

Board of Directors' Report On the Proposed Capital Increase through a Rights Issue

Demonstrated Track Record of Growth

On August 25, 2026, the Board of Directors of Abu Dhabi Islamic Bank approved a proposal to be presented to the Bank's General Assembly for consideration and approval of a capital increase through a rights issue. The proposed capital increase aims to raise up to **AED 1.75 billion** to support the Bank's upcoming growth phase under **Vision 2035**, enhance the Bank's capacity to seize future opportunities, and ensure the continued delivery of sustainable, long-term value to shareholders.

In recent years, the Bank has demonstrated robust and sustainable growth, marked by significant expansion in both its business operations and customer base. It has also delivered some of the highest returns on equity in the sector while maintaining a rewarding and consistent dividend policy for its shareholders. This strong performance persisted in the first half of 2026, **with total assets rising to AED 304 billion** by the end of the first half of the year, exceeding the AED 300 billion milestone for the first time in the Bank's history, following a remarkable 24% increase in total assets during 2025. This performance underscores the strength of the Bank's business model and its ability to achieve profitable growth. The return on equity (ROE) was recorded at 28% in 2024, increased to 29% in 2025, and remained strong at 28% during the first half of 2026.

Supporting ADIB's Next Phase of Growth

The proposed rights issue will provide extra financial flexibility that supports the Bank's growth ambitions. This will enable the Bank to expand its financing portfolio, enhance its customer relationships, and solidify its standing as one of the leading financial institutions in the United Arab Emirates. Through Vision 2035, the Bank aims to build on its solid foundations, maintain the growth of its core businesses, and deliver sustainable, long-term value to its shareholders.

From this perspective, we invite our valued shareholders to join us on ADIB's growth journey by subscribing to the rights issue and contributing to the value that the Bank will continue to generate. This step will enhance the Bank's capacity to leverage the dynamic and diverse UAE economy, maintain our offering of top-tier products and services, and invest in innovation and capabilities for future growth.

Details of the Proposed Rights Issue

Allow us to now highlight the main terms and conditions of the proposed rights issue.

The Board proposes to increase the Bank's issued capital from AED 3.632 billion to up to AED 3.738 billion through the issuance of up to 106.383 million new shares via a rights issue. Current shareholders will have the right to subscribe to one new share for every 34.14 shares owned as of the eligibility date.

Following the requisite shareholders' and regulatory authorities' approvals, the newly issued shares will be offered at a subscription price of AED 16.45 per share, consisting of a nominal value of AED 1.00 per share and a premium of AED 15.45 per share, allowing the Bank to raise up to AED 1.75 billion. The

subscription price represents a discount of approximately 29% compared to the closing price of the Bank's share, which was AED 23.10 on August 24, 2026.

Utilization of Capital Increase Funds

The funds raised from the capital increase through the rights issue will support the ADIB's growth objectives outlined in Vision 2035 by providing additional financing capacity to expand the financing portfolio, invest in strategic growth initiatives, and build on the strong momentum the Bank is achieving across its key markets.

Board of Directors' Recommendation

The Board unanimously recommends that shareholders approve the proposed capital increase through the rights issue. The Board believes that this process will enhance the Bank's ability to implement its growth strategy, support future expansion plans, and continue delivering sustainable long-term value to shareholders.

Acknowledgments

Before concluding, I would like to express my heartfelt gratitude and appreciation to the wise leadership of the United Arab Emirates, led by His Highness Sheikh Mohammed bin Zayed Al Nahyan, President of the UAE (may God protect him), for his vision and leadership that contribute to the State's economic progress, and for creating an environment that enables national institutions, including the Bank, to grow and prosper.

I also wish to thank the Board of Directors, the executive management, and all employees of Abu Dhabi Islamic Bank for their dedication, commitment, and contributions to the Bank's ongoing success. A sincere thank you goes out to

our customers and shareholders for their trust and support, as well as to the Central Bank of the U.A.E. and relevant regulatory authorities for their guidance and continuous backing.

Lastly, I extend my sincere appreciation to you, our esteemed shareholders, for your trust in Abu Dhabi Islamic Bank and continued support as we embark on a new chapter in the Bank's growth journey.

Jawaan Awaidha Suhail Al Khaili

Chairman