

ABU DHABI COMMERCIAL BANK PJSC

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First quarter 2026

Earnings press release and
management discussion & analysis

23 April 2026

ADCB delivered record Q1'26 profit before tax of **₹ 3.781 billion**, up 30% year on year, extending profit growth track record to 19 consecutive quarters

- **Strong first quarter performance delivered** by effective implementation of strategy, resilient business model and operational continuity through the period. Net profit after tax of AED 3.361 billion translated to a RoAE of 16.3%
- **Increasingly diversified revenue streams** driving 18% YoY and 7% QoQ growth in operating income, with higher contribution from non-interest income, which was up 36% YoY and 27% QoQ, on higher fee and trading income
- **Lowest quarterly cost-to-income ratio of 25.6%** resulting from top-line growth and sustained efficiencies, with operating expenses 8% lower QoQ
- **Significant increase in net loans to customers of AED 20 billion** during the quarter to AED 426 billion, up 5% QoQ and 18% YoY, characterised by a high-quality, well-diversified portfolio
- **ADCB franchise drove customer deposit growth of AED 23 billion** in the quarter to AED 523 billion, up 5% QoQ and 18% YoY, with **net inflow of AED 14 billion CASA** (current and savings account) deposits in Q1'26, supporting a favourable funding mix
- **Strong capital and liquidity position**, with CET1 ratio of 13.82% and liquidity coverage ratio (LCR) of 124.2%, underpinning a resilient balance sheet and supporting the Bank's ability to navigate an evolving operating environment and capitalise on the UAE's long-term fundamentals

Selected financial metrics for Q1'26

₹ 3.781 bn

Profit before tax

₹ 3.361 bn

Net profit after tax

16.3%

Return on average equity (post tax)

₹ 426 bn

Net loans to customers

₹ 523 bn

Customer deposits

25.6%

Cost to income ratio

Income statement highlights

- Profit before tax: AED 3.781 billion (up 30% YoY)
- Net profit after tax⁽¹⁾: AED 3.361 billion
- Return on average equity (RoAE) post tax⁽¹⁾: 16.3%
- Operating income: AED 5.934 billion (up 18% YoY)
- Non-interest income: AED 2.196 billion (up 36% YoY)
- Cost-to-income ratio: 25.6% (improvement of 360 bps YoY)

Balance sheet highlights

- Total assets: AED 809 billion (up 19% YoY and 5% QoQ)
- Net loans to customers: AED 426 billion (up 18% YoY and 5% QoQ). Customer deposits: AED 523 billion (up 18% YoY and 5% QoQ)
- CET1 ratio: 13.82% (vs 12.59% in March'25 and 13.79% in December'25)
- Liquidity coverage ratio (LCR): 124.2% (vs 131.3% in December'25)
- Non-performing loan (NPL) ratio: 1.76% (vs 2.24% in March'25 and 1.83% in December'25)

(1) Net profit after tax for Q1 2025 included a tax provision calculated at a rate of 15%, reflecting the introduction of the UAE Domestic Minimum Top-up Tax (DMTT) effective 1 January 2025. The Group subsequently assessed that it meets the eligibility criteria for the Initial Phase of International Activity Exclusion (IAE), resulting in application of a 9% statutory tax rate. Accordingly, year-on-year comparison of net profit after tax is not on a like-for-like basis

Ala'a Eraiqat, Group Chief Executive Officer

“ Guided by the UAE’s leadership, the country has demonstrated resilience, supporting continuity of economic activity, and reinforcing confidence in long-term stability.

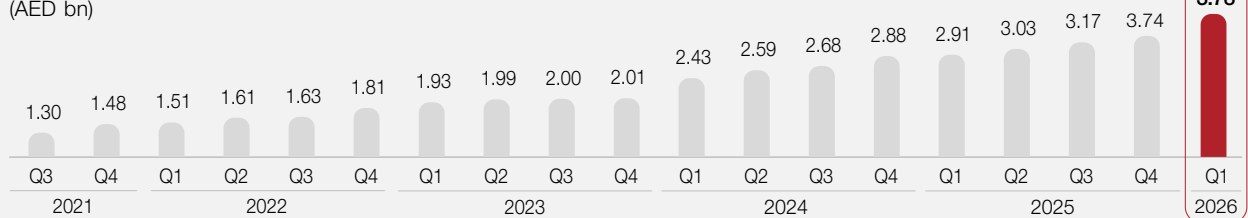
In this context, ADCB has maintained consistent operational delivery, with uninterrupted branch operations and high service standards across all customer touchpoints. The Bank also introduced targeted measures for individuals providing essential frontline services in appreciation of their invaluable contributions. In parallel, the Bank launched a suite of banking solutions for corporates designed to strengthen financial resilience and support business continuity.

We have entered the second year of our five-year strategy with a clear focus on transforming ADCB into a technology-driven organisation. In the first quarter, the Bank delivered a strong performance, with profit before tax increasing by 30% year on year to a record AED 3.781 billion, marking 19 consecutive quarters of profit growth.

This sustained performance, together with the Bank’s strong capital and liquidity position, provides a platform for the Bank to continue its growth trajectory. The UAE’s long-term fundamentals are well established, and ADCB remains focused on delivering a high-quality customer experience and enabling strategic investment in priority sectors across the economy. ”

19 consecutive quarters of growth in profit before tax⁽¹⁾

(AED bn)



Deepak Khullar, Group Chief Financial Officer

“ ADCB’s strong performance in the first quarter of 2026 was driven by growth across all core business segments. A combination of a diversified revenue mix and enhanced efficiency continues to support a high-quality and resilient earnings base. Non-interest income increased significantly to account for 37% of total operating income, up from 32% a year earlier, while the cost-to-income ratio improved to a record low of 25.6%, driven by strong top-line growth, productivity gains and disciplined cost management.

The Bank delivered robust balance sheet growth during the quarter. Net loans increased by AED 20 billion, or 5% sequentially, with broad-based expansion across key sectors and AED 10 billion of gross loans extended to government-related entities. The credit pipeline remains solid, providing clear visibility on future loan growth.

Strong confidence in the ADCB franchise drove an AED 23 billion net inflow of customer deposits during the quarter, up 5% sequentially. This included AED 14 billion of current and savings account (CASA) deposits, representing 47% of total deposits.

The Bank remains resilient, underpinned by its strong capital and liquidity position. To date, ADCB has not utilised any of the facilities prudently made available by the UAE Central Bank under its ‘Proactive Financial Institution Resilience Package’. We remain confident in our ability to navigate an evolving operating environment and are on track to deliver against our short and medium-term financial targets. ”

Robust balance sheet

(AED bn)



(1) Excluding net loss on discontinued operations (as applicable) and one-off gain recorded from the divestment of an 80% stake in Abu Dhabi Commercial Properties (ADCP) in Q4'23

Business and operational highlights

Strong corporate loan growth supported by expanding client relationships and capital markets strength

ADCB delivered strong corporate loan growth in the first quarter across key sectors including government-related entities, financial institutions, trading, manufacturing, supported by continued momentum across its broad offering. The Bank further strengthened its capital markets franchise through a landmark USD 3.5 billion dual-tranche SEC-registered bond issuance for the Republic of Türkiye, representing the first international conventional bond mandate awarded to a GCC bank. ADCB continues to support strategic sectors and economic development across its core markets, adding 289 new banking relationships during the quarter.

Targeted support measures for individuals providing frontline services and businesses to strengthen financial resilience

ADCB has introduced the UAE Frontline Heroes Package, a tailored support package for individuals providing essential frontline services, designed to enhance financial resilience. As part of this initiative, ADCB is offering fee reductions, deferrals, and preferential terms on banking products for both existing and new customers.

Additionally, ADCB launched a set of targeted support measures for businesses to address a range of financing needs, including working capital and capital expenditure requirements.

Retail franchise focused on targeted customer acquisition and digital engagement

ADCB continues to enhance its retail franchise through a focus on customer experience, broadening of its product offering and ongoing investment in a digitally enabled service model. The Bank attracted over 57,000 new retail customers in the first quarter through a targeted acquisition strategy. Digital origination of personal loans increased year on year, supported by higher levels of straight-through processing, with Islamic Banking continuing to see strong and growing customer demand. The Bank sourced over 52,000 new cards in the quarter, with acquisition focused on targeted customer segments.

Private banking growth driven by client engagement and investment capabilities

ADCB delivered strong growth in private banking and wealth management in the first quarter of 2026, supported by continued client onboarding and solid momentum across its investment and advisory platforms. The client base increased by 7% during the quarter, while assets under management within investment and advisory solutions also rose by 7%. This performance reflects continued execution of a strategy to position ADCB as the private bank of choice in the region based on a comprehensive wealth proposition, including holistic advisory, discretionary portfolio management, tailored wealth planning, and integrated financing solutions, supported by a sophisticated investment platform.

Embedding AI across the organisation to deliver productivity gains and strengthen capabilities

ADCB continued to make significant progress in the first quarter of 2026 against its AI strategy, building on foundations established in 2025. The Bank expanded AI use cases into new business areas and began scaling selected early pilots towards deployment for sustainable value creation, with a focus on embedding AI into the day-to-day work of employees engaged in direct customer interaction as well as back-office and corporate functions.

The Bank is also exploring AI-enabled customer engagement and agentic workflows, supported by rigorous risk management.

Previously introduced use cases focused on enhancing productivity are being rolled out at a larger scale, including an internal enterprise knowledge platform, AI-enabled software engineering, and AI assistants for members of the Board and Senior Management. ADCB is also strengthening its AI foundations, including model evaluation, guardrails and development of reusable components, while aligning with emerging regulatory guidelines.

Advancing ESG transparency and sustainable finance momentum

ADCB published its 2025 sustainability disclosures alongside its financial results in an Integrated Report, informed by IFRS S1 and S2 standards and Abu Dhabi Securities Exchange ESG disclosure guidance, reinforcing its focus on transparent, high-quality reporting. The Bank also introduced its first Human Rights Position Statement, strengthening its framework for responsible business practices. Sustainable finance commitments reached AED 71.9 billion as at 31 December 2025, representing 58% progress towards the 2030 target and exceeding the interim 2025 target of AED 50 billion.

ADCB's ESG performance continues to be recognised by leading global rating agencies. In 2026, the Bank earned the ESG Regional Leader Badge from Sustainalytics, while its FTSE Russell ESG score increased to 4.0 from 3.7, supported by a 5.0 governance score and continued progress across key social indicators.

Subsidiary highlights

ADCB Egypt progresses digital innovation and customer engagement

ADCB Egypt reported net profit of EGP 1.1 billion in the first quarter of 2026 based on IFRS, with return on equity of 24%. Loans and customer deposits increased by 28% year on year to EGP 77.6 billion and 27% to EGP 158 billion respectively, reflecting continued expansion across its core businesses.

During the quarter, the Bank continued to strengthen its digital offering, introducing Apple Pay and positioning itself among the first banks in the Egyptian market to offer this service. Digital performance remained strong, with the number of digital subscribers and active users increasing by 31% year on year, while digital transactions exceeded 500,000 in the first quarter.

Al Hilal Bank attracts 15,000 new customers in first quarter through fully digital onboarding

Al Hilal Bank remains focused on making everyday banking simpler, safer, and more rewarding for its customers. The Bank welcomed over 15,000 new customers during the quarter through a fully digital onboarding experience that extends to credit cards, where 90% of credit card applications are approved by straight-through processing without manual intervention.

Online card payments are now protected by in-app 3D Secure authentication, replacing SMS-based verification with a faster, more secure approval experience inside the mobile app. The Bank has also consolidated its debit and credit cards onto a single Mastercard platform, unlocking a broader set of merchant offers and a unified rewards experience. The Bank has continued to expand partnerships with leading UAE retailers, with targeted offers directly in the app as part of a broader programme to deepen the customer value proposition.

Management discussion & analysis

Q1 2026 financial highlights

| Income statement highlights (AED mn) | Q1'26 | Q4'25 | Q1'25 | ΔQoQ% | ΔYoY% |
|---|---------|---------|---------|-------|-------|
| Total net interest and Islamic financing income | 3,738 | 3,833 | 3,393 | (2) | 10 |
| Non-interest income | 2,196 | 1,734 | 1,619 | 27 | 36 |
| Operating income | 5,934 | 5,568 | 5,012 | 7 | 18 |
| Operating expenses | (1,519) | (1,647) | (1,465) | (8) | 4 |
| Operating profit before impairment charge | 4,415 | 3,921 | 3,547 | 13 | 24 |
| Impairment charge | (638) | (183) | (646) | 248 | (1) |
| Profit before tax ⁽¹⁾ | 3,781 | 3,736 | 2,906 | 1 | 30 |
| Income tax charge | (420) | (394) | (460) | 7 | (9) |
| Net profit for the period ⁽²⁾ | 3,361 | 3,342 | 2,446 | 1 | 37 |

| Balance sheet highlights (AED mn) | Mar'26 | Dec'25 | Mar'25 | ΔQoQ% | ΔYoY% |
|-----------------------------------|---------|---------|---------|-------|-------|
| Total assets | 808,857 | 773,654 | 679,716 | 5 | 19 |
| Net loans and advances | 425,720 | 405,967 | 359,489 | 5 | 18 |
| Net interest earning assets | 679,794 | 649,440 | 575,280 | 5 | 18 |
| Deposits from customers | 523,095 | 499,775 | 441,691 | 5 | 18 |

| Key metrics (%) | Q1'26 | Q4'25 | Q1'25 | ΔQoQ bps | ΔYoY bps |
|--|-------|-------|-------|----------|----------|
| CAR (Capital adequacy ratio – Basel III) | 16.95 | 17.00 | 16.07 | (5) | 88 |
| CE1 (Common equity tier 1) ratio | 13.82 | 13.79 | 12.59 | 3 | 123 |
| Liquidity coverage ratio (LCR) | 124.2 | 131.3 | 138.6 | (710) | (1,440) |
| Loan to deposit ratio | 81.4 | 81.2 | 81.4 | 20 | 0 |
| CASA/total customer deposits | 46.9 | 46.4 | 44.7 | 50 | 220 |
| Non-performing loan (NPL) ratio | 1.76 | 1.83 | 2.24 | (7) | (48) |
| Provision coverage ratio ⁽³⁾ | 151.8 | 146.4 | 150.1 | 540 | 170 |
| Cost of risk (COR) ⁽⁴⁾ | 0.41 | 0.16 | 0.49 | 25 | (8) |
| Cost to income ratio | 25.6 | 29.6 | 29.2 | (400) | (360) |
| Net interest margin (NIM) ⁽⁵⁾ | 2.32 | 2.39 | 2.48 | (7) | (16) |
| Risk adjusted NIM ⁽⁵⁾ | 1.94 | 2.24 | 2.01 | (30) | (7) |
| Return on average equity (ROAE) ⁽⁶⁾ | 16.3 | 17.6 | 13.7 | (130) | 260 |

Note: Figures may not add up due to rounding differences

(1) After including share in profit of associates

(2) Net profit after tax for Q1 2025 included a tax provision calculated at a rate of 15%, reflecting the introduction of the UAE Domestic Minimum Top-up Tax (DMTT) effective 1 January 2025. The Group subsequently assessed that it meets the eligibility criteria for the Initial Phase of International Activity Exclusion (IAE), resulting in application of a 9% statutory tax rate. Accordingly, year-on-year comparison of net profit after tax is not on a like-for-like basis. For more information, please see note 3 of Q1'26 financial statements

(3) Provisions on loans and advances, including fair value adjustments and IFRS 9 reserve

(4) COR: Net impairment charge on loans & advances and investments divided by net average loans & advances and investments

(5) NIM and risk adjusted NIM exclude 'Financial assets at fair value through profit or loss' and 'Loans and advances to customers at fair value through profit or loss' from interest earning assets

(6) For ROAE calculation, net profit after tax attributable to equity shareholders has been considered, i.e. net profit after deducting coupon payments relating to Tier 1 capital notes

5-year and full-year 2026 guidance

ADCB reiterates its guidance for full-year 2026 and for the medium term, as set out in its five-year strategy, reflecting continued business momentum, disciplined execution and confidence in the UAE's underlying economic fundamentals.

| | Guidance in five-year strategy launched in Q1 2025 | Full-year 2026 guidance |
|--------------------------------------|---|---|
| CET1 ratio | >12% | >12% |
| Cost of risk⁽¹⁾ | <60 bps | <60 bps |
| RoE | >15% | >15% |
| Profitability | Double net profit to AED 20 bn within five years; c.20% annual growth rate | Double net profit to AED 20 bn within five years; c.20% annual growth rate |
| Dividend payout⁽²⁾ | Progressive year on year increase in paid-out dividends, with targeted total dividend payout of c. AED 25 bn over five-year period | Progressive year on year increase in paid-out dividends, with targeted total dividend payout of c. AED 25 bn over five-year period |

Income statement highlights

Diversified income growth and continued efficiency gains underpin strong performance

- Net interest income increased 10% YoY to AED 3.738 billion in Q1'26 driven by higher volumes and was 2% lower QoQ. Net interest margin (NIM) declined by 16 bps YoY to 2.32% in Q1'26 due to the lower interest rate environment. The Bank's margins have remained resilient in the context of three benchmark rate cuts since September 2025, reflecting an optimised cost of funds supported by a higher contribution of CASA balances in the deposit mix.
- Non-interest income increased 36% YoY and 27% QoQ to AED 2.196 billion in Q1'26, representing 37% of total operating income, up from 32% a year earlier. Growth was broad-based across all headline income streams. Net fees and commission income increased 14% YoY and 6% QoQ to AED 938 million, driven by higher loan-related fees, trade finance commissions, as well as asset management and investment services fees.
- Net trading income increased 72% YoY and 51% QoQ to AED 959 million, mainly supported by higher gains from derivatives and financial assets at fair value through profit or loss. Other operating income increased 25% YoY to AED 299 million, primarily reflecting higher gains on the sale of non-trading investment securities, with a 42% QoQ increase mainly driven by gains on extinguishment of loans.
- Operating income increased 18% YoY and 7% QoQ to AED 5.934 billion in Q1'26.
- The cost to income ratio improved by 360 bps YoY and 400 bps QoQ to a new record low of 25.6% in Q1'26, reflecting strong revenue growth alongside continued efficiency gains and disciplined cost management. Operating expenses increased 4% YoY and declined 8% QoQ to AED 1.519 billion.
- Cost of risk was 41 bps in Q1'26, below guidance of 60 bps. Impairment charges were 1% lower YoY at AED 638 million, and increased from AED 183 million in Q4'25 primarily reflecting provision overlays to address heightened geopolitical risks.
- Profit before tax increased 30% YoY to AED 3.781 billion in Q1'26, while net profit after tax was AED 3.361 billion. Return on average equity (post-tax) was 16.3%, compared to 13.7% in Q1'25, exceeding the Bank's guidance of above 15% annually over the course of its five-year strategy.

(1) CoR: Net impairment charge on loans & advances and investments divided by net average loans & advances and investments

(2) This statement represents a forward-looking projection and is subject to necessary approvals, including but not limited to board, regulatory, and shareholder approvals

Balance sheet highlights

Strong balance sheet fundamentals support resilience and continued growth

- Total assets increased 19% YoY and 5% QoQ to reach AED 809 billion at March-end.
- Net loans to customers increased 18% YoY (AED 66 billion) and 5% QoQ (AED 20 billion) to AED 426 billion at March-end. Loan growth during the quarter was broad-based across key economic sectors, including the public sector and government related entities (GREs), financial institutions, trading, manufacturing, and services, reflecting continued growth and resilience across the UAE economy.
- The loan portfolio remains well diversified geographically, with 48% in Abu Dhabi, 19% in Dubai, 5% in other Emirates and 28% outside the UAE, supporting the Bank's strategy of balanced domestic and international exposure.
- Customer deposits increased 18% YoY (AED 81 billion) and 5% QoQ (AED 23 billion) to AED 523 billion at March-end, supported by the Bank's strong franchise. CASA deposits increased by 24% YoY (AED 48 billion) and 6% QoQ (AED 14 billion), representing 46.9% of total deposits, contributing to a favourable funding mix.
- The Bank maintained a strong capital position, with a capital adequacy ratio (Basel III) of 16.95% and a CET1 ratio of 13.82% as at March-end.
- Asset quality continued to improve, with the NPL ratio declining to 1.76% at March-end, compared to 2.24% a year earlier and 1.83% at the end of 2025. Provision coverage increased to 151.8%, from 150.1% and 146.4% over the same period, while including collateral, total coverage stood at 256%, compared to 260% and 249% respectively.
- Investment securities stood at AED 160 billion up 7% YoY and 4% lower QoQ, with 99.4% invested in bonds, maintaining a high-quality and liquid investment portfolio.
- The Bank maintained a strong liquidity position, with a liquidity coverage ratio of 124.2%, a liquidity ratio of 35.9% and a loan-to-deposit ratio of 81.4% as at March-end.
- Total shareholders' equity stood at AED 86 billion as at 31 March 2026.

Further information on ADCB can be found at adcb.com/ir or by contacting:

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