ABU DHABI COMMERCIAL BANK PJSC

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Second Quarter 2026

Earnings press release and management discussion & analysis

23 July 2026

بنك أبوظبي التجاري
ADCB

23 July 2026, Abu Dhabi

ADCB reports record H1’26 profit before tax of AED 7.607 bn, up 28% YoY, and delivers record Q2’26 profit before tax of AED 3.826 bn, up 26% YoY, marking 20 consecutive quarters of profit growth

- **Sustained momentum** driven by significant loan growth, strong asset quality, higher non-interest income, amid a resilient operating environment in the UAE
- **Significant growth in Q2'26 non-interest income**, up 12% YoY on higher fee and trading income, further diversifying the Bank's revenue streams
- **Substantial balance sheet growth**, with net loans up AED 42 billion (+10%) during the first half, reflecting healthy demand across diverse economic sectors, while the Bank continued to attract steady inflows of customer deposits of AED 27 billion (+5%) year-to-date
- **Strong asset quality**, with the cost of risk at 36 bps in Q2’26 versus 88 bps a year earlier, underpinned by disciplined underwriting and a high-quality, well-diversified portfolio
- **Solid capital and liquidity position**, with CET1 of 13.66% and LCR of 109.5%, providing a solid foundation for continued growth and disciplined capital deployment
- **Continued progress on the Bank’s AI strategy** during the second quarter of 2026, accelerating AI integration across customer journeys and business operations to enhance service delivery and improve productivity

Selected financial metrics for Q2’26

AED 3.826 bn Profit before tax	AED 3.376 bn Net profit after tax	16.6% Return on average equity (post tax)
AED 445 bn Net loans to customers	AED 527 bn Customer deposits	28.0% Cost to income ratio

H1’26 income statement highlights

- Profit before tax: AED 7.607 billion (up 28% YoY)
- Net profit after tax[1]: AED 6.737 billion (up 34% YoY)
- Return on average equity (post tax)[1]: 16.2% (up 210 bps YoY)
- Operating income: AED 11.981 billion (up 12% YoY)
- Non-interest income: AED 4.510 billion (up 22% YoY); 38% of operating income
- Cost-to-income ratio: 26.8% (improvement of 90 bps YoY)

Balance sheet highlights

- Total assets: AED 833 billion (up 16% YoY, 8% YTD)
- Net loans to customers: AED 445 billion (up 18% YoY, 10% YTD)
- Customer deposits: AED 527 billion (up 14% YoY, 5% YTD)
- Common Equity Tier 1 (CET1) ratio: 13.66% (vs 13.79% at Dec’25)
- Liquidity coverage ratio (LCR): 109.5% (vs 131.3% at Dec’25)
- Non-performing loan (NPL) ratio: 1.71% (vs 1.83% at Dec’25)

(1) Net profit after tax for H1 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 in H1'26. 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

"ADCB's performance in the second quarter reflects the strength of our franchise and the resilience of the UAE economy, which demonstrated remarkable momentum especially in the context of regional developments during the period. Profit before tax increased 26% year on year to a record AED 3.826 billion, marking our 20th consecutive quarter of growth.

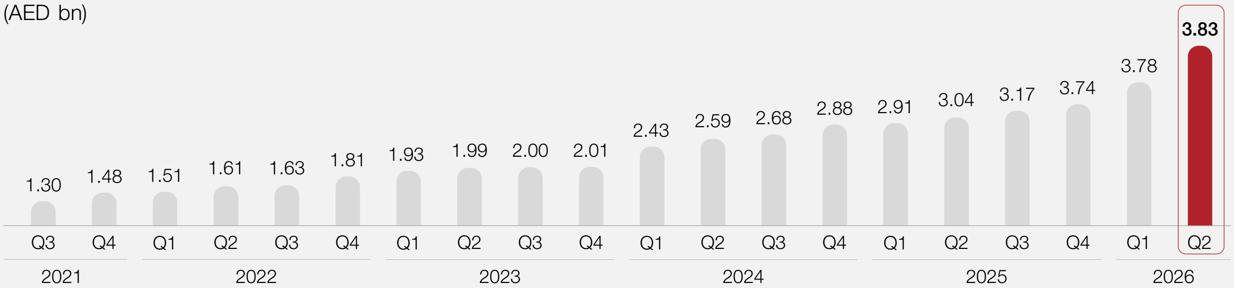
As a major financial institution at the heart of the UAE economy, we are seeing clear evidence of healthy investment activity and consumer confidence. The Bank delivered net loan growth of AED 42 billion and deposit growth of AED 27 billion in the first half of the year, while maintaining strong asset quality. These trends demonstrate the trust that customers place in ADCB and reinforce our positive outlook.

In the second year of our five-year strategy, we have maintained a clear focus on execution and on building a technology-driven organisation. We continued to embed AI across customer services, employee productivity and business operations, including the launch of our new AI-enabled mobile banking application.

Looking ahead, we see a healthy pipeline of opportunities across our core businesses. With significant investment continuing across energy, transport, logistics, infrastructure, tourism and artificial intelligence, the UAE's fundamentals remain exceptionally strong, underpinned by the clarity of its long-term vision and leadership. ADCB is well positioned to play a central role in supporting the next phase of economic expansion, sustaining its growth trajectory and creating long-term value for all stakeholders."

20 consecutive quarters of growth in profit before tax[1]

(AED bn)



Deepak Khullar, Group Chief Financial Officer

"ADCB's first-half performance reflects the fundamental strength of the Bank, with profitability supported by strong lending momentum, well diversified income streams and a lower cost of risk.

Non-interest income continues to serve as a key driver of growth, increasing 22% year on year in the first half, supported by higher fee and trading income. Consistent growth in operating income combined with continued productivity initiatives and disciplined cost management drove a 90 basis point improvement in the first-half cost-to-income ratio to 26.8%.

Financing activity remained strong across the Bank's core businesses, reflecting healthy demand across a broad range of economic sectors. This was accompanied by steady customer deposit inflows, underlining the stability of the Bank's funding profile. Asset quality remained strong, with cost of risk reducing to 38 basis points in the first half from 69 basis points a year earlier and remaining comfortably below our guidance.

With a CET1 ratio of 13.66% and a liquidity coverage ratio of 109.5%, ADCB enters the second half in a position of financial strength. This provides the solid foundations to capitalise on growth opportunities and invest in the priorities set out in our five-year strategy."

(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

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Q2/H1 2026 Management discussion & analysis

Q2/H1 2026 financial highlights

Income statement highlights (AED mn)	H1'26	H1'25	ΔYoY%	Q2'26	Q1'26	Q2'25	ΔQoQ%	ΔYoY%
Total net interest and Islamic financing income	**7,471**	7,048	6	**3,733**	3,738	3,655	0	2
Non-interest income	**4,510**	3,693	22	**2,314**	2,196	2,074	5	12
Operating income	**11,981**	10,741	12	**6,047**	5,934	5,729	2	6
Operating expenses	**(3,210)**	(2,975)	8	**(1,691)**	(1,519)	(1,510)	11	12
Operating profit before impairment charge	**8,771**	7,766	13	**4,356**	4,415	4,219	(1)	3
Impairment charge	**(1,174)**	(1,833)	(36)	**(536)**	(638)	(1,187)	(16)	(55)
Profit before tax[(1)]	**7,607**	5,942	28	**3,826**	3,781	3,036	1	26
Income tax charge	**(870)**	(928)	(6)	**(450)**	(420)	(468)	7	(4)
Net profit for the period[(2)]	**6,737**	5,014	34	**3,376**	3,361	2,568	0	31

Balance sheet highlights (AED mn)	Jun'26	Jun'25	ΔYoY%	Jun'26	Mar'26	Dec'25	ΔQoQ%	ΔYTD%
Total assets	**833,184**	718,502	16	**833,184**	808,857	773,654	3	8
Net loans and advances	**444,596**	375,266	18	**444,596**	422,784	403,031	5	10
Net interest earning assets	**703,236**	605,210	16	**703,236**	679,794	649,440	3	8
Deposits from customers	**526,638**	463,442	14	**526,638**	523,095	499,775	1	5

Key metrics (%)	H1'26	H1'25	ΔYoY bps	Q2'26	Q1'26	Q2'25	ΔQoQ bps	ΔYoY bps
CAR (Capital adequacy ratio – Basel III)	**16.50**	15.53	97	**16.50**	16.95	15.53	(45)	97
CET1 (Common equity tier 1) ratio	**13.66**	12.21	145	**13.66**	13.82	12.21	(16)	145
Liquidity coverage ratio (LCR)	**109.5**	135.2	NA	**109.5**	124.2	135.2	NA	NA
Loan to deposit ratio	**84.4**	81.0	340	**84.4**	80.8	81.0	360	340
CASA/total customer deposits	**45.7**	44.7	100	**45.7**	46.9	44.7	(120)	100
Non-performing loan (NPL) ratio	**1.71**	2.02	(31)	**1.71**	1.76	2.02	(5)	(31)
Provision coverage ratio[(3)]	**159.4**	173.1	NA	**159.4**	151.8	173.1	NA	NA
Cost of risk (CoR)[(4)]	**0.38**	0.69	(31)	**0.36**	0.41	0.88	(5)	(52)
Cost to income ratio	**26.8**	27.7	(90)	**28.0**	25.6	26.4	240	160
Net interest margin (NIM)[(5)]	**2.26**	2.49	(23)	**2.20**	2.32	2.49	(12)	(29)
Risk adjusted NIM[(5)]	**1.91**	1.83	8	**1.87**	1.94	1.67	(7)	20
Return on average equity (ROAE)[(6)]	**16.2**	14.1	210	**16.6**	16.3	14.9	30	170

Note: Figures may not add up due to rounding differences
Certain disclosure notes/numbers have been reclassified and rearranged from the Group's prior period condensed consolidated interim financial information to conform to the current period's presentation

(1) After including share in profit of associates

(2) Net profit after tax for H1 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, the year-on-year comparison of net profit after tax is not on a like-for-like basis

(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

On track to deliver 5-year and full-year 2026 guidance

	Guidance in five-year strategy launched in Q1 2025	Full-year 2026 guidance	H1'26 actuals
CET1 ratio	>12%	>12%	13.66%
Cost of risk[(1)]	<60 bps	<60 bps	38 bps
RoE	>15%	>15%	16.2%
Profitability	Double net profit to AED 20 bn within five years; c.20% annual growth rate	c.20% annual growth rate	AED 6.737 bn
Dividend payout[(2)]	Progressive year-on-year increase in paid-out dividends, with targeted total payout of c. AED 25 bn over five-year period	Progressive year-on-year increase in paid-out dividends	Final dividend proposed at full year

Income statement highlights

Higher volumes, sustained growth in non-interest income and cost efficiencies underpin strong first-half performance

- Net interest income was AED 3.733 billion in Q2’26, 2% higher YoY and broadly stable QoQ, while H1’26 net interest income rose 6% YoY to AED 7.471 billion on higher volumes.
- Risk-adjusted NIM increased by 8 bps YoY to 1.91% in H1'26, supported by a lower cost of risk. In Q2’26, risk-adjusted NIM was 1.87%, 20 bps higher YoY and 7 bps lower QoQ. NIM declined by 23 bps YoY to 2.26% in H1’26, reflecting the three rate cuts since September 2025. In Q2’26, NIM moderated to 2.20%, 29 bps lower YoY and 12 bps lower QoQ, reflecting a shift in liability mix to maintain a resilient liquidity position.
- Non-interest income increased 12% YoY and 5% QoQ to AED 2.314 billion in Q2’26, representing 38.3% of operating income, up from 36.2% a year earlier. H1’26 non-interest income rose 22% YoY to AED 4.510 billion, accounting for 37.6% of operating income. In Q2’26, net fees and commission income increased 28% YoY and 26% QoQ to AED 1.186 billion, primarily driven by higher card-related fees. Net trading income rose 11% YoY and was broadly stable QoQ at AED 972 million in Q2’26 supported by higher gains from foreign currencies as well as derivatives and financial assets at fair value through profit or loss. Operating income increased 6% YoY and 2% QoQ to AED 6.047 billion in Q2’26, and rose 12% YoY to AED 11.981 billion in H1’26.
- Cost to income ratio was 28.0% in Q2’26 and 26.8% in H1’26, an improvement of 90 bps YoY driven by top-line growth combined with continued cost discipline. Operating expenses were AED 1.691 billion in Q2’26, up 12% YoY and 11% QoQ and AED 3.210 billion in H1’26, up 8% YoY reflecting continued investment in strategic growth initiatives, including talent, technology & AI, and new business capabilities.
- Cost of risk was 36 bps in Q2’26 and 38 bps for H1’26, comfortably within the Bank’s guidance of below 60 bps and down from 69 bps in H1’25. Net impairment charge was AED 536 million in Q2’26 and AED 1.174 billion in H1’26, 36% lower YoY primarily due to higher charges related to a few legacy corporate accounts in the prior year.
- In Q2’26, profit before tax increased 26% YoY to a record AED 3.826 billion, while net profit after tax was AED 3.376 billion. For H1’26, profit before tax increased 28% YoY to AED 7.607 billion and net profit after tax was AED 6.737 billion. Return on average equity (post-tax) was 16.6% for Q2’26 and 16.2% for H1’26, exceeding the Bank’s guidance of above 15% 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

Broad-based loan growth and strong deposit franchise support resilience and continued balance sheet expansion

- Total assets increased 3% QoQ, 16% YoY and 8% YTD to AED 833 billion as at 30 June 2026.
- Net loans and advances to customers increased 5% QoQ (AED 22 billion), 18% YoY (AED 69 billion) and 10% YTD (AED 42 billion) to AED 445 billion, led by continued corporate lending growth across key economic sectors, including energy, trading, manufacturing and government-related entities (GREs).
- The loan portfolio remained well diversified geographically across Abu Dhabi, Dubai, other Emirates, with the UAE representing 70% of total gross loans and international exposure at 30%, supporting the Bank's strategy of balanced domestic and international exposure.
- Customer deposits increased 1% (AED 4 billion) QoQ, 14% YoY (AED 63 billion) and 5% YTD (AED 27 billion) to AED 527 billion, supported by the Bank's strong franchise. Current and savings account (CASA) deposits represented 45.7% of total customer deposits as at June-end, up from 44.7% a year earlier, contributing to a favourable funding mix.
- The Bank maintained a strong capital position as at 30 June 2026, with a capital adequacy ratio (Basel III) of 16.50% and common equity tier 1 (CET1) ratio of 13.66%.
- Asset quality remained strong, underpinned by disciplined underwriting and a well-balanced credit profile, with the non-performing loan (NPL) ratio reducing to a record low of 1.71%, and the provision coverage ratio rising to 159.4% (from 146.4% at Dec'25) and total coverage including collateral of 272% as at June-end.
- Investment securities increased 7% QoQ, 11% YoY and 3% YTD to AED 171 billion, with 99.1% invested in bonds, maintaining a high-quality and liquid portfolio.
- The Bank maintained a strong liquidity position, with a liquidity coverage ratio of 109.5%, a liquidity ratio of 34.3% and a loan-to-deposit ratio of 84.4% as at 30 June 2026.
- Total shareholders' equity stood at AED 89 billion as at 30 June 2026.

Business and operational highlights

Corporate and Investment Banking sustains loan growth and capital markets momentum

The Corporate and Investment Banking Group (CIBG) maintained strong momentum into the second quarter, led by continued loan growth across its priority sectors, supported by resilient client demand and a disciplined approach to credit. The Group added over 200 new client relationships during the quarter, and continued to attract steady inflows of deposits.

In capital markets, ADCB continued to play a leading role in landmark regional transactions. The Bank acted as bookrunner on Emirates NBD's USD 750 million Additional Tier 1 bond issuance, which set a positive tone for regional credit markets, and acted as joint lead manager and joint bookrunner on Kazakhstan Temir Zholy's USD 1 billion dual-tranche bond, the largest transaction by a Kazakh non-sovereign issuer since 2020. ADCB also acted as joint bookrunner on UzNIF's USD 692 million listing, the first international IPO by an Uzbek issuer.

Retail Banking grows its customer base and continues to attract significant CASA deposits

ADCB continued to strengthen its retail franchise during the second quarter through targeted customer acquisition initiatives and ongoing investment in digital capabilities. The Bank attracted over 56,000 retail customers and sourced more than 47,000 new credit cards during the period. Digital origination of personal loans and credit cards increased year on year, supported by higher levels of automation, while Islamic Banking continued to see growing customer demand. The Bank attracted AED 7.5 billion in retail CASA (current and savings account) deposits[1] during the first half, supporting a favourable cost of funds.

ADCB became the first bank in the UAE to launch a Tourist Account, enabling visitors to open an account rapidly and securely using the UAE's biometric Tourist Identity. The Bank also extended access to its Frontline Heroes programme, providing preferential banking benefits to more frontline professionals through enhanced collaboration with government entities.

(1) ADCB UAE only, excluding Al Hilal Bank and ADCB Egypt

Private Banking continues to expand client base

Private Banking and Wealth Management delivered continued growth in the second quarter, with its client base up 26% from a year earlier and assets under management within investment and advisory solutions increasing by 27%. The increase reflects sustained client demand across its advisory, discretionary portfolio management and wealth planning services, supported by a broadening investment platform.

Expanding AI capabilities across the organisation

ADCB further embedded AI across customer services, employee productivity and business operations. The Bank launched a conversational AI interface on its new mobile banking app and expanded use of its Enterprise Knowledge platform across the organisation. AI-driven automation was extended across selected operational processes, while the number of centrally developed and employee-created AI agents continued to increase within a controlled environment. These capabilities are supporting greater efficiency, productivity and knowledge sharing across the organisation.

2025 ESG Report published and sustainable finance capabilities enhanced

During the quarter, ADCB published its 2025 ESG Report and developed an enhanced Sustainable Funding Framework, expanding the range of eligible green and social asset classes offered to support sustainable funding needs. The Framework, verified by a Second Party Opinion from S&P Global, is aligned with the latest International Capital Market Association (ICMA) and Loan Market Association (LMA) guidelines. ADCB's ESG performance continued to be recognised by leading global rating agencies, maintaining industry-leading ESG ratings across MSCI, Sustainalytics, S&P and Bloomberg.

Subsidiary highlights

ADCB Egypt drives growth while advancing digital and sustainability initiatives

ADCB Egypt reported net profit of EGP 752 million in the second quarter and EGP 1.814 billion for the first half of 2026, based on IFRS, with a second-quarter return on equity of 17%. Loans and customer deposits reached EGP 79.9 billion and EGP 153.5 billion respectively as at 30 June 2026, up 23% and 16% year on year. The Bank maintained strong digital momentum, with digital subscribers and active users increasing 30% year on year and digital transactions surpassing 750,000 in the quarter. The Bank also published its fifth ESG and Carbon Footprint Report and became the first bank in Egypt to undertake a climate stress-testing exercise, in collaboration with S&P Global Ratings.

Al Hilal Bank advances its digital-first proposition

Al Hilal Bank continued to execute its digital-first strategy, adding more than 11,000 new customers in the quarter through its fully digital onboarding platform, bringing the total for the first half of 2026 to more than 24,000. The Bank further enhanced its retail offering with foreign currency accounts and strengthened its savings plus proposition through tiered profit rates. Merchant partnerships were enhanced through collaboration with Amazon, Careem, Talabat and leading travel partners.

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