Vice Chairman
- Abdulla Al Ahbabi – Member
- Abdul Wahab Al Halabi – Member
- Najib Fayyad – Member

The BCIC, held 38 meetings, during the course of 2024, to discuss several key areas, including the approval of credit and investment-related matters, ensuring that all proposals met the institution’s risk and return criteria. They conducted comprehensive portfolio reviews to assess the performance and risk profile of the bank's credit and investment portfolios, adjusting as necessary to optimise returns and manage risks. Quarterly updates were also a significant part of their discussions, providing regular insights into market conditions, economic trends, and the performance of existing investments. Through the Committee, the Bank was able to meet key objectives while reinforcing the tolerances set in the Board-approved risk appetite in line with CBUAE credit risk management requirements for retail and corporate financing. The BCIC also approved significant strategic investments required for ADIB to remain agile and maintain its competitive advantage within a competitive market.

TIME ALLOCATION FOR 2024 BCIC COMMITTEE MEETINGS



- APPROVALS (CREDIT & INVESTMENT RELATED MATTERS)
- CREDIT LIMIT REVIEW & APPROVALS (INCLUDING INVESTMENT RELATED MATTERS)
- QUARTERLY UPDATES (INCLUDING REGULATORY UPDATES) & PORTFOLIO REVIEWS
- GOVERNANCE & BOARD RELATED MATTERS (INCLUDING POLICY REVIEWS)

Date of Committee Meetings	Number of Member Attendees
January 18, 2024	4
January 25, 2024	4
January 31, 2024	4
February 9, 2024	4
February 19, 2024	4
February 26, 2024	4
March 7, 2024	4
March 14, 2024	3
March 21, 2024	4
March 26, 2024	4
April 1, 2024	4
April 18, 2024	4
May 1, 2024	4
May 16, 2024	4
May 23, 2024	3
June 6, 2024	4
June 14, 2024	4
June 27, 2024	4

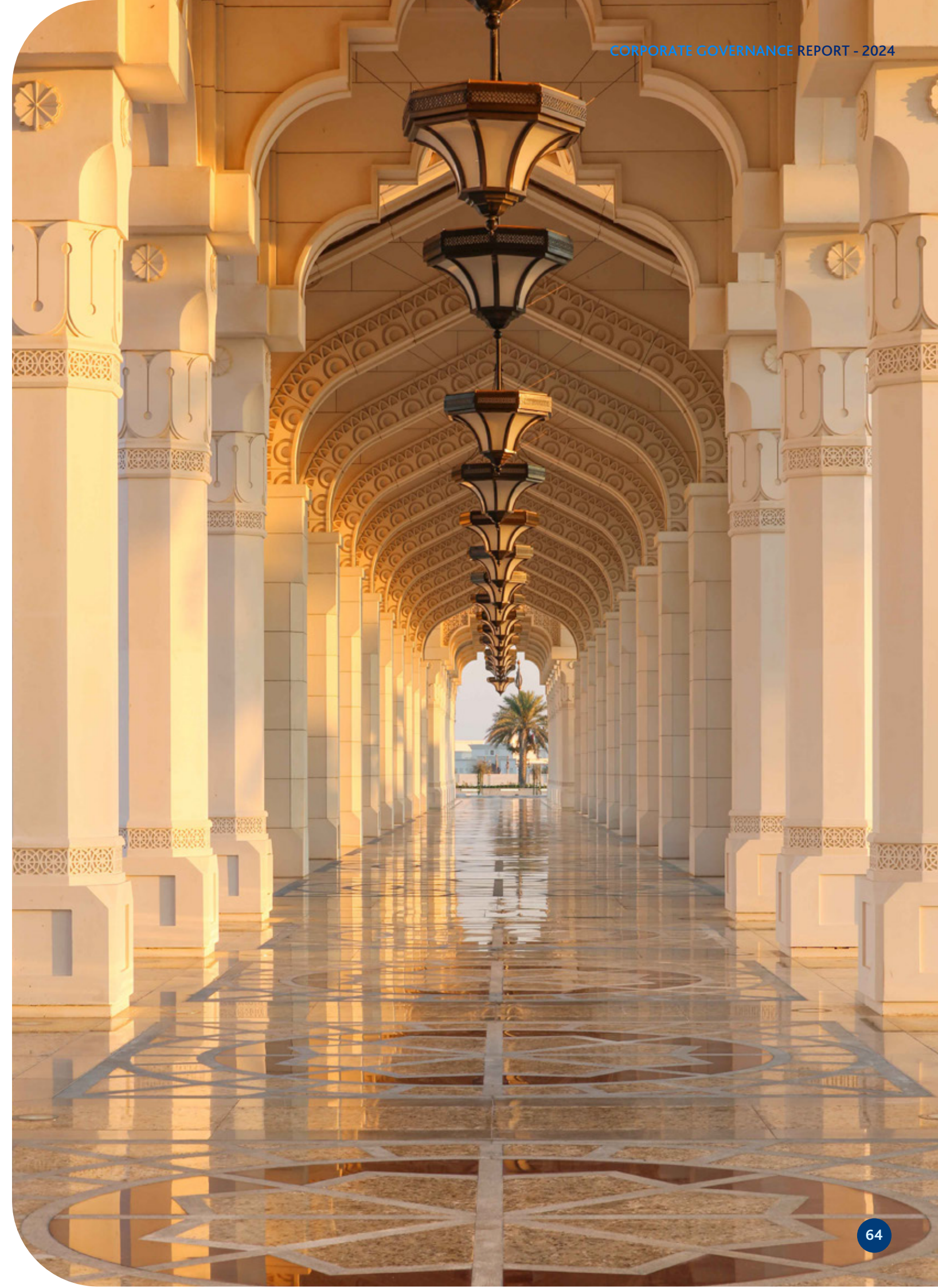
July 11, 2024	4
July 18, 2024	3
July 25, 2024	4
August 2, 2024	4
August 15, 2024	3
August 22, 2024	4
August 29, 2024	3
September 5, 2024	3
September 12, 2024	4
September 19, 2024	4
September 23, 2024	4
October 3, 2024	4
October 10, 2024	3
October 17, 2024	4
October 31, 2024	4
November 15, 2024	4
November 22, 2024	4
November 29, 2024	4
December 12, 2024	4
December 19, 2024	4

3.3.5 BOARD NOMINATION & COMPENSATION COMMITTEE (NCC)

"H.E. Jawaan Awaidha Suhail Al Khaili, Chairman of the Nomination & Compensation Committee, acknowledges his responsibility to discharge the responsibilities of the Nomination & Compensation Committee under its terms of reference and ensure its effectiveness."

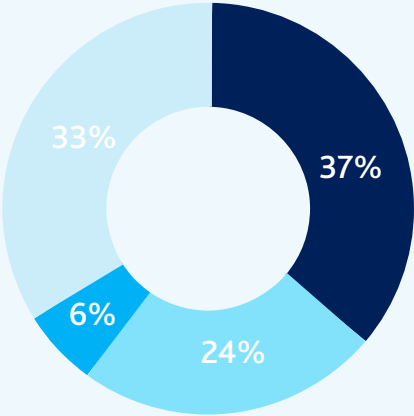
The NCC assists the Board in fulfilling its oversight responsibilities in respect of the following for the Group:

- Review the selection criteria and number of executive and employee positions required by ADIB; approve the overall manpower of ADIB based on reports submitted by the GCEO, taking into consideration the advice of an independent and recognised consulting firm.
- Review the policy for the remuneration, benefits, incentives and salaries of all ADIB employees on an annual basis, including Bank and non-Bank subsidiaries and affiliates, as submitted by the GCEO, taking into consideration the advice of an independent and recognised consulting firm.
- Identify and nominate, for approval of the Board, candidates for appointment to the Board
- Recommend on succession plans for Directors.
- Input on renewal of the terms of office of non-executive Directors.
- Assist with membership of Board committees, in consultation with the Board's Chairman and the Chairmen of such committees.
- Guide on matters relating to the continuation in office of any Director at any time.
- Recommend on appointments and re-appointments to the Boards of major subsidiaries and controlled affiliated companies.
- Ensure the independence of the independent directors and any qualified subject matter expert appointed to a Board committee; and
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board regarding any changes.



The NCC held ten meetings, during the course of 2024, to address several pivotal areas. They discussed governance and board-related matters, ensuring that the board's composition and operations adhered to best practices and regulatory standards. Compensation discussions included comprehensive reviews of bonus structures and salary adjustments, aiming to maintain competitive and equitable remuneration for employees. Human resources topics covered employee survey results and satisfaction levels. The Committee also emphasized learning and development initiatives, focusing on continuous professional growth and skill enhancement for employees. Policy reviews were conducted to ensure that all HR and compensation policies remained current and effective.

TIME ALLOCATION FOR 2024 NCC COMMITTEE MEETINGS



- COMPENSATION (INCLUDING BONUS & SALARY REVIEW)
- HUMAN RESOURCES
- LEARNING & DEVELOPMENT
- GOVERNANCE & BOARD RELATED MATTERS (INCLUDING POLICY REVIEWS)

Date of Committee Meetings	Number of Member Attendees
January 30, 2024	5
February 8, 2024	5
March 18, 2024	5
May 6, 2024	4
May 29, 2024	4
June 6, 2024	4
August 22, 2024	5
September 10, 2024	4
September 17, 2024	5
November 18, 2024	5



3.3.6 ENVIRONMENTAL, SOCIAL,& GOVERNANCE COMMITTEE (ESG)

“Ms. Maha Mohammad Al Qattan Chairman of the ESG Committee, acknowledges her responsibility to discharge the responsibilities of the ESG Committee under its terms of reference and ensure its effectiveness.”

The key objectives of the Committee are:

ESG / Sustainability goals, targets, policies, strategies, initiatives, programmes, and related plans (e.g.: short-term and long-term) proposed by the ESG Department; taking into consideration the following:

- ADIB’s ESG / Sustainability targets and annual budget requirements.
- Alignment with ADIB’s corporate strategy.
- Actions related to ESG / Sustainability-related risks, opportunities, and material issues.
- Recommendations proposed by the ESG Department to enhance ADIB’s ESG Sustainability-related progress.



Members of the ESG Committee:

- **Maha Al Qattan - Chairman**
- **Abdullah Al Ahbabi – Member**
- **Abdul Wahab Al Halabi - Member**

The ESG Committee held two meetings, during the course of 2024, to discuss Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) plans, ensuring that these initiatives align with the bank's strategic objectives and sustainability goals. The committee reviewed ESG ratings and conducted gap assessments to identify areas where the bank needs to improve to meet regulatory requirements. Group ESG updates were provided to ensure consistency and progress across all branches and subsidiaries. Additionally, the committee reviewed and updated ESG policies to ensure they remain relevant and effective.

TIME ALLOCATION FOR 2024 ESG COMMITTEE MEETINGS



Date of Committee Meetings	Number of Member Attendees
March 28, 2024	3
July 11, 2024	3

3.4 MANAGEMENT COMMITTEES

To support the execution of ADIB's objectives and ensure the effective planning, oversight, and monitoring of the Group's operations, several Management Committees have been established. These committees play a critical role in driving decision-making across key areas of the business, including asset management, risk, credit and investment, procurement, and information security.

Each Management Committee operates under a clearly defined Terms of Reference (ToR), which outlines its authority, responsibilities, meeting frequency, and operational practices. The ToR provides a structured framework that ensures each committee can effectively address specific operational and strategic issues. This structured approach facilitates clear communication, accountability, and alignment with the Group's overall goals.

The Group's Management Committees are pivotal in driving decision-making across multiple business areas, including the management of assets, risk, credit and investment, procurement and information security. Below is the list of the Management Committees at ADIB:

- GSAM Management Credit Committee
- Management Executive Committee
- Management Risk Committee
- Management Procurement & Outsourcing Committee
- Management Digital Steering Committee
- Compliance Management Committee
- Management Credit Committee
- Management Projects Investment Committee
- Asset & Liability Committee
- ADIB UAE & ADIB Egypt SteerCo

3.5 EXTERNAL AUDITOR

3.5.1 SELECTION OF THE EXTERNAL AUDITOR

ADIB has a policy for the engagement of its external auditors, which includes a robust assessment and rotation procedures. The shareholders approved the appointment of Deloitte as the Group External Auditors of ADIB for 2024 at the GAM.

The ADIB GAM shall appoint the Group External Auditor for one financial year from the date of the general meeting. The appointment of the Group External Auditor may not exceed a total of six consecutive years. The BAC reviews the quality, performance and independence of Group External Auditor annually and recommends reappointment, or otherwise, to the Board. In its evaluation, the BAC considers whether the retention of the external audit firm is in the best interests of ADIB and its shareholders. This evaluation considers the firm's quality of service, the firm's institutional knowledge and experience, the firm's sufficiency of resources, the quality of the communication and interaction with the firm, the firm's independence, objectivity and professional skepticism.

By adhering to these stringent policies and procedures, ADIB ensures that its external audit process remains transparent, accountable, and aligned with the highest standards of corporate governance.

3.5.2 MANAGEMENT OF NON-AUDIT SERVICES

Permitted non-audit services are those allowable under the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants and may be performed by ADIB's Statutory Auditor. For such services, the scope and fees are proposed and approved by the BAC. It is ensured that the nature of these services does not create a conflict of interest or compromise the auditor's independence.

3.5.3 EXTERNAL AUDITOR FEES

Audit Fees

Charges incurred for the professional services rendered by external auditors in auditing the financial statements of ADIB, ensuring compliance with regulatory requirements and accounting standards.

Other fees

Fees for services provided by the external auditors that do not fall under audit fees. This category includes various consulting and advisory services.

Fees (AED)	2024
Audit fees	AED 1,972,608
All other fees	AED 1,654,180
Total fees	AED 3,626,788

3.5.4 2024 AUDIT RESERVATIONS

No reservations were raised by the external auditor in respect to the Audit year ending on 31st December 2024.

4. BOARD OVERSIGHT OF INTERNAL CONTROLS

4.1 BOARD OVERSIGHT OF RISK MANAGEMENT

ADIB has established an overarching Risk Management Framework to proactively manage risks across the Group. This framework is built on well-defined principles, policies, organisational structures, approval authorities, and robust processes for risk measurement, monitoring, and control. It ensures that risk management practices are embedded across all areas of the Group's operations.

The BRC has been delegated authority by the Board to oversee the monitoring of principal risks and to provide guidance on risk tolerance during the development and execution of new strategic initiatives across ADIB Group entities. The BRC plays a pivotal role in ensuring that ADIB operates within acceptable risk levels while maintaining compliance with regulatory obligations and strategic commitments.

ADIB faces a broad range of risks, which are outlined in the Group Risk Appetite Statement (RAS). The RAS, approved by the Board, is a critical component of the Risk Management Framework, defining thresholds and boundaries to ensure the Group operates within its risk tolerance levels. This statement provides a foundation for decision-making and helps safeguard the Group's financial and operational integrity.

The Board is further supported by a robust internal control framework, which provides assurance on both financial and non-financial operations, complemented by internal and external audit functions. In 2024, the BRC monitored the consistent application of risk standards to ensure compliance with the CBUAE requirements across the ADIB Group.

Throughout the year 2024, the BRC received periodic reports on stress testing conducted by the Senior Management Enterprise Risk Committee (ERC). These reports demonstrated ADIB's resilience in various scenarios, confirming alignment with the Group's risk appetite. Additionally, the BRC monitored the effectiveness of risk management systems and the overarching Risk Management Framework to ensure sustainability and scalability as part of ADIB's approved five-year strategy.

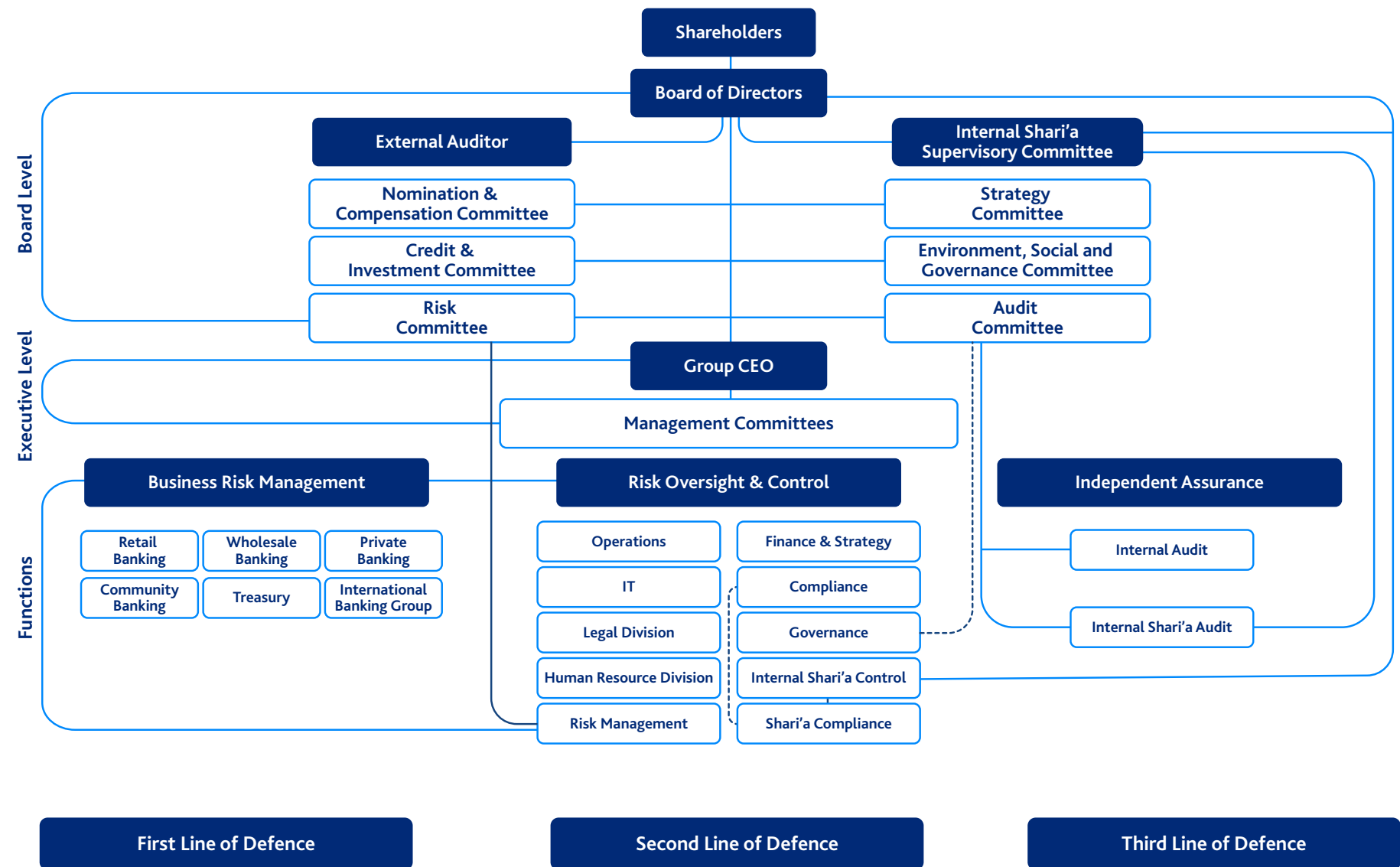
The GCRO oversees the implementation of ADIB's Risk Management Framework and reports directly to the BRC. The GCRO is also a member of the ERC and is responsible for the comprehensive management of all risks, including credit, market, and operational risks. This structure ensures effective governance and alignment with ADIB's strategic goals.



4.2 THREE LINES OF DEFENCE

ADIB employs a robust Three Lines of Defence (3LOD) risk management framework, aligning with the CBUAE Corporate Governance Regulations. This framework clarifies roles, responsibilities, and accountabilities for risk management across the Group, ensuring effective governance, oversight, and compliance. Widely adopted by financial institutions globally, the 3LOD model serves as an essential tool to manage risk while promoting collaboration and coordination between business, enablement, and control functions.

The 3LOD framework provides clear segregation of responsibilities, controls, monitoring, and reporting, tailored to the size, nature, and regulatory environment of the Bank. Each line of defence has distinct responsibilities as outlined below:



● First Line of Defence – Business Units

The Bank's business units, including Relationship Management and Product Management, form the first line of defence. These units are responsible for originating risk and remain accountable for the ongoing management of such risks. Their responsibilities include directly assessing, controlling, and mitigating risks to ensure alignment with the Bank's risk appetite and policies.

● Second Line of Defence – Support Functions and Control Functions

The second line of defence comprises the Support Functions and Control Functions (illustrated in the table below). These enablement and control functions independently monitor and oversee the risk-taking activities of the business lines. They are responsible for assessing risks and issues, promoting collaboration, and ensuring Senior Management and business lines document risk ownership during the business activities and processes. The second line of defence ensures that the first line of defence is properly designed, in place, and operating as intended.

● Third Line of Defence – Internal Audit

The third line of defence is the independent Internal Audit function, which provides an objective assessment of the Bank's overall internal control system. This function evaluates the effectiveness of both the first and second lines of defence and ensures the quality and robustness of the Group's risk management and internal controls.

By adopting this comprehensive approach, ADIB ensures that risks are identified, assessed, and managed effectively, while fostering accountability and collaboration across the organisation. The 3LOD framework forms a cornerstone of the Bank's risk governance strategy, supporting its ongoing commitment to regulatory compliance and operational excellence.



4.3 BOARD OVERSIGHT OF FINANCIAL REPORTING, INTERNAL CONTROLS, CORPORATE GOVERNANCE AND COMPLIANCE

The ADIB Board is committed to ensuring the integrity, accuracy, and transparency of the Group's financial reporting and disclosures. This responsibility is carried out through a robust governance framework supported by the BAC. The BAC plays a pivotal role in overseeing the financial reporting process, internal control systems, and the effectiveness of compliance and internal audit functions.

The BAC ensures adherence to the highest standards of financial reporting by monitoring ADIB's accounting policies, principles, and judgments. While the Board retains ultimate responsibility for the Group's financial statements and annual report, the BAC ensures these disclosures meet regulatory and governance standards. The BAC is supported by ADIB's independent external auditors, Deloitte, and has permanent access to subject matter experts to enhance oversight.

ADIB's internal control system operates at multiple governance levels across the Group and is built on a foundation of accountability, delegation, and collaboration. This system ensures alignment of objectives, resources, and mechanisms deployed within the Group. The key contributors to the internal control system include the Internal Audit, External Audit, Risk, Compliance, Finance, Legal, and Corporate Governance functions. Policies and procedures are tailored to the needs of specific departments and business units to promote effective implementation across the organisation.

The Group Internal Audit (GIA) function reports directly to the BAC, maintaining its independence and enabling the committee to monitor the effectiveness of the Group's controls and processes. The BAC is responsible for approving the annual internal audit plan and ensuring that identified deficiencies are addressed in a timely manner. Similarly, the Compliance Function reports to the BAC, providing updates on ADIB's adherence to regulatory guidelines, anti-money laundering (AML) and know-your-customer (KYC) standards, and any suspicious activity reports. The BAC conducts an annual review of the effectiveness of the compliance function, ensuring ADIB meets all applicable regulatory requirements.

Throughout 2024, the BAC conducted regular reviews of financial reporting, IFRS governance, and the progress of the Group Internal Audit Plan. The Committee also evaluated the performance and independence of the Compliance Function, Corporate Governance Department, and the embedding of governance frameworks. Internal Shari'a Audit Department reviews were presented to the BAC as part of its oversight responsibilities.

GIA and External Auditors submitted reports to the BAC during 2024, outlining the effectiveness of internal controls and highlighting any material matters related to financial reporting or internal controls. Additionally, the Compliance and Risk functions provided quarterly updates to the BAC and BRC, further strengthening ADIB's Group risk governance framework.

4.4 DELEGATION OF AUTHORITY

During the year, ADIB's Board approved the Delegation of Authority (DoA) framework which enables effective and accountable decision-making by defining the powers and responsibilities delegated by the Board to the management. This framework ensures clarity, reduces ambiguity, and supports the efficient execution of the Bank's strategic priorities while maintaining robust oversight.

The Board retains ultimate responsibility for setting ADIB's strategic objectives, determining its risk appetite, and overseeing management. Specific powers are then delegated to Board Committees, which provide focused oversight in key areas of governance and operations. The GCEO is entrusted with operational management and the execution of strategic goals, with the authority to sub-delegate specific responsibilities to Senior Management and other designated individuals. This structured approach ensures clarity, accountability, and alignment throughout the organisation.

The delegation of authority is formalized through Powers of Attorney (POAs) issued by the Chairman and the GCEO. In 2024, ADIB revised and renewed POAs for the GCEO and Senior Management, ensuring alignment with regulatory requirements and strategic priorities. These POAs, valid for three years, undergo legal and notary reviews to ensure they are appropriately documented. Additional POAs may be issued to other employees or external representatives, such as legal advisors, as necessary.

Through its well-structured DoA framework, ADIB fosters clear accountability and effective governance, enabling the seamless execution of its strategic objectives.

4.5 VIOLATIONS, CAUSES & AVOIDANCE

ADIB maintains a process to ensure effective compliance with relevant regulations and to report any violations or matters of significance. During 2024, all identified material issues or Matters of Significance were reported to Senior Management and, where applicable, escalated to the Board and/or Board Committees by the Group Head of Audit, Group Chief Compliance Officer (GCCO) and/or GCRO.

4.6 ENVIRONMENTAL, SOCIAL, & GOVERNANCE (ESG)

Overview of ADIB's ESG performance

Governance

From a governance perspective, ADIB applies best practice by the presence of ESG Committees at both the executive management, and the board levels. Oversight over ESG activities is thus addressed at all relevant governance levels, with periodic, quarterly committee meetings. The responsibility of the ESG management committee is oversight and executive decision making with regard to bank-wide ESG matters, including sustainable finance, regulatory compliance, leading regional and global best practice, strategy, governance, risk management, and all other areas of relevance. The board committee performs a board level oversight function on the same.

Risk Management

ADIB has incorporated ESG and sustainability related risks into its bank-wide risk management. This included policy changes in the bank's Risk Management Policy, as well as a complete ESG Risk Management Policy, which is available [here](#). This covers our approach towards ESG risks, including the screening of deals and transactions with a proprietary ESG risk due diligence toolkit, which leverages global standards and best practice, to ensure transactions are screened and given ESG risk ratings. This combines both ADIB-conducted due diligence, and existing ESG risk ratings by providers such as Sustainalytics, MSCI, S&P, etc. to create a cohesive ESG risk assessment. This due diligence is used to either qualify transactions, implement mitigating measures for flagged ESG risks, require escalation for approval, or to reject deals based on the exclusion list. Further, the ESG Risk Policy outlines restricted activities, which require enhanced due diligence processes to ensure that the transactions do not pose unmitigated ESG risks.

We have also conducted climate related stress testing within our risk management function.

Sustainable Finance & Sustainable Instruments

ADIB has progressed significantly within the realm of sustainable finance. Historically, the bank has financed sustainable finance, covering renewable energy, water desalination and wastewater management, clean transport, energy efficiency, and affordable housing, among others. In 2023, ADIB published a second-party opinion approved Sustainable Finance Framework ([read here](#)), that covers the eligible assets and categories for sustainable finance instruments use of proceeds. This framework leverages global standards such as the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines issued by the International Capital Market Association (ICMA), as well as the Green Loan Principles and the Social Loan Principles, issued by the Loan Market Association (LMA). It also covers ADIB's exclusion list which expands the Shari'a exclusion list of activities to ESG related exclusions.

Also in 2023, ADIB issued a USD 500 million green sukuk; the world's first dollar denominated green sukuk issued by a bank. The five-year senior sukuk rated A+ by Fitch are priced at a profit rate of 5.695 percent per annum and are payable semi-annually. The issuance was met with exceptional demand with the final orderbook closing at USD 2.6 billion, representing an oversubscription rate of 5.2 times.

Our first Sukuk Impact and Allocation report will be aligned with end of year December 31 reporting and can be expected to be published in early 2025.

Most recently, in 2024, the bank has also finalized its Sustainable Finance Strategy to 2030, with an internal goal of growing the sustainable finance portfolio for 2030, from 2024 numbers. This strategy included a year-by-year plan for sustainable product development, as well as financial targets by segment, with a target of AED 60 Billion in Sustainable Finance mobilized by 2030.

Net Zero Targets

ADIB has also become the first Islamic bank to announce sector specific financed emissions reduction targets for 2030, as part of the bank-wide effort to decarbonise and align itself with the national and agenda of achieving Net Zero by 2050. These financed emissions targets cover our highest impact sectors including home finance, automobile finance, real estate development, utilities, aviation, and oil and gas (petroleum manufacturing). Bank-wide we have also set an interim emission reduction target of 49% by 2030 from compared to our 2022 baseline emissions. We performed these assessments based on leading industry practices, such as the GHG Protocol for our operational emissions and the Partnership for Carbon Accounting Financials (PCAF) for financed emissions baselining. For our operational emissions, we considered those generated from our banking operations in the UAE, the UK, and Egypt.

External Ratings

ADIB has been successful in providing cohesive and detailed disclosures to the public domain, which has contributed to highlighting our strong progress in the ESG space to investors, rating agencies, and other external stakeholders.

Our MSCI rating was upgraded in 2024 to AA, from an A rating in 2023 and our Standard & Poor's CSA score grew to 41 points.

Partnerships

ADIB is currently a signatory to the UN Principles of Responsible Banking, with an expected first report release in mid-2025. Our ESG due diligence toolkit also positions us as aligned with the Equator Principles, and we are planning on becoming signatories of the principles in 2025. We also Chair the GCFC in Abu Dhabi.

Further information

For a full list of our policies and external disclosures please see the below:

- [ADIB ESG related policies page](#)
- [ADIB ESG reports and disclosures page](#)

Cash and in-kind contributions.

During the year 2024, the bank has made contribution to support social and community related initiatives. For a comprehensive breakdown of said contributions, please refer to the detailed information provided in the ESG report.

4.7 EMPLOYEE REMUNERATION & REWARDS

Guiding Principles, Philosophy and Culture

ADIB's compensation philosophy is performance-oriented, market-aware and aligned with business strategy and stakeholder interests. It encourages a culture that is based on merit, and differentiates and rewards excellent performance, both in the short and long term.

The remuneration framework delivers competitive industry compensation in keeping the principles of fairness, while nurturing a responsible risk-taking culture. ADIB's remuneration packages are carefully structured, commensurate with the key accountabilities, responsibilities and risk-taking profiles of management levels.

A fundamental component of the remuneration structures for Senior Management and Material Risk Takers is the significant portion on variable compensation which includes the retention/deferred bonus component and the option for ADIB to claw back discretionary rewards.

For ADIB senior leaders, who are our top achievers, our goal is to ensure that there is a performance-linked and fair approach to total rewards structures to reflect their top performances relative to their peers. This is a key aspect of attracting, motivating and retaining top talent in ADIB. Our approach to remuneration aims to minimize turnover and ensure continuity of our cadre of senior managers. In line with the Board-approved strategy, total compensation is not intended to be our competitive edge; for more junior levels, ADIB benchmarks to be within market.

Compensation is based on the individual, business unit and the Bank performance. Discretionary rewards are based on the result of a transparent annual performance appraisal process with joint input from line management and direct reports. The rewards structure also embeds effective risk management in line with Basel Principles, CBUAE requirements and industry responsible banking practices around balancing of the interests of our customers, shareholders and other stakeholders.

Total Rewards – Key Components

ADIB aims to attract, motivate and retain the best resources capable of achieving our company strategy and goals in adherence to ADIB values. We see our compensation strategy as a key driver to reinforce employee commitment, engagement and alignment with organisational goals. ADIB's total compensation approach provides a balanced package designed to impact in a specific manner, the motivation and retention of employees. The compensation structure consists of the following:

- Basic salary,
- Benefits, allowances, and,
- Variable compensation awarded for good performance.

Basic Salary plus benefits and allowances combined make up the Fixed Annual Cash ("FAC").

Variable Pay

Variable compensation includes either formulaic incentive plans or the discretionary bonus. Outstanding individual performance is recognised through one or the other depending on the plan which is applicable to the role performed as per the employment contract. Variable pay is based on the following components:

- Individual Annual Performance including Competencies levels and Compliance Risk,
- Link to Business / Function Performance,
- Link to ADIB's overall performance against the Board approved objectives.

Senior Management – Remuneration

Material Risk Takers

ADIB has established a formal framework to identify employees whose professional activities significantly impact the Bank's risk profile, referred to as Material Risk Takers (MRTs). This identification framework and list of MRTs are reviewed annually in accordance with prevailing regulatory requirements which helps ensure alignment with the Bank's governance standards and regulatory obligations.

In line with the policy, ADIB maintains a comprehensive list of Material Risk Takers. The Bank's compensation framework for Senior Management incorporates a balanced scorecard approach, which evaluates performance using financial and non-financial parameters. This holistic evaluation considers factors such as customer-centric outcomes, business-centric achievements, financial metrics, and adherence to non-financial performance objectives. This ensures that all relevant parameters are addressed when assessing overall impact, performance, and remuneration.

For the year 2024, total remuneration awarded to Senior Management amounted to AED 59,114 thousand. Total remunerations comprised of fixed pay (including employer pension contributions) and variable compensation awarded in the year 2024.

For further details on the remuneration policy, as well as the design and structure of remuneration processes, please refer to the Pillar 3 Report.

The NCC periodically reviews the effectiveness of the ADIB approach to remuneration, in particular variable pay components, and has at its disposal available subject matter experts to ensure that the philosophy is benchmarked against its peers and is aligned to CBUAE corporate governance regulations No. 83/ 2019

Key Design Features and Controls of Variable Pay	
ADIB Variable Pay Component	Features
Emiratization and Talent Management	Retention Packages for UAENs
Deferred compensation	Three Years with claw back comprising cash and shares
Correlation to individual Performance	Employee and Manager involvement
Correlation to respective Business/Function Performance	Moderation and approval by NCC
Correlation to ADIB overall performance	Approval by NCC
Control Functions compensation	Compensation outcomes must be symmetric with risk outcomes
Risk Culture	Designed to prevent excessive risk taking in line with appetite
Limits	Board approval is required above key thresholds

Diversity and Inclusion

Diversity and inclusion are integral to ADIB’s corporate culture, reflecting the Bank’s commitment to fostering an environment that values gender, social, and ethnic diversity. The Board recognises that an inclusive workplace drives innovation, collaboration, and long-term growth. By embracing diverse perspectives, ADIB ensures that its operations align with its strategic goals and core values.

Gender diversity remains a key focus for ADIB, with women consistently comprising a significant portion of the workforce. In 2024, women represented 39% of the workforce, demonstrating the Bank’s sustained efforts to empower women across all levels of the organisation. These efforts are aligned with ADIB’s broader strategy to champion diversity and provide opportunities for all employees to thrive.

EMIRATIZATION

ADIB is fully committed to supporting the UAE’s national agenda through its Emiratization Policy, which focuses on attracting, developing, and retaining UAE Nationals. Over the past three years, Emiratization levels have remained a key priority for the Bank, with UAE Nationals comprising 45% in 2022, and 44% in 2023 and 2024.

To further enhance these efforts, ADIB has implemented targeted initiatives that provide Emirati employees with professional consultancy, tailored career development pathways, and competitive compensation structures. These initiatives aim to create an inclusive and supportive environment that encourages the long-term growth and retention of high-potential UAE Nationals.

Through its commitment to Emiratization, ADIB continues to contribute to the UAE’s national development goals while fostering a workplace that values diversity and inclusion. These efforts not only enhance the Bank’s competitive edge but also align with its mission to support the communities it serves.



5. STAKEHOLDER MANAGEMENT

5.1 INVESTOR RELATIONS:

KEY INITIATIVES

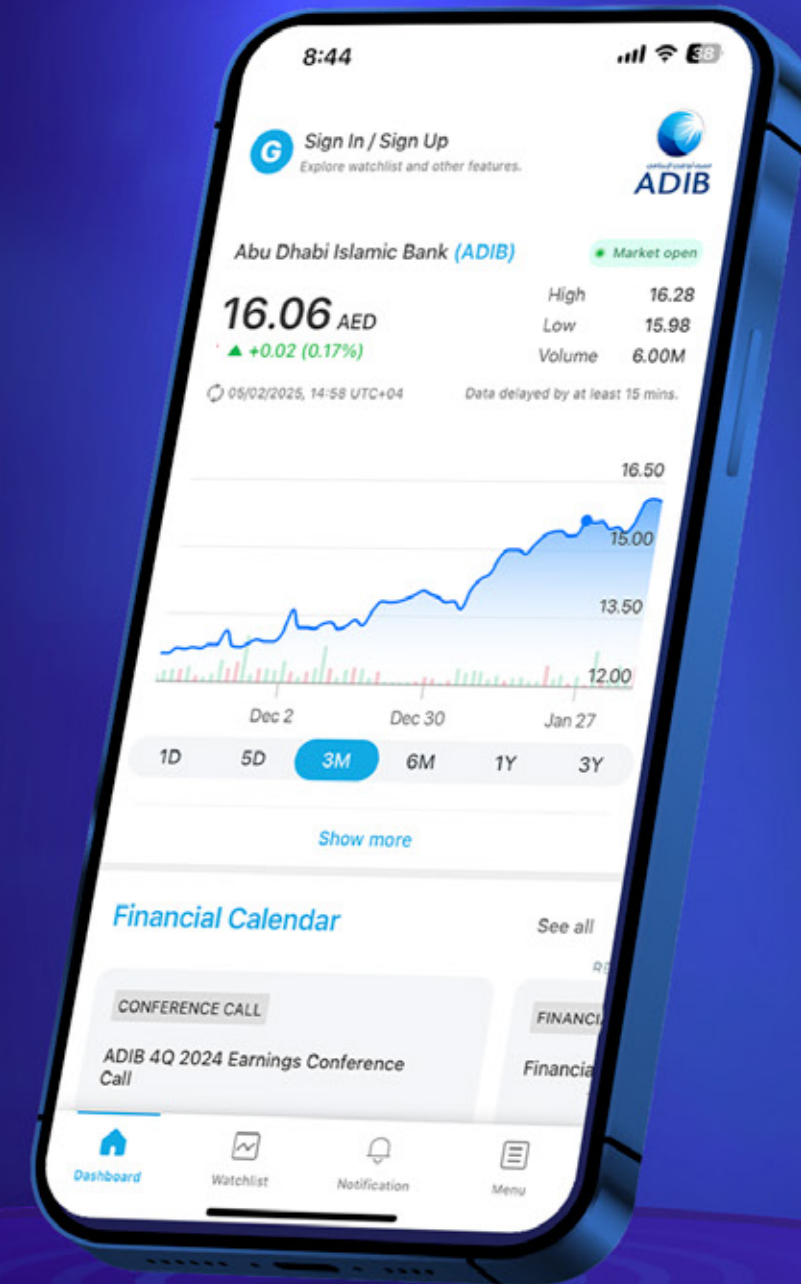
ADIB recognizes that the long-term success and sustainability of the Group depends on strong, transparent, and supportive partnerships with its key stakeholders. To this end, we proactively engage with investors and shareholders through diverse channels and activities, fostering open dialogue, incorporating feedback, and driving continuous improvement to enhance value creation.

Our primary objective is to deliver clear, concise, and consistent messaging to the market, effectively communicating ADIB's investment thesis while ensuring transparency regarding the Group's opportunities and risks. We actively engage with shareholders, investors, and sell-side analysts globally through various platforms to maximize efficiency and ensure clarity in all interactions.

In 2024, ADIB upheld the highest standards of transparency by providing timely disclosures and communicating relevant financial and non-financial information to all stakeholders. Employees were kept well-informed, with Senior Management forming dedicated forums to share updates and address concerns, reinforcing internal engagement.

Key Stakeholder Engagement Initiatives:

- Quarterly Results Calls: Offering updates on financial performance and strategic milestones.
- Annual General Meeting (AGM): Providing shareholders with an opportunity to engage directly with the Board and Senior Management.
- Investor Conferences, In-House Meetings, and Conference Calls: Facilitating in-depth discussions and access to ADIB's leadership.
- Roadshows: During the year the Bank organised roadshows in London, Singapore, New York and Dubai.



Key focus areas for Stakeholder discussions

Engagement with stakeholders includes discussion on the following topics:

- The Group's strategic outlook and its accomplishments.
- Capital allocation and dividend policy.
- Sustainability practice and targets.
- Update on the Group's performance.
- Financial guidance

In addition to these direct engagements, ADIB leverages digital platforms to ensure seamless communication:

- Investor Relations (IR) Email: A dedicated channel for addressing investor inquiries.
- IR Section on the Website and IR Application: Offering real-time access to reports, announcements, and key updates.

Through these initiatives, ADIB underscores its commitment to transparency, accountability, and fostering enduring relationships with its investors and stakeholders, ensuring alignment with the Group's strategic objectives and stakeholder expectations.

Investor Relations Leadership

The Investor Relations (IR) team serves as the primary point of contact for investors, analysts, and rating agencies, aiming to provide a fair understanding of ADIB's financial performance, strategy, and business outlook.

For inquiries, please contact:

Ms. Lamia Hariz

Head of Corporate Communications,
Marketing & Investor Relations

Email:

investor.relations@adib.com

lamia.hariz@adib.com

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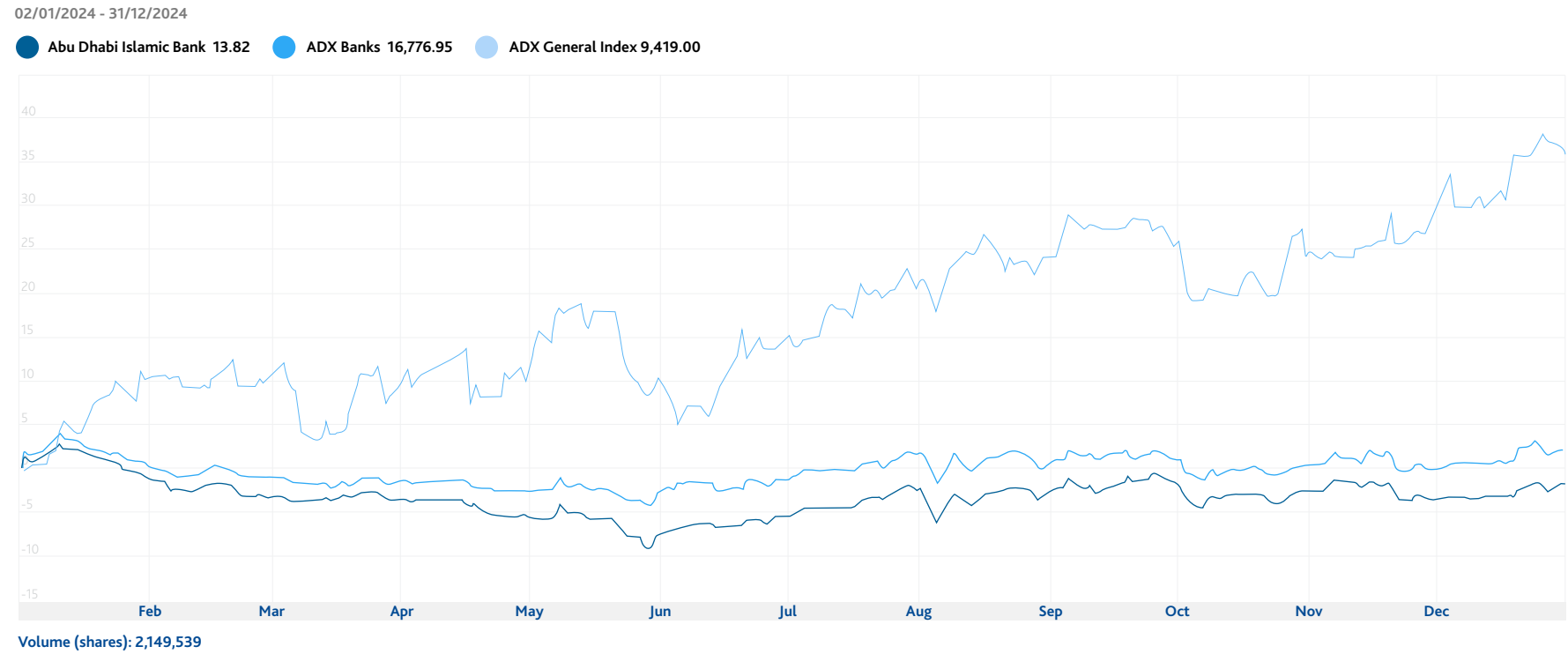
5.2 COMPANY PERFORMANCE

- Statement of the Bank share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024.



Month	Monthly High	Monthly Low	Monthly Close
Jan-24	11.44	10.06	11.20
Feb-24	11.48	11.04	11.24
Mar-24	11.42	10.30	11.02
Apr-24	11.88	10.92	11.16
May-24	12.18	10.86	11.22
Jun-24	11.84	10.58	11.58
Jul-24	12.50	11.54	12.26
Aug-24	12.96	11.60	12.62
Sep-24	13.28	12.50	12.72
Oct-24	12.92	12.00	12.60
Nov-24	13.16	12.54	13.06
Dec-24	14.14	13.06	13.82

- Statement of the comparative performance of the Bank Share with the general market index and the sector index to which the company belongs during the year 2024.



- Statement of shareholders who own 5% or more of the company’s capital as of 12/31/2024.

ADIB has an authorized share capital of 3,632,000 thousand ordinary shares of AED 1 each, issued and fully paid share capital is AED 3,632,000 thousand ordinary shares of AED 1 each. All of the shares in the company are nominal of which (60%) shall be fully owned by nationals of United Arab Emirates, while non-nationals are permitted to own shares of the company to the extent, but not exceeding (40%). The maximum limit per shareholder is (5%).

As of 31 December 2024, the major owners that directly hold more than (5%) as published by the Company via the electronic publishing platform of Abu Dhabi Exchange (ADX) and ADIB website and their voting rights were as follows:

Significant Shareholder	Number of Shares	Percentage of Shareholding
Emirates International Investment Company LLC	1,431,110,701	39.40 %
Emirates National Bank of Dubai PJSC	245,621,324	6.76 %
Other Investors	1,955,267,975	53.84 %
Total ADIB share	3,632,000,000	100.00 %

Month	Closing Price	ADX Banks	ADX General Index
Jan-24	11.20	16,560.44	9,508.32
Feb-24	11.24	16,233.21	9,254.81
Mar-24	11.02	16,126.64	9,228.09
Apr-24	11.16	16,008.86	9,067.42
May-24	11.22	15,958.67	8,862.58
Jun-24	11.58	16,214.33	9,060.73
Jul-24	12.26	16,689.25	9,338.96
Aug-24	12.62	16,439.37	9,284.93
Sep-24	12.72	16,592.07	9,425.49
Oct-24	12.60	16,452.14	9,327.92
Nov-24	13.06	16,411.42	9,234.80
Dec-24	13.82	16,776.95	9,419.00

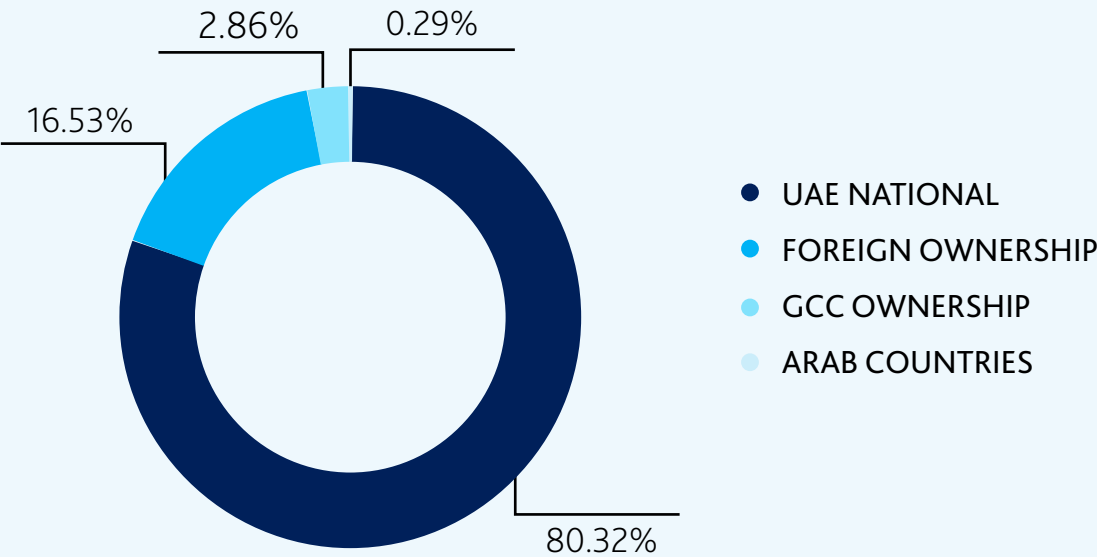
- A statement of ADIBs Ownership Structure as of 12/31/2024.

Shareholder Classification	Percentage of Owned Shares	Number of Owned Shares	Number of Shareholders
Government Agencies	3.14%	113,955,398	13
Companies	69.52%	2,524,852,448	1,016
Individuals	27.35%	993,192,154	42,876
Total	100%	3,632,000,000	43,905

• Statement of the distribution of National vs Foreign Holdings as of 12/31/2024

The breakdown of shareholder types as of 31 December 2024 is set out in the following table:

Shareholder Classification	Percentage of Owned Shared
National Ownership	80.32%
Foreign Ownership	16.53%
GCC Ownership	2.86%
Arab Countries	0.29%



5.3 GENERAL ASSEMBLY

The 2024 GAM was chaired by the Vice Chairman of the ADIB Board. The Directors, the external auditor, a representative of the SCA and shareholders were in attendance (in-person and online).

The meeting minutes were taken by the Board Secretary, and the GAM resolutions were made available to the SCA and shareholders through a market announcement before opening of the next market trading day.

General Assembly Meeting	DATE	Meeting Method	Special Resolution(s)	Attendance Percentage
Annual General Assembly	29 Feb 2024	Hybrid (Virtual and Physical)	2	64.71%

Special resolutions

In 2024, the shareholders approved the following special resolutions:

- Amendments to the Articles of Association as per Federal Decree-Law no. 32 of 2021 on Commercial Companies.
- Issue any senior Sukuk and/or other similar instruments which are not convertible into shares, whether under a programme or otherwise, in an aggregate outstanding face amount not exceeding USD 5 billion (or the equivalent there of in other currencies) at any time and to authorize the Board of Directors to determine and agree on the date of issuance provided that such date does not exceed one year from the date of the GAM, the amount, offering mechanism, transaction structure and other terms and conditions of any such issuance(s), provided that this is undertaken in compliance with the provisions of the Commercial Companies Law and any regulations or guidelines issued by any governmental or regulatory authority pursuant to such law and after obtaining approvals which may be required from the relevant competent regulatory authorities.

6. ISLAMIC BANKING GOVERNANCE

6.1 ADIB SHARI'A GOVERNANCE FRAMEWORK

The Shari'ah Governance Standard comprehensively provides the roles and responsibilities of the Board of Directors of the Islamic Financial Institution ('Board'), senior management and certain committees and departments of an Islamic Financial Institution. Briefly listed below are their main responsibilities.

Board of Directors: Ultimate responsibility for ensuring that a comprehensive Shari'a Governance Framework is put in place and that ADIB is in compliance with Islamic Shari'ah (as per the Shari'a resolutions, regulations and standards issued by the HSA and resolutions and fatwas issued by ADIBs Internal Shari'ah Supervisory Committee ('ISSC'), in relation to licensed activities and businesses of the Islamic Financial Institution) rests with the Board. The Board is required to hold at least one meeting with the ISSC each financial year to discuss issues pertaining to Shari'a compliance.

Board's Risk Committee: The Board's Risk Committee is responsible for supervising and monitoring the management of Shari'ah non-compliance risk (SNC Risk), setting controls in relation to this type of risk and overseeing the implementation of the framework of the management of Shari'a non-compliance risk.

Senior Management: The senior management is generally responsible for executing and managing ADIB's activities and business in compliance with Islamic Shari'a.

Board Audit Committee: The Board's Audit Committee is generally responsible for evaluating the effectiveness of ADIB's policies (approved by ISSC), assessing the effectiveness and adequacy of internal Shari'a audit and external Shari'a audit (if in place) and reviewing and checking compliance with reports prepared by the ISAG and external Shari'ah auditors.

Internal Shari'a Supervisory Committee (ISSC): The members of the ISSC of ADIB ("the Committee") were appointed in the General Assembly Meeting in compliance with the Decretal Federal Law No. (14) of 2018, CBUAE Shari'ah Governance Standard and the Bank's Article of Association. The Committee, whose members are not members of the ADIB Board, has a term of three years and all members are required to form a quorum, whether by principal or by proxy. The role and responsibilities of ADIB ISSC include:

- Undertaking Shari'a supervision of all businesses, activities, products, services, contracts, documents, and code of conducts of ADIB.
- Issuing Shari'a pronouncements and resolutions that are binding upon ADIB.
- Monitoring, through the ISCG and the ISAG, ADIB's compliance with Islamic Shari'a.
- Reviewing and approving corrective measures, and remediation required by Islamic Shari'a regarding the consequences arising from Shari'a non-compliance issues and recommending preventive measures to avoid reoccurrence of any such issues.
- Reviewing and approving, a Shari'a perspective, the method for calculation and distribution of profits, allocation of expenditures and costs and their division between holders of investment accounts and shareholders; and final annual accounts before presenting them to the Central Bank.
- Issuing an annual report stating the extent of ADIB's compliance with Islamic Shari'a that is published within the financial statement in ADIB's disclosures and other available means:

During the year, ISSC held (9) meetings to look after various issues and queries raised by or through the ISCG, the ISAG and other departments of ADIB. Further, (3) meetings were held with the Executive Members of the ISSC. In total (171) Shari'a resolutions were issued and (137) were notified. Resolutions covered a wide area of activities and transactions, including general Sukuk issuances, sovereign Sukuks and syndicated financing, large corporate deals, as well as many queries related to digital finance solutions and compliance with Islamic Shari'a in the transactions carried out by various business segments.

Internal Shari'a Control Group (ISCG) supports the ISSC in its duties. The ISCG carries out the following functions:

- ISSC Secretariat Function
- Shari'a Consultations Function
- Shari'a Research and Development Function
- Shari'a Compliance Function; and
- Shari'ah Training Function,

Each as detailed in ADIB's Shari'a Governance Framework.

Internal Shari'a Audit Group (ISAG): is generally responsible for undertaking Shari'a audits and monitoring ADIB's compliance with Islamic Shari'ah. The ISAG is required to submit reports to the ISSC and to the Board Audit Committee biannually (at minimum).

Name	Position	No. of Meetings Attended
Professor Dr. Mohammad Abdul Rahim Sultan Al Olama	Chairman of the ISSC Member of ISSC Executive Committee Executive Member of the ISSC	(9) - ISSC (3) - Executive Member
Professor Dr. Jassim Ali Salem Al Shamsi	Vice Chairman of the ISSC Member of ISSC Executive Committee Second Executive Member of the ISSC	(9) - ISSC
Professor Dr. Ashraf Md Hashim	Member of the ISSC Member of ISSC Executive Committee	(9) - ISSC
Sheikh Esam Mohamed Ishaq	Member of the ISSC	(9) - ISSC
Dr. Ali Al Junaidi	Member of the ISSC	(9) - ISSC

6.2 PROFILE OF INTERNAL SHARI'A SUPERVISORY COMMITTEE MEMBERS

Prof. Dr. Mohammad Abdulrahim Sultan Al-Olama

Among the learned Shari'a scholars from the UAE. Ex-Professor of Fiqh & Islamic Jurisprudence in the Law Faculty at the UAE University (Al Ain). Chairman and Member of several Shari'a advisory committees in the UAE, Oman and Bahrain. Chairman of the ISSC of Dubai Islamic Bank, Emirates NBD, Emirates Islamic Bank, CBD Al Islami, Dar Al Takaful, National Bonds. PhD. (Comparative Islamic Fiqh) from Umm Al-Qura University (Saudi Arabia).

Prof. Dr. Jassim Ali Al-Shamsi

Among the learned scholars from the UAE specialized in Islamic commercial jurisprudence and civil transactions law. Member of the Higher Shari'ah Authority of the Central Bank of the UAE. Chairman of the ISSC of Sharjah Islamic Bank, Ajman Bank, Al Hilal Bank, ADCB, Arab Bank for Investment & Foreign Trade, and a member of the ISSC of Ajman Bank. PhD. (Civil Law: A Comparative Study with Commercial Fiqh) from Cairo University (Egypt).

Prof. Dr. Ashraf bin Md Hashim

Among learned Shari'a scholars from Malaysia. He was the founding CEO of ISRA Consulting (Malaysia). Chairman of the Shari'ah Advisory Council at Bank Negara Malaysia. Chairman and Member of Shari'a advisory committees in the UAE, Malaysia, Singapore, Nigeria and Australia. PhD. (Islamic Law) from the University of Birmingham (UK).

Sheikh Esam Mohamed Ishaq

Among the learned Shari'a scholars from Bahrain. Member of the Higher Shari'ah Authority of the Central Bank of the UAE. Member of several Shari'a advisory committees in the UAE, Oman, Bahrain, United Kingdom, Guinea, Senegal, Pakistan, Nigeria.

Dr. Ali Al-Junaidi

Among the learned Shari'a scholars from the UAE. Associate Professor (Fiqh & Islamic Jurisprudence) at the UAE University (Al Ain). Member of the ISSC of Sharjah Islamic Bank (UAE), Aafaq Islamic Finance and Arab Bank for Investment & Foreign Trade. PhD. (Fiqh & Islamic Jurisprudence) from Yarmouk University (Jordan).

