مصرف أبوظبي الإسلامي
ADIB



MANAGEMENT DISCUSSION and ANALYSIS

Q1 2026 Financial Results

Abu Dhabi, UAE | 29 April 2026

ADIB Maintains Strong Momentum in Q1 2026, with Net Profit before Tax up 8% year-on-year to AED 2.1 billion, and an Industry-Leading ROE of 27%

+8%
AED 2.1bn
Net profit before tax

+12%
AED 3.2bn
Revenues

+17%
AED 2.0bn
Funded income

+4%
AED 1.2bn
Non-Funded income

+18%
AED 287bn
Total assets

+28%
AED 198bn
Gross customer financing

+20%
AED 239bn
Deposits

-1.1 ppts
2.6%
NPA ratio

-40 bps
3.91% Net profit margin

66,000
New customers

+6%
AED 0.44 Earnings per share

Net Profit

- ADIB sustained its positive momentum in Q1 2026, delivering strong financial performance across the group.
- The bank recorded a year-on-year increase of 8%, with net profit before tax reaching AED 2.1 billion in the first quarter, up 2.3% compared to the previous quarter.
- The earnings growth reflects healthy balance sheet expansion and continued customer acquisition across key segments, with 66,000 new customers acquired during the period.
- Net profit after tax for Q1 2026 stood at AED 1.8 billion, representing an increase of 7% compared to Q1 2025.

Revenues

- Revenue for the first quarter of 2026 reached AED 3.2 billion compared to AED 2.9 billion for the corresponding period of 2025, representing a year-on-year growth of 12%.
- This performance reflects broad-based growth across key segments, supported by balance sheet expansion, sustained business volumes, and continued growth in funded income.
- Funded income rose to AED 2.0 billion in Q1 2026, a 17% year-on-year increase compared to AED 1.8 billion in the corresponding period last year, driven by higher financing volumes and the bank's ability to generate sustainable returns.
- The net profit margin of 3.91% reflects strong underlying business volumes, partially offset by pressure on rates.
- Non-funded income grew by 3% quarter-on-quarter and 4% year-on-year to reach AED 1.2 billion in Q1 2026, compared to AED 1.1 billion in Q1 2025. Investment income was a key contributor, increasing 10% year-on-year. Non-funded income accounted for 36% of operating income, reflecting the continued focus on revenue diversification.

Expenses

- ADIB maintained a cost-to-income ratio of 29.6% in Q1 2026, supported by sustained revenue delivery and continued discipline in productivity management.
- Cost progression remains planned and controlled, with operating expenses reaching AED 949 million in Q1 2026, a 14% year-on-year increase driven by ongoing investments in people, digital initiatives, and new technology.

Provisions and asset quality

- Impairments amounted to AED 158 million in Q1 2026, representing a 50% year-on-year increase and translating to a cost of risk of 48 basis points, in line with guidance. This represents a 5% decrease compared to AED 167 million in Q4 2025, reflecting stable credit performance.
- The non-performing asset ratio continued to improve to 2.6%, a record low for the bank, due to the remediation of our legacy portfolio and stringent underwriting standards.
- Provision coverage levels continued to build on the back of a prudent and disciplined risk approach. Coverage including collateral rose by 17.0 percentage points to 178.3%, while coverage excluding collateral increased to 98.8% from 82.8% a year ago.

Balance sheet

- Total assets increased by 18% year-on-year to reach AED 287 billion. This growth was driven by financing growth in both retail and corporate banking, as well as by an expansion of the investment portfolio.
- Customer financing grew 28% year-on-year, representing an AED 44 billion increase compared to Q1 2025 and AED 12 billion year-to-date. This performance was achieved due to sustained origination momentum, reflecting continued market share gains across key segments and the successful closure of landmark wholesale banking transactions.
- Customer deposits increased 20% year-on-year to AED 239 billion, up from AED 200 billion as of 31 March 2025 and rising by AED 10 billion year-to-date. This growth sustained a healthy funding mix, with current and savings accounts (CASA) growing 11% year-on-year and now comprising 67% of total deposits, reflecting strong customer confidence.

Liquidity and capital

- The bank's liquidity position was healthy and within regulatory requirements, with advances to stable funding ratio at 87.6% and the eligible liquid asset ratio at 13.6%.
- Total equity experienced a 12% increase year-on-year to AED 30 billion, led by growth in earnings.
- The return on equity (ROE) stood at 27.1% for Q1 2026.



"The UAE continued to demonstrate resilience and stability, ensuring continuity across economic and financial systems. This provided a stable environment for institutions to operate with confidence. ADIB delivered a solid first-quarter performance, supported by a strong balance sheet, prudent risk management, and sustained profitability."

H.E. Jawaan Awaidah Al Khaili

Chairman

66,000

New customers in Q1 2026

Sanadna

Initiative to support front liners and SMEs, designed to ease pressures, preserve financial stability and ensure the continued flow of credit to the real economy.

27%

Return on shareholders' equity

"ADIB delivered a resilient set of Q1 results, underpinned by the strength of our operating model and balance sheet. Sustained profitability, strong balance-sheet growth, and industry-leading returns of 27% reflect the resilience of our franchise and our ability to consistently deliver high returns across all cycles.

Both group net profit and revenues reached strong levels during the quarter, with net profit before tax rising to AED 2.1 billion, representing an 8% increase compared to last year. Robust top-line revenue growth of 12%, alongside sustained momentum in customer acquisition, supported performance, with 66,000 new customers joining the bank during the period.

The group's balance sheet reached a new milestone, reflecting sustained growth across our core businesses. Customer financing continued to expand strongly, supported by disciplined underwriting and market-share gains across key segments, while deposit growth reinforced a resilient and well-balanced funding profile. This balance-sheet strength positions the group to continue supporting customers and the wider economy.

The UAE has once again demonstrated notable resilience during the period, navigating regional developments through timely and decisive actions that preserved confidence in the financial system. Swift and targeted measures by the Central Bank of the UAE played a key role in supporting liquidity, safeguarding financial stability, and ensuring the continued functioning of credit markets. This strong macro-financial backdrop provided a stable foundation for the banking sector and allowed institutions such as ADIB to continue operating from a position of strength and prudence.

ADIB continued to play its role as a responsible national institution while maintaining uninterrupted service to customers across all channels. Through initiatives such as Sanadna, and in close alignment with the Central Bank of the UAE's relief and support programmes, the group remained focused on supporting customers, businesses, and the wider community. These measures were designed to ease short-term pressures, preserve financial stability, and ensure the continued flow of credit to the real economy.

As we look ahead, this disciplined approach of balancing strong commercial performance with our responsibility to the broader economy, remains central to the group's strategy. We remain confident in the UAE's leadership, the underlying strength of the local economy, and ADIB's ability to continue delivering sustainable value for our customers, shareholders, and wider stakeholders."



"Our strong operating performance in the first quarter, reflects the resilience of our franchise and the strength of our balance sheet. This was underpinned by a stable and well-regulated financial system that once again demonstrated its resilience, supported by sound leadership and the proactive role of the Central Bank of the UAE, whose timely relief measures helped preserve financial stability and enabled banks to continue supporting customers and the wider economy."

Mohamed Abdelbary

Group Chief Executive Officer (GCEO)

AED 2.1bn

Net profit before tax up 8%

AED 287bn

Total assets up 18%

AED 198bn

Gross customer financing up 28%

"ADIB delivered a resilient performance in the first quarter of 2026. The 8% net profit before tax growth was supported by robust balance-sheet expansion and a healthy funding profile. Asset quality remained sound, underpinned by disciplined underwriting and prudent provisioning, reinforcing the resilience of the franchise.

This performance was achieved within a stable and well-regulated financial environment, supported by the relief measures introduced by the Central Bank of the UAE to ensure that financial institutions remain well positioned to continue supporting economic activity while safeguarding financial stability.

Group continued to focus on revenue diversification and deepening customer relationships with total revenues increasing 12% year-on-year. Funded income delivered solid momentum, supported by strong financing growth, disciplined pricing, and an improving asset mix, resulting in a 17% year-on-year increase.

Non-funded income recorded growth of 4% year-on-year, reflecting softer transaction activity across some fee-generating products during the period. Continued cross-selling across key products contributed to maintaining a balanced income profile, which remains central to improving the quality and sustainability of the group's earnings.

Despite investments in technology and growing the franchise, ADIB maintained a cost-to-income ratio of 29.6% in Q1 2026.

The strength of our franchise has driven significant balance sheet expansion, with total assets increasing by 18% from Q1 2025, supported by an increase in customer financing of AED 44 billion in Q1 2026 to reach AED 198 billion, as we gained market share in retail and executed landmark corporate deals.

Asset growth was efficiently funded through strong inflows of customer deposits, which increased by AED 39 billion from last year to reach AED 239 billion by the end of Q1 2026. This included growing our CASA by 11% year-on-year, contributing to an improved cost of funds.

Despite this expansion, the bank maintained disciplined balance sheet management, matching sound risk management, and robust RWA efficiency with asset expansion. Provision coverage strengthened further, reaching a record high as we continued to build buffers in line with our prudent risk appetite.

Liquidity remained strong, underpinned by healthy deposit growth and a well-diversified funding base, while capital levels continued to remain comfortably above regulatory requirements. These fundamentals provide a strong foundation for the group to support customers and the real economy.

We will continue to focus on strategic priorities as part of Vision 2035. Our strong balance sheet, diversified operating model, and healthy pipeline enable us to continue supporting our customers and the wider economy while focusing on sustainable and long term value creation."

GROUP FINANCIAL REVIEW

> Income statement

AED (Mn)	Q1 2026	Q1 2025	Δ%	Q4 2025	Δ%
Net revenue from funds	2,041	1,752	+17%	2,023	+1%
Non-funded income	1,162	1,120	+4%	1,133	+3%
Total operating income	**3,203**	**2,871**	**+12%**	**3,156**	**+2%**
Total operating expenses before impairment charge	(949)	(830)	+14%	(940)	+1%
Provision for impairment	(158)	(106)	+50%	(167)	-5%
Profit before tax	**2,096**	**1,936**	**+8%**	**2,049**	**+2%**
Tax	(271)	(226)	+20%	(295)	-8%
Profit after tax	**1,825**	**1,710**	**+7%**	**1,754**	**+4%**
EPS (AED)	0.44	0.42	+6%		
Net profit margin	3.91%	4.31%	-40bps		
Cost to income ratio	29.6%	28.9%	+74bps		
Cost of risk	0.48%	0.37%	+11bps		
ROAE	27.1%	28.8%	-1.7ppts		
ROAA	2.75%	3.12%	-37bps		

- Group net profit before tax was AED 2.1 billion, up 8% year-on-year compared to AED 1.9 billion in Q1 2025, reflecting strong business momentum.
- Group net profit after tax was AED 1.8 billion, up 7% year-on-year compared to AED 1.7 billion in Q1 2025.
- Revenues grew by 12% in Q1 2026 to AED 3.2 billion versus AED 2.9 billion in Q1 2025 following strong business volumes.
- Funded income rose 17% year-on-year to reach AED 2.0 billion with net profit margin reaching 3.91%, contracting by 40 basis points.
- The bank continues to benefit from the expansion in diversified income streams, driven by deepening relationships and enhanced offerings, with non-funded income increasing by 4% to AED 1.2 billion during Q1 2026, representing 36% of operating income.
- Overall revenue was supported by the addition of approximately 66,000 new customers in the first quarter of 2026, showcasing ADIB's long-term commitment to its customers and its continuous efforts to deliver superior customer service.
- Operating expenses for Q1 2026 amounted to AED 949 million, reflecting a 1% quarter-on-quarter increase. This rise shows continued investment in talent and strategic initiatives to support business growth. Despite this, the cost-to-income ratio is at 29.6%.
- The net impairment charge for Q1 2026 rose by 50% to AED 158 million. However, the cost of risk remains fairly stable at 0.48%, well within guidance.

> Balance Sheet

AED (Mn)	31 Mar 2026	31 Mar 2025	Δ%
Cash and balances with central banks	32,093	33,921	-5%
Due from financial institutions	13,414	15,280	-12%
Customer financing, net	193,809	150,133	+29%
Investments	35,607	32,157	+11%
Investment in associates	1,034	941	+10%
Investment and development properties	2,046	2,051	-0.2%
Other assets	9,062	9,046	+0.2%
Total assets	**287,065**	**243,528**	**+18%**
Due to financial institutions	8,154	6,396	+27%
Depositors' accounts	239,335	200,095	+20%
Other liabilities	7,659	8,274	-7%
Sukuk financing instrument	1,836	1,836	-
Total liabilities	**256,984**	**216,601**	**+19%**
Share capital	3,632	3,632	-
Retained earnings	13,557	11,890	+14%
Other reserves	6,675	5,580	+20%
Equity attributable to shareholders of the bank	**23,865**	**21,102**	**+13%**
Tier 1 sukuk	4,754	4,754	-
Non-controlling interest	1,462	1,071	+37%
Equity attributable to equity holders of the bank	**30,081**	**26,927**	**+12%**
Non-performing financing	5,238	5,753	-9%
NPA ratio	2.6%	3.7%	-1.1ppts
NPA coverage ratio	98.8%	82.8%	+16.0ppts
NPA coverage ratio with collaterals	178.3%	161.3%	+17.0ppts
Risk weighted assets	193,748	169,126	+15%
Common Equity Tier 1 ratio	12.0%	12.2%	-28bps
Tier 1 ratio	14.5%	15.1%	-62bps
Capital adequacy ratio	15.5%	16.2%	-73bps
Financing to deposit ratio	81.0%	75.0%	+5.9ppts
Advances to stable fund ratio (ASFR)	87.6%	78.9%	+8.6ppts
Eligible liquid asset ratio (ELAR)	13.6%	17.1%	-3.5ppts

- Total assets reached AED 287 billion by the end of Q1 2026, up by 18% compared to 31 March 2025. This growth was driven largely by increases in net customer financing and the investment portfolio.

- Gross customer financing rose 28% year-on-year to AED 198 billion, increasing by AED 44 billion, driven by growth in retail financing and wholesale financing across primarily government and public sector enterprises. This reflects our ability to gain market share across different segments.

- The portfolio remains well diversified across different segments, with retail at 55%, GRE at 26%, and large corporates at 14%.

- The bank's investment portfolio increased 11% year-on-year to AED 36 billion, with 84% representing an amortised cost portfolio.

- ADIB's strong customer franchise continued to drive deposits, with total deposits reaching AED 239 billion at the end of Q1 2026, up 20% year-on-year. CASA deposits increased by 11% to AED 160 billion, comprising 67% of total customer deposits.

- Non-performing financing reached AED 5.2 billion, compared to AED 5.8 billion at the end of Q1 2025.

- The non-performing asset ratio improved to 2.6% versus 3.7% as of 31 March 2025. The provision coverage of non-performing financing (including collaterals) improved by 17.0 percentage points to 178.3%.

- Total equity stood at AED 30.1 billion, compared to AED 26.9 billion as of 31 March 2025.

- ADIB continued to maintain a healthy liquidity position, with the stable funding ratio of 87.6% and eligible liquid asset ratio at 13.6% well above the requirements prescribed by Central Bank of the UAE.

- The bank further strengthens its capital position with the Common Equity Tier 1 ratio at 12.0%, compared to 12.2% as of 31 March 2025, on the back of strong earnings and ongoing optimisation initiatives. The Capital Adequacy Ratio of 15.5% as of 31 March 2026 exceeds the regulatory requirements prescribed by the Central Bank of the UAE.

Strategic & Business Highlights



Building the Bank of the Future

- ADIB Becomes the UAE's First Bank Licensed to operate as an Open Finance Provider under the UAE's Open Finance AlTareq Initiative. The TPP license enables ADIB to securely aggregate customer-permissioned account data from other banks, giving customers a consolidated view of their finances through a single, trusted ADIB interface.
- Enhancement of digital onboarding capabilities for Home Finance Approval and Card journeys. The upgraded digital onboarding journeys are available to both existing ADIB customers and non-customers, enabling anyone to begin their banking or home-buying journey with ADIB seamlessly, anytime and anywhere. By leveraging advanced digital capabilities, ADIB has reduced onboarding timelines from days to minutes, allowing customers to apply for Home Finance Approval in Principle or gain instant access to ADIB Cards through a fully digital, straight-through process.

Revolutionise Customer Experience

- ADIB continues to expand its retail network with the opening of a new next-generation universal branch at Dubai Hills Mall, reinforcing its strategy to grow its presence in Dubai and across high-traffic lifestyle destinations, while delivering a seamless, customer-centric banking experience.
- ADIB has partnered with Majid Al Futtaim to introduce UAE's first Shariah-compliant SHARE covered card. The ADIB SHARE Visa Infinite and ADIB SHARE Visa Platinum Covered Cards bring customers enhanced value and convenience through the Majid Al Futtaim SHARE Rewards programme.

Advancing sustainability initiatives

- ADIB mobilized and facilitated AED 20.3 billion in sustainable finance by the end of 2025, marking a strong year for reinforcing its commitment to deploying AED 60 billion in sustainable finance by 2030.
- ADIB played a key role in structuring and participating in a range of landmark sustainable finance transactions across the UAE and the region, supporting clients across multiple sectors. These included large-scale project financings for renewable energy developments, sustainability-linked facilities for financial institutions, and debt capital market transactions within the sustainable sukuk space, serving both banks and corporates seeking Sharia-compliant funding solutions.

Grow Wholesale Banking

- ADIB continued to grow its Wholesale Banking portfolio in Q1 across key sectors, including government related entities (GREs), financial institutions, and large corporates. Financing to GREs increased by AED 17 billion versus Q1 2025 and now represents 26% of the total customer financing, while financing to large corporates grew by 17%, reflecting continued strength across core client segments.

Create New Growth Engines

- ADIB recorded strong Wealth Management growth in Q1 2026, with revenues up 27% year-on-year, supported by stronger client engagement and increasing demand for Shariah-compliant solutions. The launch of new ADIB Capital products, including Healthcare and Digital Infrastructure Funds, further strengthened the Bank's comprehensive Islamic wealth proposition.

Operating Resilience and Targeted Support

- As part of its commitment to supporting the community and the wider economy, ADIB continued to deliver targeted support through the Sanadna programme. The initiative is designed to strengthen financial resilience for businesses and essential frontline service providers, offering tailored measures to help navigate challenging operating conditions.
- ADIB continues to operate from a position of strength, supported by its solid balance sheet and prudent risk profile with liquidity and capital ratios well above regulatory requirements.
- Against a more volatile backdrop ADIB maintained stable operations with business continuity and cyber risk frameworks remained effective, enabling continued service delivery with no service disruption.

Accelerating Retail Growth Through Digital Engagement

- ADIB continued to enhance its retail franchise through strong customer acquisition and deeper digital engagement, supported by an ongoing focus on digitising customer journeys, product innovation, and investment in a digitally enabled service model. During the first quarter, 79% of newly onboarded customers were acquired digitally, while 61% of personal finance origination was sourced through digital channels, supported by higher levels of straight-through processing.

20 INDUSTRY AWARDS IN 2026



ORGANIZER	AWARD	CATEGORIES
EUROMOENY	Euromoney Islamic Finance Awards 2026	Middle East's Best Islamic Bank for ESG
	Euromoney Islamic Finance Awards 2026	UAE's Best Islamic Bank for ESG
	Euromoney Awards for Excellence 2026	UAE's Best Retail Bank
	Euromoney Islamic Finance Awards 2026 (deals)	UAE's Best Islamic Project Finance Deal (Al Dhafra OCGT independent power plant USD 815mn Istisna-Ijara financing)
	Euromoney Islamic Finance Awards 2026 (deals)	Middle East's Best Islamic Real Estate Deal (Eagle Hills Commodity Murabaha)
IFN Awards	IFN Best Banks Poll 2025	Best Digital Offering by a Bank in UAE
	IFN Deals of the Year 2025	IFN Perpetual Sukuk Deal of the Year 2025
	IFN Deals of the Year 2025	IFN Sovereign & Multilateral Deal of the Year 2025
	IFN Deals of the Year 2025	IFN Hybrid Deal of the Year 2025
	IFN Deals of the Year 2025	IFN Mudarabah Deal of the Year 2025
	IFN Deals of the Year 2025	IFN Pakistan Deal of the Year 2025
	IFN Deals of the Year 2025	IFN Syndicated Finance Deal of the Year 2025
	IFN Deals of the Year 2025	IFN UAE Deal of the Year 2025
	IFN Investor Service Providers Poll 2025	Best Islamic Wealth Manager
EMEA	EMEA Finance's Middle East Banking Awards	Best Islamic bank in the Middle East award
	EMEA Finance's Middle East Banking Awards	Best Islamic bank in the United Arab Emirates
THE DIGITAL BANKER	Global SME Banking Innovation Awards 2026	Best SME Bank - United Arab Emirates Islamic Banking
	Global SME Banking Innovation Awards 2026	Best Islamic SME Bank
Global Brand Awards	Global Brand Awards Night 2026	Best Shariah-Compliant Corporate Bank – UAE
Global Finance	World's Best Bank Awards	Best bank in the U.A.E.

About ADIB

ADIB is a leading bank in the UAE with AED 287 billion in assets. The bank also offers world-class online, mobile, and phone banking services, providing clients with seamless digital access to their accounts 24 hours a day.

ADIB provides Retail, Corporate, Business, Private Banking, and Wealth Management Solutions. The bank was established in 1997, and its shares are traded on the Abu Dhabi Securities Exchange (ADX).

ADIB has a strong presence in five strategic markets including Egypt, where it has 75 branches, the United Kingdom, Qatar, and Iraq.

Named **World's Best Islamic Bank** by *The Banker*, a **Financial Times** publication, ADIB has a rich track record of innovation, including the award-winning Ghina savings account, award-winning co-branded cards with Emirates airlines, Etihad, and Etisalat, and a wide range of financing products.

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