

Abu Dhabi Commercial Bank

Initiation of Coverage

Sector - Banks

Solid positioning, await catalysts - Initiate with a 'Neutral' rating
Strategic Positioning: Alignment with Abu Dhabi's "Capex Super-Cycle"

Abu Dhabi is entering a multi-year investment phase that represents a fundamental shift in its economic architecture. This outlook is grounded in a sovereign mandate to re-invest the emirate's massive capital reserves into a self-sustaining industrial and technological base. Central to this "Capex Super-Cycle" is the Abu Dhabi Economic Vision 2031, a comprehensive roadmap that prioritizes industrial self-sufficiency, clean energy, and AI. This transition is robustly shielded from oil price volatility: It maintains one of the world's lowest fiscal break-even oil prices estimated between \$50-\$60 per barrel helping the government comfortably fund its agenda without incurring significant debt or halting projects. This fiscal resilience is underscored by a record AED 92.4 Bn federal budget for 2026 (a 29% YoY increase) and a consistent track record of fiscal surpluses averaging ~4% of GDP, proving the government's willingness and capacity to sustain its AED 300 Bn industrialization goal and the AED 367 Bn MGX AI infrastructure fund. We believe ADCB is strategically integrated at every juncture of this capital deployment cycle. With a 60.69% anchor stake from Mubadala, the bank serves as a functional extension of the sovereign balance sheet, securing a proprietary "first look" advantage on marquee mandates like Masdar's renewables expansion and G42-linked tech hubs. This structural nexus allows ADCB to manage the massive liquidity flows of the largest Government-Related Entities (GREs), capturing high-margin advisory fees at project origination, providing the long-term debt financing required for industrial scaling, and dominating the Debt Capital Markets (DCM) as the regional bookrunner of choice.

Corporate-Centric Model Driving Global Scale

ADCB's 71% corporate concentration, while appearing low-margin, reflects a calculated shift from 27% direct government lending (FY-2024) to 23% (2025), a strategic pivot from passive debt holding to active industrial partnership. The bank is redeploying capital into the "Capex Super-Cycle" to capture higher-margin fees and digital cash management by using large corporate loans as a "hook" to become the primary bank for major government projects. This allows ADCB to capture the entire ecosystem's cash flow from Bn-dollar project accounts to contractor and employee salaries, creating a self-sustaining loop of low-cost deposits that keeps funding cheap and the balance sheet stable.

Fee engine transformation: Diversification in a falling rate cycle

ADCB's evolution into a service-led model marks a significant shift toward capital efficiency, with non-interest income reaching 31% of operating income as of Q4 2025. This transition is underpinned by elite partnerships with Blackstone and Carlyle, which drove a sustainable 47% YoY growth in AUM following the 87% surge in 2024. By capturing high-margin MLA roles for flagship initiatives like the MGX AI fund and Masdar's expansion, ADCB has successfully diversified its revenue stream, creating a structural hedge against interest rate volatility. This strategy effectively replaces balance-sheet-heavy lending with recurring fee income, positioning the bank as a high-velocity partner in the UAE's industrial transformation rather than a traditional interest-spread play.

FY 2026 projections and key risks

We believe ADCB is well suited to deliver an 8% - 10% loan growth in FY-2026 driven by corporate lending that should outpace retail through 2028, supported by government infrastructure spend and easing rates. Net interest margin is forecasted at 2.0-2.30% with initial pressure from corporate loan repricing before stabilizing in H2 2026 as lower funding costs offset asset headwinds, while deposits should grow 12% - 14% maintaining a comfortable 75% -77% LDR. Asset quality remains strong with NPL ratio at 2.2%, cost-to-income at 28.2%, expected to go down further and cost of risk at 45-55 bps, supporting high-single to low-double-digit EPS growth in FY-2026 driven by NII and cost discipline. Key risks include slower corporate lending, geopolitical volatility, CASA compression, and uncertain GRE momentum.

| Key Financials - AED Mn | 2023 | 2024 | 2025 | 2026E | 2027E |
|-------------------------------|--------|--------|--------|--------|--------|
| Net Special Commission Income | 10,296 | 11,029 | 12,091 | 13,150 | 15,136 |
| Fee Income | 2,444 | 3,101 | 3,607 | 3,232 | 4,714 |
| Net Income | 11,193 | 12,293 | 14,548 | 15,520 | 17,988 |
| EPS (AED) | 1.12 | 1.29 | 1.45 | 1.87 | 2.43 |
| DPS (AED) | 0.56 | 0.59 | 0.55 | 0.65 | 0.85 |
| P/TB (x) | 0.9x | 0.9x | 1.6x | 1.4x | 1.2x |
| P/E (x) | 8.0x | 6.9x | 10.8x | 8.3x | 6.4x |
| Dividend Yield (%) | 6.2% | 6.6% | 3.5% | 4.2% | 5.5% |

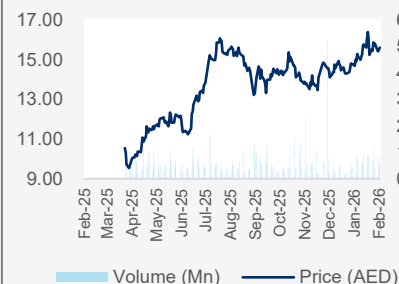
Source: Kamco Invest Research, Abu Dhabi Commercial Bank

Neutral

CMP 12-Feb-2026: AED 15.60

Target Price: AED 16.96

Upside: 8.7%



| Price Perf: | 1M | 3M | 12M |
|-------------|-------|-------|-------|
| Absolute | 4.0% | 13.9% | 34.4% |
| Relative | -2.3% | 1.0% | 9.7% |

Source: Kamco Invest Research, Refinitiv

Stock Data

| | |
|---------------------------|----------|
| Bloomberg Ticker | ADCB.AD |
| Last Price (AED) | 15.60 |
| MCap (AED Mn) | 122,639 |
| MCap (USD Mn) | 33,391 |
| Stock Performance - YTD | 9.1% |
| P/TB - 2026E (x) | 1.6 |
| P/E - 2025 (x) | 10.8 |
| Dividend Yield - 2025 (%) | 3.5 |
| 52-Week Range (AED) | 8.8/16.5 |

Source: Kamco Invest Research, Refinitiv

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Valuation and Risks

Initiate with a TP of AED 16.96 and a 'Neutral' rating

We initiate coverage on Abu Dhabi Commercial Bank (ADCB) with a "Neutral" rating, underpinned by its strategic status as the primary financial architect for the UAE's sovereign expansion. With Mubadala holding a ~61% anchor stake, the bank maintains a proprietary "first look" advantage on marquee mandates within the Abu Dhabi ecosystem, fueling a diversified business model with resilient profitability. This outlook is catalyzed by the record-high AED 92.4 Bn 2026 UAE federal budget, which we believe will trigger a massive surge in infrastructure capex and debt capital market activity, positioning ADCB to capture high-margin advisory fees.

We expect ADCB to deliver high double-digit loan growth (~8%-10%) in FY26 before settling into an 10%-11% structural compounding phase, keeping it among the fastest-growing large-cap banks in the GCC. This reflects a deliberate shift from retail lending which has already seen strong post-pandemic growth and is naturally constrained by demographics, affordability and credit limits. With easing rates improving the viability of long-tenor corporate projects and ADCB strategically prioritizing higher-value corporate relationships that also generate fee and transaction income, corporate loans should outpace retail growth through 2028. Management has consistently reinforced this pivot through recent commentary, upgrading guidance to the late-teens growth from mid-teens.

With the expected decline in interest rates, NIMs are likely to experience an initial moderation as ADCB's corporate loan book gradually reprices to lower gross yields. Over the subsequent quarters, the reduction in cost of funds is expected to occur at a comparatively faster pace, supported by ADCB's strong CASA base. We anticipate a lag of 2-3 quarters before the positive impact of lower funding costs fully offsets the asset repricing headwind, resulting in net margin stabilization in H2 FY26. While this dynamic is broadly consistent across UAE banks, ADCB's higher proportion of fixed-rate corporate exposures may extend the repricing timeline modestly compared to peers with more variable-rate retail portfolios, warranting close monitoring of quarterly NIM trajectory through the rate cycle.

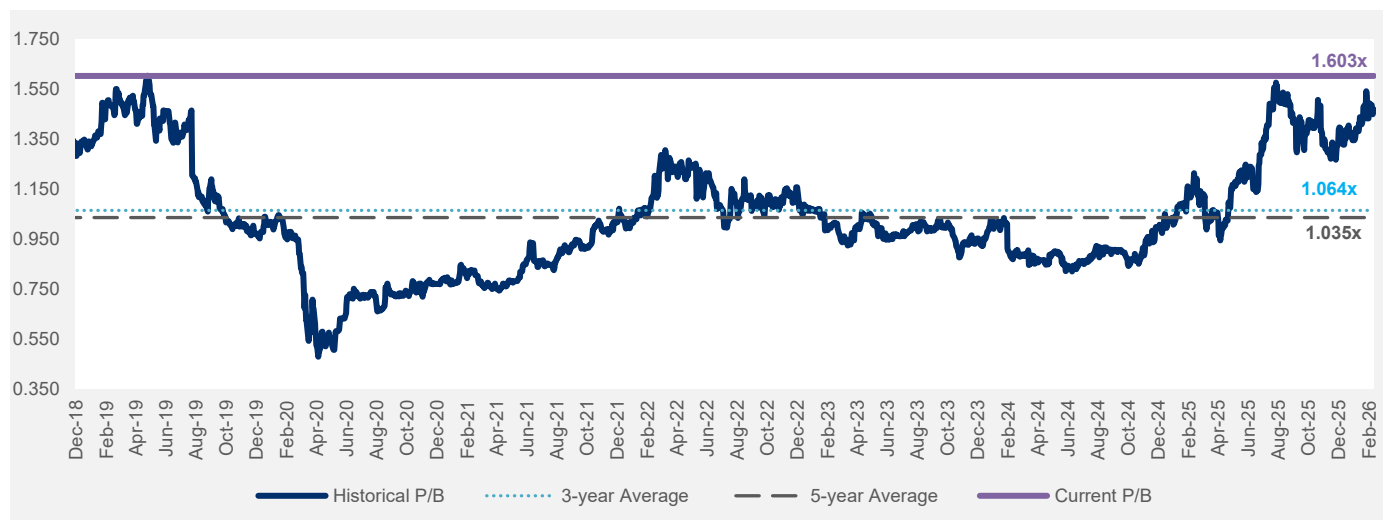
We have applied a 5% discount to the median FY26E P/TB multiple to reflect the absence of major near-term catalysts to re-rate the bank and modest execution considerations around ADCB's strategic positioning. While the bank maintains a solid domestic franchise and strong asset quality metrics, several factors warrant a measured discount like limited revenue diversification beyond traditional banking activities compared to regional peers leaves the bank more exposed to UAE-specific competitive dynamics and net interest margin pressures; slower-than-expected traction in fee income initiatives and digital transformation relative to more aggressively positioned competitors; market uncertainty around the bank's ability to translate its capital strength into meaningful inorganic growth opportunities or shareholder returns in the near term; and valuation discipline given ADCB's mature market positioning, which limits upside surprise potential absent transformational M&A or material market share gains.

We have applied residual income, dividend discount and public comparable (P/TB) to value ADCB. However, we base our target price on the forward 2026E P/TB (price to tangible book value). Our target valuation, based on adjusted peer average of 2026E P/TB of 1.6x, implies an 8.7% upside to the 12th of February 2026 closing share price, with a target price of AED 16.96.

| Valuation | AED Mn | Per Share |
|---|---------|-------------|
| Price target based on: | | |
| P/TB 2026E | 107,027 | 16.96 |
| Target Upside | | |
| | % | 8.7% |
| Other methods: | | |
| Residual Income Model | 129,496 | 20.5 |
| Dividend Discount Model - Perpetuity Growth | 82,113 | 13.0 |

Source: Kamco Invest Research

ADCB Historical Price-to-Book Ratio



Source: KAMCO Invest Research, Refinitiv

Snapshot – Relative Valuation ¹

| Company Name | Market Cap (AED Mn) | Price to Tangible Book | | Price to Book | | Dividend Yield | | RoE | NIMs | Cost-to-Income |
|--------------------------|------------------------|------------------------|-------------|---------------|-------------|----------------|-------------|--------------|-------------|----------------|
| | | LTM | FY-2026E | LTM | FY-2026E | FY-2025 | FY-2026E | (3-yr avg) | 2025 | 2025 |
| FAB | 220,960 | 2.0x | 1.8x | 1.5x | 1.5x | 4.3% | 4.5% | 15.3% | 1.9% | 24.1% |
| Emirates NBD | 218,870 | 1.7x | 1.6x | 1.6x | 1.3x | 3.2% | 3.5% | 20.4% | 3.5% | 30.5% |
| ADCB | 122,639 | 1.6x | 1.6x | 10.3x | 9.2x | 4.3% | 4.6% | 11.4% | 2.1% | 28.2% |
| Dubai Islamic Bank | 65,963 | 1.6x | 1.5x | 1.3x | 1.3x | 4.8% | 5.0% | 18.4% | 3.0% | 28.1% |
| ADIB | 94,650 | 3.8x | 3.3x | 3.1x | 2.9x | 3.8% | 4.2% | 25.8% | 4.5% | 29.1% |
| RAK Bank | 19,808 | 1.5x | 1.6x | 1.4x | 1.4x | 5.4% | 5.3% | 21.2% | 4.8% | 33.5% |
| Average (ex-ADCB) | 105,614 | 1.9x | 1.6x | 1.4x | 1.4x | 4.4% | 4.6% | 20.4% | 3.5% | 29.1% |
| ADCB | 122,639 | 1.7x | 1.6x | 1.5x | 1.4x | 3.5% | 4.2% | 11.4% | 2.1% | 28.2% |

Source: KAMCO Invest Research, Company filings, Refinitiv.

¹ Based on closing share prices as of 12th February 2026 (Refinitiv), NIMs, Cost-to-Income as per company filings

For our residual income and dividend discount models, we use a cost of equity assumption of 10.3%, factoring in a 5-year market beta of 1.05, an equity risk premium of 5.9%, and a US 10-year government bond yield of 4.1%. For the dividend discount model, we use a perpetual growth rate of 3.5%.

Snapshot – Residual Income Model

| Residual Income Model | Units | Projected | | | | |
|--|------------|-------------|-------------|-------------|-------------|-------------|
| | | FY-2025A | FY-2026 | FY-2027 | FY-2028 | FY-2029 |
| Long-Term Growth Rate | % | | | | | 1.5% |
| Cost of Equity | % | | | | | 10.3% |
| Residual Income | AED | 0.43 | 0.73 | 1.04 | 0.95 | 1.01 |
| Present Value (PV) of Residual Income | AED | 0.42 | 0.68 | 0.88 | 0.73 | 0.70 |

| | | |
|--|------------|-------------|
| Beginning Book Value Per Share (BVPS) | AED | 9.1 |
| Add: Present Value (PV) of Residual Income | AED | 3.4 |
| Terminal Value | AED | 11.5 |
| Add: Present Value (PV) of Terminal Value | AED | 8.0 |
| Equity Value Per Share | AED | 20.5 |

Source: Kamco Invest Research

Snapshot – Dividend Discount Model

| Dividend Discount Model | Units | Projected | | | | |
|---------------------------------------|------------|-------------|-------------|-------------|-------------|-------------|
| | | FY-2025A | FY-2026 | FY-2027 | FY-2028 | FY-2029 |
| Dividends Per Share (DPS) – FY 2025 | AED | 0.6 | | | | |
| Cost of Equity (Ke) | % | 10.3% | | | | |
| Dividend Growth Rate (g) | % | 3.5% | | | | |
| Dividend Per Share (DPS) | AED | 0.55 | 0.65 | 0.85 | 0.92 | 1.05 |
| Present Value (PV) of Dividend | AED | 0.49 | 0.55 | 0.65 | 0.64 | 0.66 |

Share Price Calculation

| | | |
|-------------------------------------|------------|-------------|
| PV of Sum of Dividends | AED | 3.0 |
| Year 5 Dividend × (1 + Growth Rate) | AED | 1.1 |
| Terminal Value | AED | 16.0 |
| PV of Terminal Value | AED | 10.0 |
| Value Per Share | AED | 13.0 |

Source: Kamco Invest Research

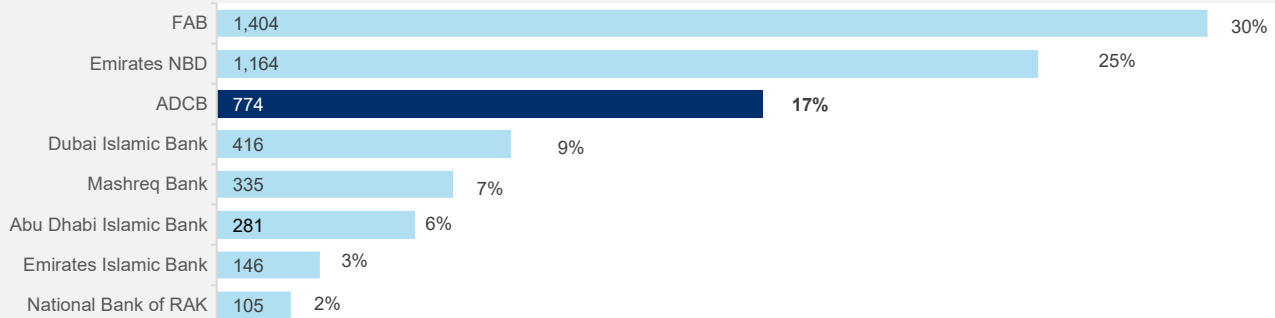
Downside risks to our valuation & forecasts include

- Slower than expected pick up in corporate lending
- Subdued growth due to fluctuations in global oil prices and geopolitical tensions
- Bank's CASA ratio may not increase at the rate we expect, and resultantly NIMs could face downward pressure
- Lending to government and government-related enterprises (GREs) may not take off as expected

Abu Dhabi Commercial Bank (ADCB) in Charts

ADCB is one of the largest banks by total assets and has a sizeable asset market share across all segments.....

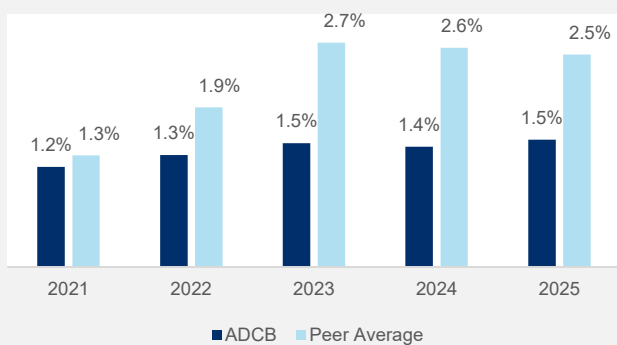
Total Assets (AED Bn) & Market Share (%) in 2025



Source: Kamco Invest Research, CBUAE

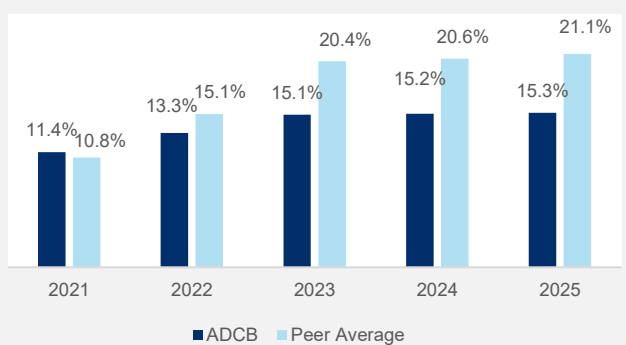
...While reporting a consistently growing RoTE and ROA...

ROA vs Peer Average



Source: Kamco Invest Research, Company filings

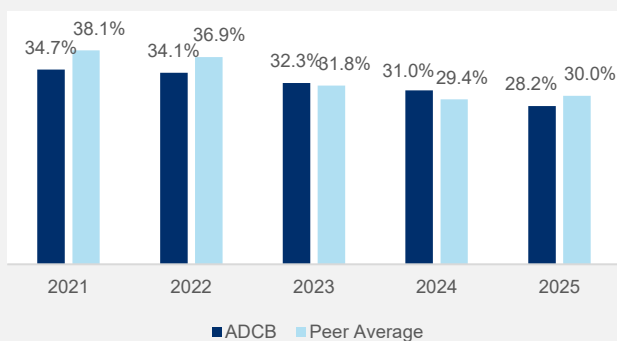
ROTE vs Peer Average



Source: Kamco Invest Research, Company filings

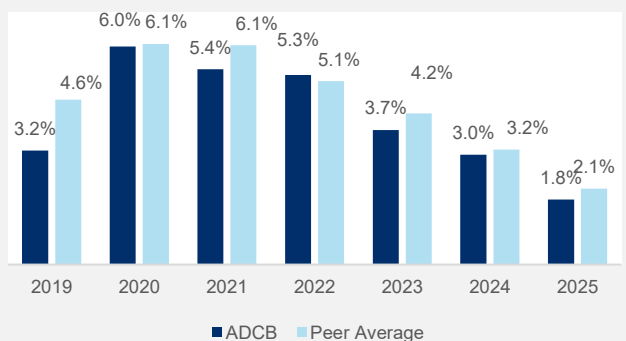
...While maintaining strong operational efficiency and prudent risk management...

Cost-to-Income Ratio: ADCB vs Peer Average



Source: Kamco Invest Research, Company filings

NPLs: ADCB vs Peer Average



Source: Kamco Invest Research, Company filings

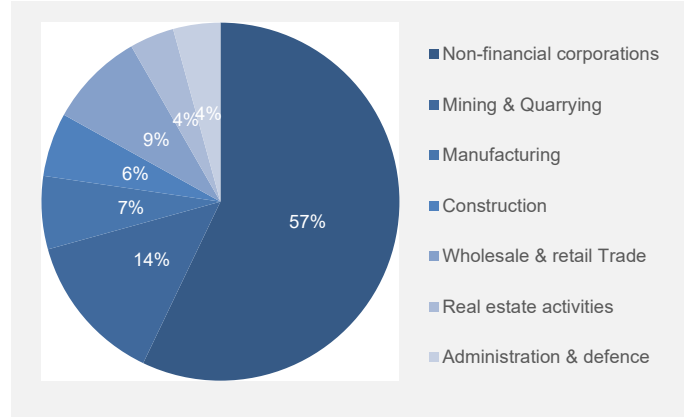
UAE Macroeconomic Overview

GDP Growth by Activities

| Period | Finance | Real Estate | Construction | Wholesale & Retail trade |
|---------|---------|-------------|--------------|--------------------------|
| 2019 | 3% | -2% | 4% | 4% |
| 2020 | -14% | -17% | -11% | -14% |
| 2021 | 4% | 7% | 2% | 12% |
| 2022 | 15% | 13% | 8% | 9% |
| 2023 | 10% | 12% | 11% | 9% |
| Q1 2024 | 13% | 7% | 11% | 6% |
| Q2 2024 | 10% | 9% | 9% | 6% |
| Q3 2024 | 7% | 10% | 8% | 5% |
| Q4 2024 | 9% | 18% | 12% | 13% |
| Q1 2025 | 6% | 12% | 9% | 8% |
| Q2 2025 | 6% | 11% | 11% | 9% |

Source: UAE.Stat

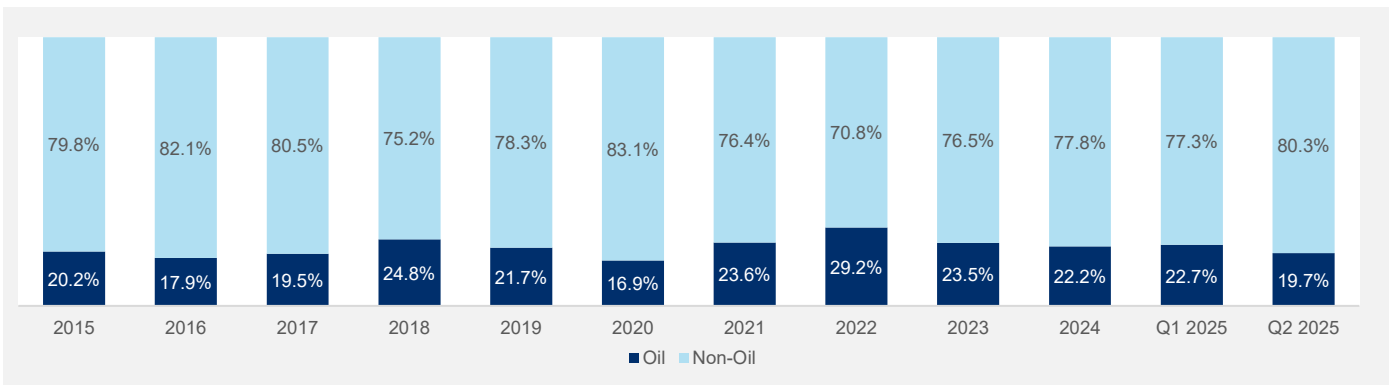
GDP Contribution by Activities (Q2 2025)



Source: UAE.Stat

The UAE economy has continued to expand at a healthy pace, underpinned by strong non-oil sector momentum, resilient domestic demand, and robust investment inflows linked to ongoing diversification efforts. In Q2 2025, real GDP grew by around 4.5% year-on-year, driven primarily by a 5.4% growth in the hydrocarbon sector due to a faster-than-expected reversal of oil production cuts following the OPEC+ quota increases and a 4.9% year-on-year rise in non-oil activity too. Growth was supported by gains in real estate activities which showed double-digit growth backed by a robust pick-up in construction activities. Growth in trade, tourism, and financial services helped the country's strategic shift toward a more urban, investment-led economy.

UAE Oil vs Non-oil Activities



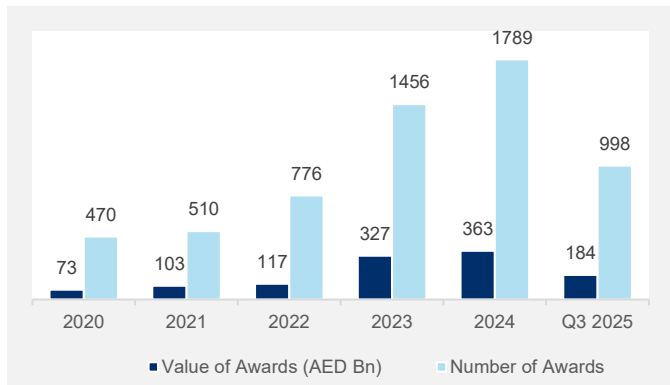
Source: UAE.Stat

From Hydrocarbon Cycles to Structural Growth

The UAE has evolved from a resource-led economy into one of GCC's most diversified and service-driven markets. Non-oil sectors now contribute around 81% of GDP (Q2 2025), led by real estate, tourism, logistics, and financial services, reflecting a deliberate strategy to convert hydrocarbon wealth into productive urban assets. Long-term frameworks such as Vision 2031 and the Dubai Urban Master Plan 2040, alongside reforms like freehold ownership, the Golden Visa, and REIT regulations, have strengthened investment depth. Supported by low inflation (2.8%) in FY-2024 and strong Tier 1 capital buffers (15%+), the UAE's macro-financial base remains resilient. Backed by sovereign funds managing over USD 1.3 Tn, the economy grew 4.0% in FY-2024 and is forecast to expand 4.4% in FY-2025 and 5.4% in FY-2026, sustaining its trajectory of diversified growth.

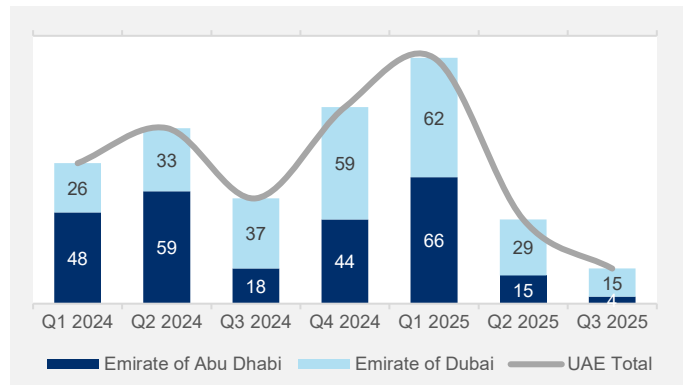
UAE Economic Landscape

Project Awards in UAE (Q3 2025)



Source: MEED projects (FY-2025 year-to-date numbers)

Project Outlook for the rest of 2025 (AED Bn)

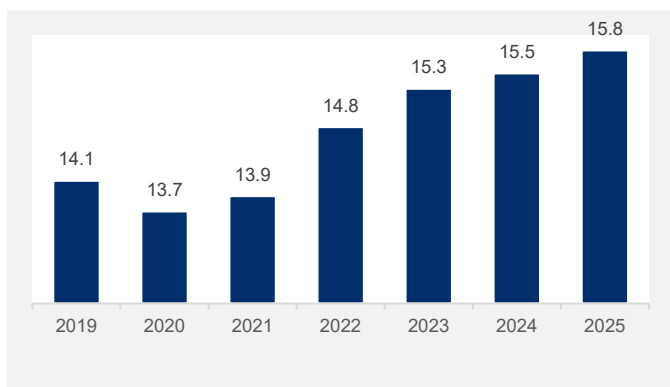


Source: MEED projects (FY-2025 year-to-date numbers)

The UAE's economic landscape is currently defined by a "structural surge" that far outweighs any short-term seasonal cooling. Total project awards for the first nine months of 2025 reached approximately USD 59.7 Bn, already eclipsing the total value recorded in 2022. While Q3 2025 saw a technical dip in new contracts to USD 6.7 Bn, a significant drop from the USD 26.1 Bn high in Q1, analysts view this as a healthy normalization rather than a slowdown. This momentum is anchored by a massive USD 434 Bn projects pipeline, which is the second largest in the region and underpins the IMF's robust 4.8% GDP growth forecast for the year.

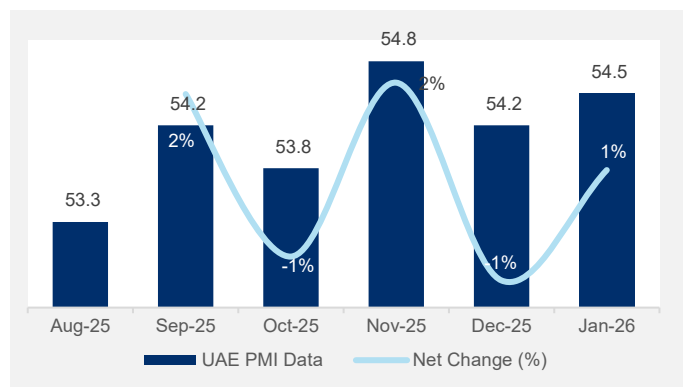
The real economy is showing equally strong signals. Trade activity at Jebel Ali remains resilient; even with global shipping disruptions, container throughput grew by 6% in the first half of the year, while October 2025 saw a 20-year record in breakbulk cargo handling (630,000 tonnes), driven by steel and iron imports for major works like the Dubai Metro Blue Line. This industrial activity is paired with a significant demographic shift: the UAE is projected to attract a record 9,800 millionaires this year alone, the highest net inflow globally. This influx of wealth is fueling a 33% growth in family offices and pushing private sector hiring to an 18-month high, as reflected in a steady PMI of 54.8, ensuring that the UAE remains a high-growth "safe haven" for global capital.

Jebel Ali throughput volumes (in TEU)



Source: MEED projects (FY-2025 year-to-date numbers)

UAE PMI data



Source: MEED projects (FY-2025 year-to-date numbers)

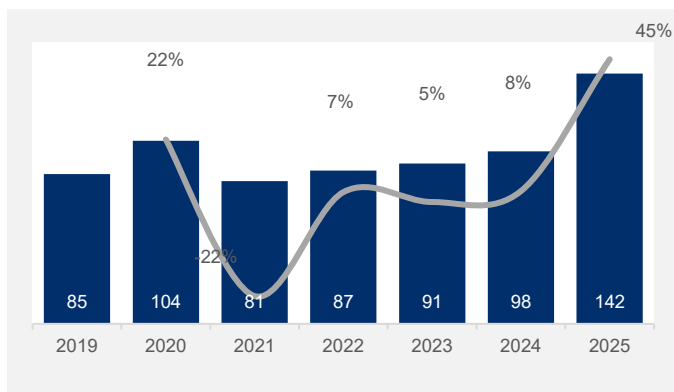
UAE Real Estate

The UAE's real estate growth stems from a long-term policy vision aligning urban planning, housing, and sustainability with economic diversification. Vision 2031 and the Dubai Urban Master Plan 2040 aim to double housing supply by 2040 while enhancing liveability and connectivity. Abu Dhabi's Vision 2030 reinforces this through mixed-use zones and industrial corridors like Khalifa Economic Zone, supporting non-oil expansion. Together, these frameworks have made real estate central to GDP diversification and a key growth engine for UAE banks.

Current dynamics & future outlook: Dubai

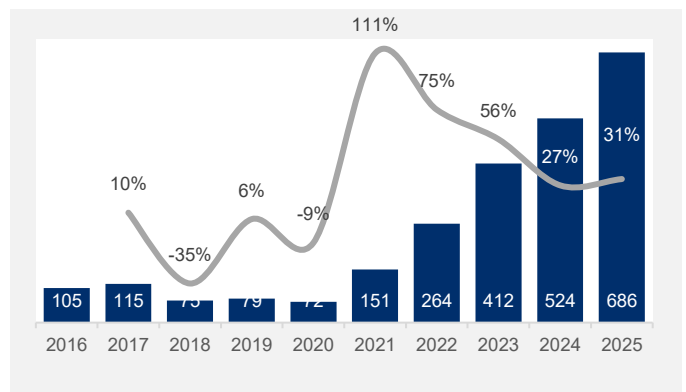
Dubai's residential market gained momentum in Q4 2025, defying expectations of a summer slowdown amid rising geopolitical tensions. Demand remains strong, supported by investor appetite and a solid development pipeline. Since 2020, the city has added around 30,000 new units annually, with supply set to accelerate to 320,000 units by 2029 (about 64,000 per year). While this signals confidence, it also raises concerns about rental market absorption and infrastructure readiness. Population growth continues to fuel housing demand but pressures affordability.

Abu Dhabi Real Estate Sales by Value (AED Bn)



Source: ADREC

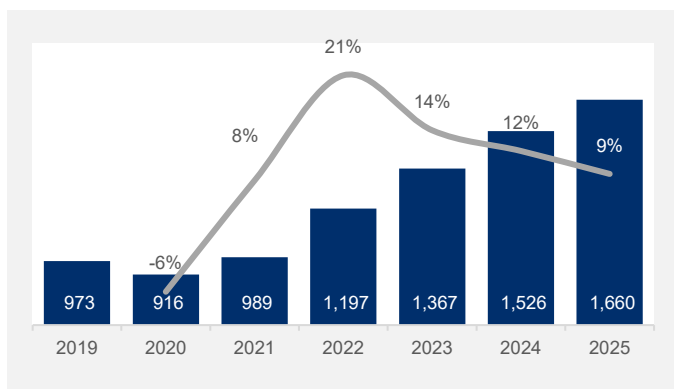
Dubai Real Estate Sales by Value (AED Bn)



Source: DXB Interact

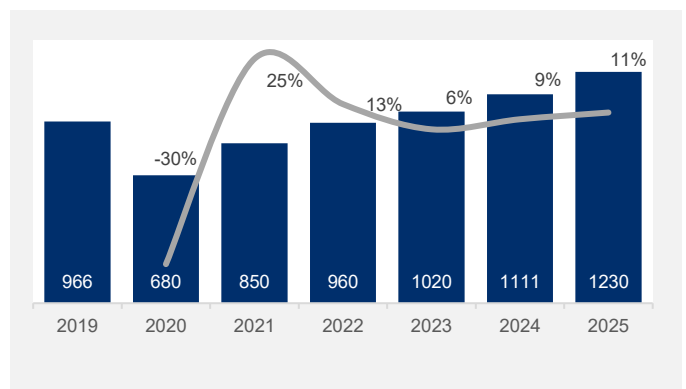
In FY 2025, Dubai's real estate market recorded 215,741 transactions, up 18.7% year on year, reflecting steady momentum. Transaction value reached AED 686 Bn, up 31% y-o-y, indicating a shift toward smaller, affordable units as prices rise. The average price per sq. ft. rose to AED 1,660, up 8.3% y-o-y. This sharp increase, despite rental yield concerns, shows buyers becoming more selective and focusing on compact and mid-tier apartments that balance quality and affordability. Abu Dhabi's property prices have broadly mirrored Dubai's year-on-year growth rates, indicating a resilient and steadily strengthening market despite the disruptions caused by the 2020–21 COVID-19 period.

Dubai Property Rates (Price per sq. ft)



Source: DXB Interact

Abu Dhabi Property Rates (Price per sq. ft)

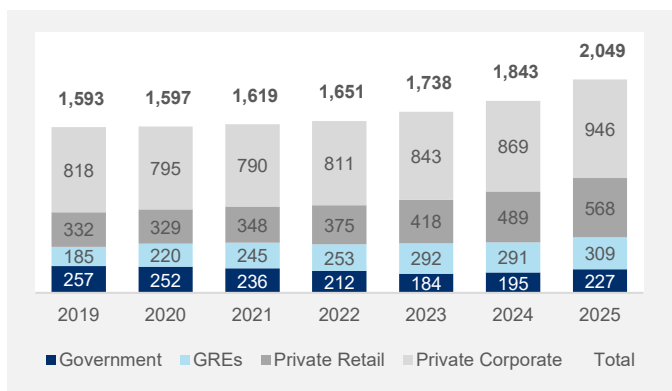


Source: ADREC

UAE Banking Sector

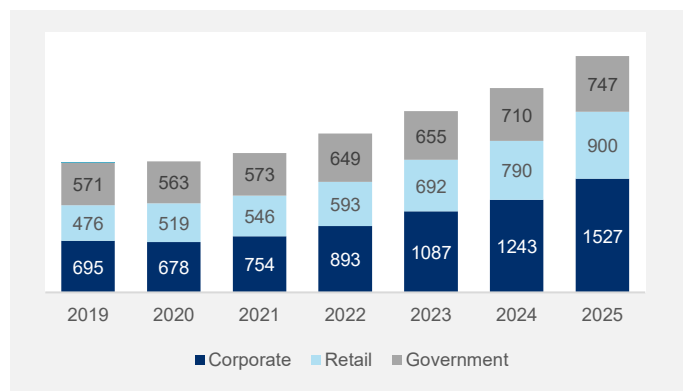
Since 2019, the UAE banking sector has undergone a clear structural shift toward a more diversified and private-sector-driven balance sheet. Total lending has expanded steadily, led by strong growth in private retail and corporate credit, reflecting buoyant economic activity, population inflows, and robust real estate and business formation while exposure to government and GREs has moderated as banks actively de-risk concentration. On the funding side, deposits have grown faster than loans, underpinned by a marked rise in sticky corporate and retail deposits rather than reliance on government liquidity, improving system LDRs and strengthening liquidity buffers. This transition signals a healthier and more resilient banking ecosystem, better aligned with UAE's non-oil diversification agenda and supportive of sustainable earnings and capital generation for the sector.

Banking System Loan Segmentation (AED Bn)



Source: CBUAE

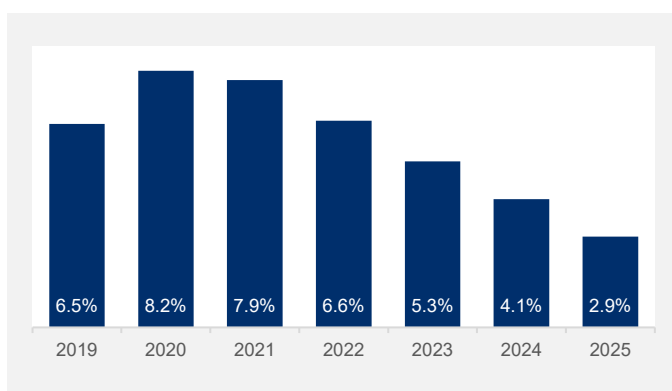
Banking System Deposit (by type) (AED Bn)



Source: CBUAE

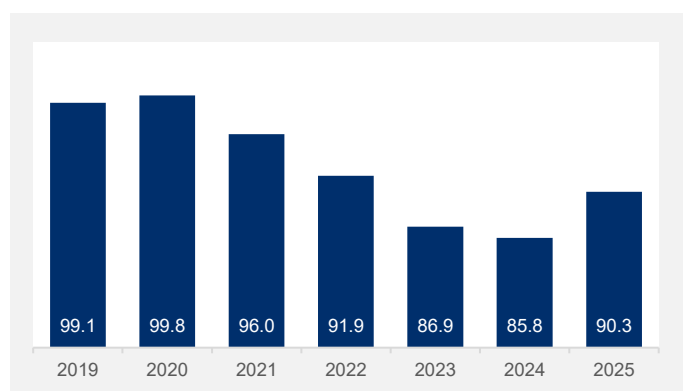
The UAE's banking system continued to expand, with total assets rising 18.1% year-on-year to AED 5,200 Bn by the end of Q3 2025. Credit lending increased by 14.7% year-on-year, driven by stronger private corporate lending (up 5%) and a sharp rise in retail lending (up 16.7%). Deposits also grew at a healthy pace of 13.1% year-on-year, led by resident retail and private corporate deposits, which rose 12.6% and 20.0% respectively, helping maintain favourable funding conditions. The banking system preserved strong financial health, with a solid capital adequacy ratio of 17.4%. Funding and liquidity levels remained favourable with a loan-to-deposit ratio of 77.8%. The asset quality ratios for the UAE banking system continued to improve further in Q3 2025, reaching 1.6% for the Net NPL ratio and 3.6% for the NPL ratio. Additional indicators show that bank investments reached AED 817.5 Bn by July 2025, reflecting a 18% annual increase, and demand deposits alone exceeded AED 1.18 Tn by end of August, pointing to strong retail confidence and liquidity flows within the system.

Non-performing loans (NPL) ratio (%)



Source: CBUAE

Loan to deposit ratio (LDR)

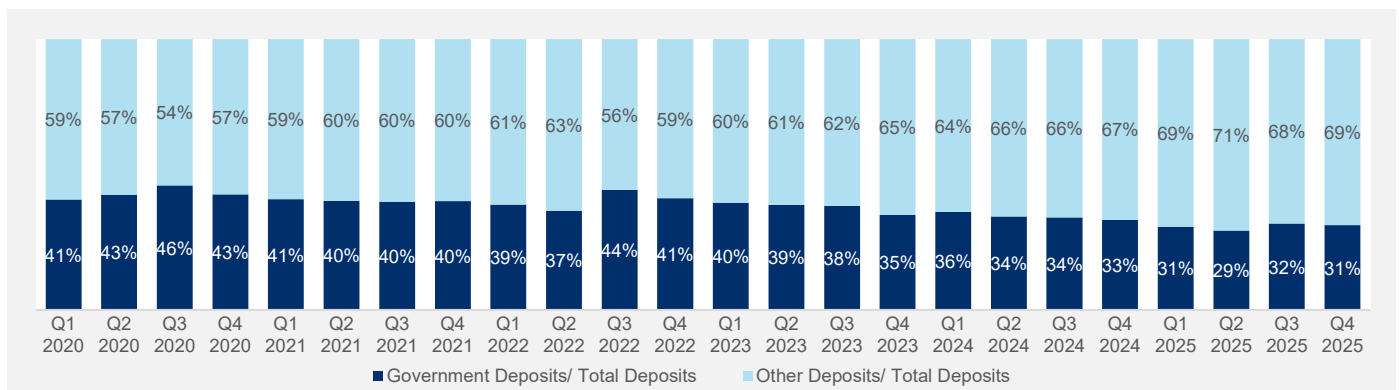


Source: CBUAE

At the same time, the UAE’s money supply continued to expand strongly, with M1 and M2 growing by over 16% year-on-year, indicating a steady increase in both current and term deposits. This expansion reflects a healthy flow of liquidity across the financial system, supported by strong domestic savings and consistent foreign capital inflows. As system liquidity improved to around AED 136 Bn following the normalization in loan-deposit ratios, overnight interbank rates remained tightly anchored to the CBUAE policy rate, underscoring the effectiveness of the central bank’s upgraded liquidity management framework in maintaining orderly short-term funding conditions.

Looking ahead, the UAE banking sector appears set for a period of steady, volume-driven growth through 2025–26. While some margin compression is expected as the global rate cycle shifts, this should be balanced by stronger loan growth and a more stable funding base. The combination of solid monetary expansion, improved liquidity management through the new Islamic facilities, and sustained foreign inflows reflects a more mature and resilient financial system, one that continues to support non-oil sector growth and broader economic diversification.

Government Deposits vs Other Deposits as a % of Total Deposits



Source: CBUAE December 2025 Bulletin

US FED Guidance

Liquidity effect

The Federal Reserve officially ended Quantitative Tightening (QT) on December 1, 2025, concluding a campaign that reduced the central bank’s balance sheet by over USD 2.2 Tn from June 2022, including approximately USD1.6 Tn in Treasury securities and USD 600 Bn in agency mortgage-backed securities. The Fed’s securities holdings as a share of nominal GDP declined 13 percentage points over this period, from 33 percent to 20 percent, bringing the balance sheet to approximately USD 6.58 Tn from its pandemic peak of nearly USD 9 Tn. The Fed has transitioned to a "reserve management" regime, with the Overnight Reverse Repo facility effectively reaching zero in early January 2026. The central bank continues purchasing shorter-term Treasury securities to maintain ample reserve levels and support effective monetary policy implementation. This shift from passive balance sheet runoff to active reserve management stabilizes system liquidity and should ease global funding conditions, lower interbank rates, and boost dollar liquidity, positive developments for GCC markets where currencies are pegged to the U.S. dollar. For the UAE and Saudi Arabia, this signals improved banking liquidity, reduced deposit competition, and lower funding costs.

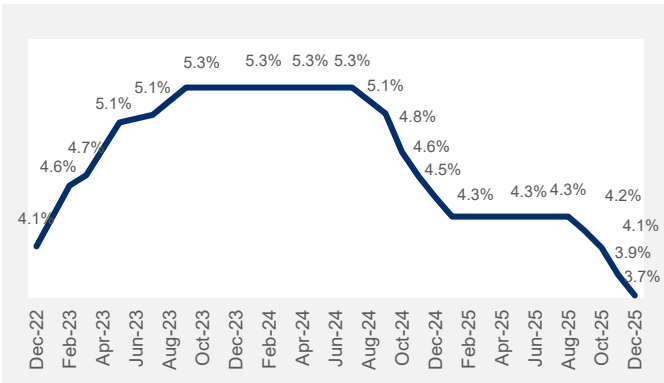
Immediate effect

At the January 28, 2026, meeting, the FOMC held rates steady at 3.50%–3.75%, marking the first pause since three consecutive 25 bps cuts in late 2025. The decision passed 10-2, with Governors Stephen Miran and Christopher Waller dissenting in favor of a 25 basis point cut. The Fed’s messaging has shifted markedly toward a prolonged pause, with Chair Powell emphasizing the committee is "well positioned" to determine future adjustments depending on what economic data shows. The updated statement noted that economic activity "has been expanding at a solid pace" and "the unemployment rate has shown some signs of stabilization", removing previous language about rising employment risks.

Effective Fed Funds Rate and FOMC Projections

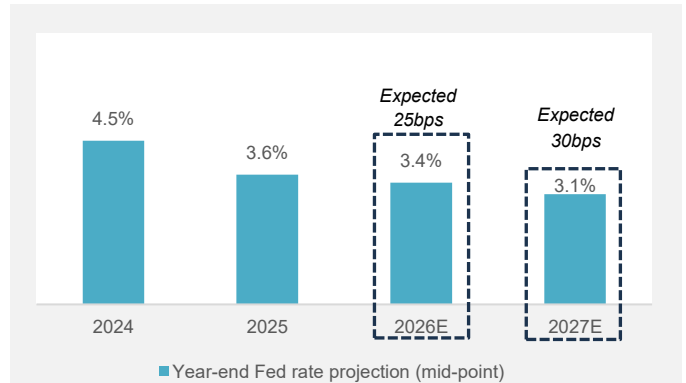
The Federal Open Market Committee’s (FOMC) December 2025 Summary of Economic Projections indicates a median outlook for the federal funds rate of around 3.6% by end-2025, easing gradually to ~3.4% in 2026 and ~3.1% by end-2027, with the longer-run neutral rate anchored near 3.0%. While inflation is projected to continue moderating toward the 2% target and unemployment is expected to remain broadly stable around ~4.5%, the Fed maintains a cautious approach to easing, signaling a measured and gradual rate-cut cycle rather than front-loaded reductions.

Effective Fed Funds Rates (Nov 2022 to Nov 2025)



Source: FRED

FOMC Projections

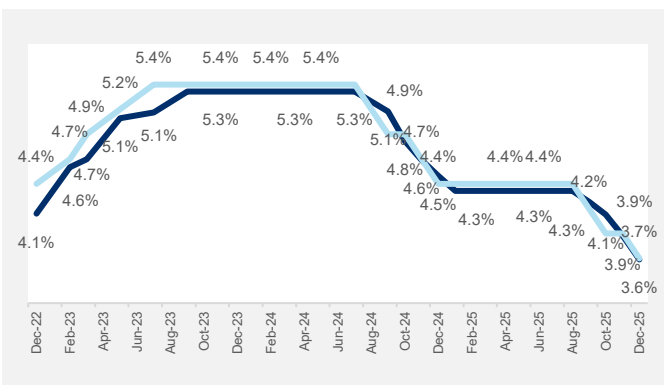


Source: Summary of Economic Projections (December 2025)

UAE EIBOR and SOFR

The narrowing EIBOR-SOFR spread signals improved liquidity in UAE banks due to increased government deposits: The UAE banking system is entering a more stable and policy-aligned phase, underpinned by tighter monetary transmission and abundant liquidity. The narrowing of the DONIA–Base Rate gap in Q4 2025 marks a key milestone in liquidity management. At the same time, the UAE’s money supply continued to expand strongly, with M1 and M2 growing by over 16% year-on-year, indicating a steady increase in both current and term deposits. This expansion reflects a healthy flow of liquidity across the financial system, supported by strong domestic savings and consistent foreign capital inflows. As system liquidity improved to around AED 136 Bn following the normalization in loan-deposit ratios, overnight interbank rates remained tightly anchored to the CBUAE policy rate, underscoring the effectiveness of the central bank’s upgraded liquidity management framework in maintaining orderly short-term funding conditions.

Fed Rate vs CBUAE Base Rate



Source: FRED, CBUAE

3M EIBOR-SOFR Spread



Source: CBUAE, FRED

Abu Dhabi Commercial Bank - Financial Overview

Segmental Overview

| Particulars (AED Bn) | Retail Banking | | | Private Banking | | |
|-------------------------|----------------|---------|-----|-----------------|--------|------|
| | 2024 | 2025 | YoY | 2024 | 2025 | YoY |
| Income | 5,321 | 5,859 | 10% | 1,531 | 1,841 | 20% |
| Expense | 3,477 | 3,285 | -6% | 307 | 319 | 4% |
| Profit before tax | 1,383 | 2,010 | 45% | -301 | -1,281 | 326% |
| Loans | 71,701 | 73,496 | 3% | 47,511 | 42,791 | -10% |
| Deposits | 91,603 | 111,515 | 22% | 58,804 | 64,247 | 9% |

Source: Kamco Invest Research, ADCB Bank

| Particulars (AED Bn) | Corporate & Investment Banking | | | Investments & Treasury | | |
|-------------------------|--------------------------------|---------|------|------------------------|---------|-----|
| | 2024 | 2025 | YoY | 2024 | 2025 | YoY |
| Income | 7,650 | 8,760 | 81% | 4,836 | 5,413 | 12% |
| Expense | 1,859 | 2,078 | 577% | 307 | 438 | 43% |
| Profit before tax | 4,893 | 6,917 | 53% | 4,534 | 5,012 | 11% |
| Loans | 299,037 | 374,582 | 25% | 232,618 | 281,492 | 21% |
| Deposits | 225,427 | 294,993 | 31% | 200,204 | 212,798 | 6% |

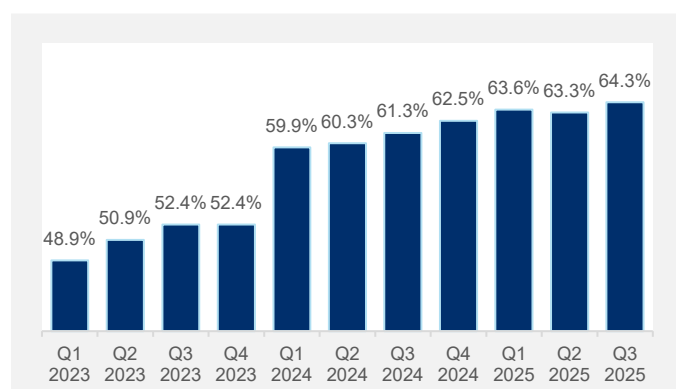
Source: Kamco Invest Research, ADCB Bank

The operating segments' income contributions are 27% retail, 40% corporate, 24% investments & treasury and 9% private banking, respectively.

Abu Dhabi Commercial Bank (Egypt)

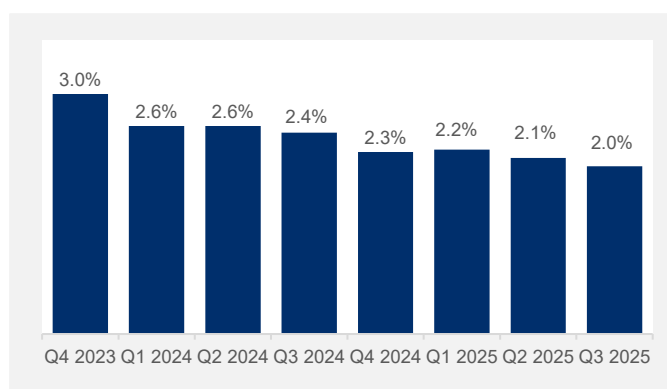
ADCB Egypt was established in August 2020 following the successful integration and rebranding of Union National Bank - Egypt, marking a significant milestone in ADCB Group's regional expansion strategy. Currently positioned as one of the fastest-growing private sector banks in Egypt, it operates as a universal bank providing a comprehensive suite of services including retail, corporate, and SME banking, with a strong emphasis on digital transformation. For the 9M 2025 period, the bank delivered a net profit of AED 481 Mn, supported by a robust 38% year-on-year increase in operating profit which helped offset macroeconomic headwinds. This growth was further evidenced by a 26% expansion in its loan portfolio and a 24% rise in deposits (in local currency), driven by targeted lending to the manufacturing and trade sectors.

Loan-to-deposit ratio (LDR) - Industry



Source: Central Bank of Egypt (CBE)

Non-performing loan ratio (NPL) - Industry



Source: Central Bank of Egypt (CBE)

Abu Dhabi Commercial Bank - Financial Overview

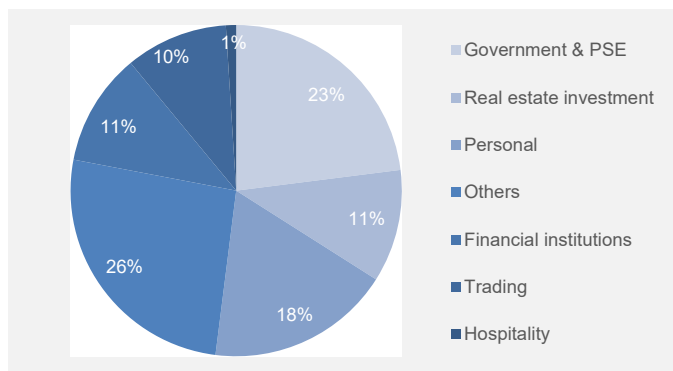
ADCB is positioned for expansion with a corporate focus

ADCB's loan portfolio outpaced industry growth coupled with an increase in market share:

ADCB's year-till-date (YTD) loan growth continued to outperform the industry by a wide margin, rising 16% compared to the sector's 22%. Corporate lending remained the key growth driver, expanding 25% year-on-year (net loans basis) with AED 130 Bn in new originations. Retail lending was mostly flat whereas retail deposits grew by 11% year-on-year. The bank has a concentrated portfolio with corporate loans making up ~71% and retail loans ~16%, on average. Over time, lending has seen consistent growth as its share has increased from 15% in FY-2021 to ~16.7% as on FY-2025, supported by corporate loans grown at a similar pace too. As UAE's non-oil GDP continues to rise and We the UAE 2031, Dubai Economic Agenda (D33) projects create new opportunities, ADCB is well-positioned to capitalize on this transition.

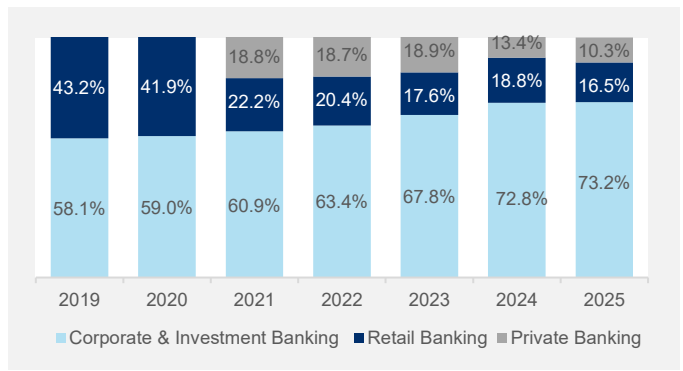
Between FY-2020 and FY 2025, Abu Dhabi Commercial Bank strategically reduced its real estate exposure from 29% to 11% of total loans, reallocating the balance-sheet capacity towards higher-yielding digital retail and safe-haven government lending. Over the same period, total loans expanded at ~14% CAGR, while the Return on Equity (ROE) improved by about 226 bps and the cost-to-income ratio decreased from 34.1% in FY-2022 to 28.2% as of FY-2025.

Gross Loan Composition (2025) – AED 414 Bn



Source: Company Filings, CBUAE Statistics

Net Loan Profile Mix (AED Bn)



Source: Company Filings, CBUAE Statistics

This shift was underpinned by strong corporate and government related entity (GRE) loan origination with some of the deals as under:

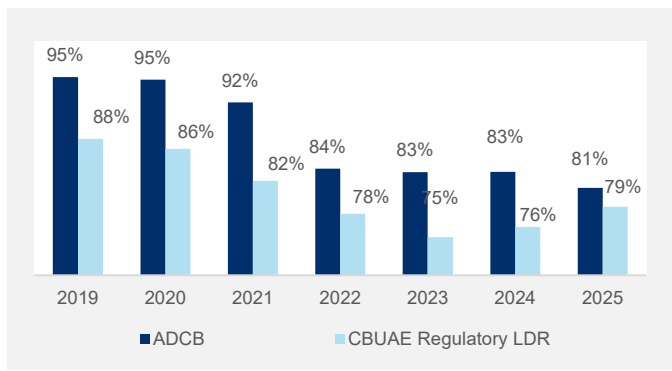
- ADCB served as a Joint Lead Manager and Bookrunner for Masdar's successive USD 1 Bn green bond issuances in 2024 and 2025.
- Furthermore, ADCB acted as the Global Coordinator for ADQ's USD 2 Bn dual-tranche bond and lead-managed the Emirate of Abu Dhabi's massive USD 3 Bn sovereign bond issuance in October 2025.
- ADCB raised and facilitated over AED 23 Bn (USD 6.4 Bn) in sustainable finance through a sophisticated mix of green bonds, and renewable energy project financing.
- ADCB served as Joint Global Coordinator for Arabian Centers Company's USD 500 Mn sukuk and acted as a bookrunner for Saudi Aramco's USD 3 Bn sukuk offering.

The outlook for 2025 for loan growth is revised upward from mid-teens in Q1 2025 to late teens by ADCB's management. This positive outlook is driven by continued momentum in the corporate and GRE segments, which are expected to remain the primary engines of loan growth.

ADCB's Loan-to-Deposit ratio (LDR) is above the industry average; but way below the regulatory limit, providing headroom for expansion²: ADCB's LDR as of FY - 2025 was 81.2%, above the industry average of 78.5%. The bank is well-positioned to expand its loan portfolio, benefiting from the anticipated growth in credit demand. This demand is aligned with the broader economic goals of UAE 2031 vision, which focuses on economic diversification and private sector development. Additionally, recent rate cuts aimed at stimulating credit activity are expected to enhance lending opportunities particularly in the GRE and corporate lending.

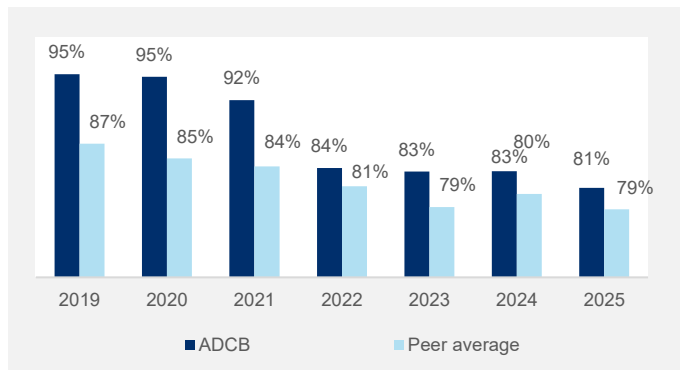
In our view, the bank's strong ability to attract deposits, particularly CASA, should further support lending headroom. We expect CASA to improve over the short term and ADCB grew its CASA by 28% on a YoY basis. With the rate cuts and a solid liquidity buffer in place, ADCB is well-positioned to accelerate loan growth while maintaining minimal incremental funding pressure.

Loan To Deposit Trend (LDR)*



Source: Company Filings, CBUAE Stats

LDR: ADCB vs Peer Average

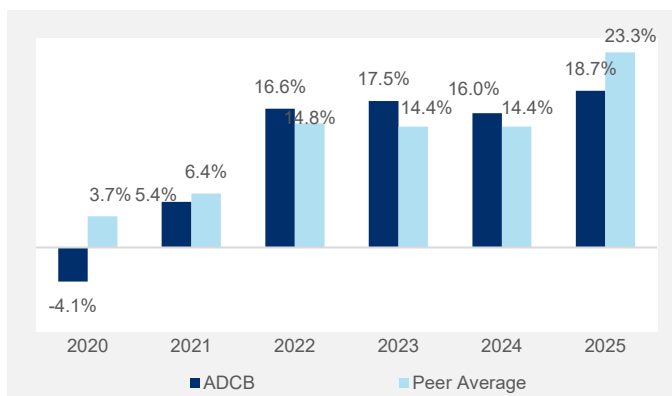


Source: Company Filings, CBUAE Stats

Deposit mix could tilt towards higher CASA deposits

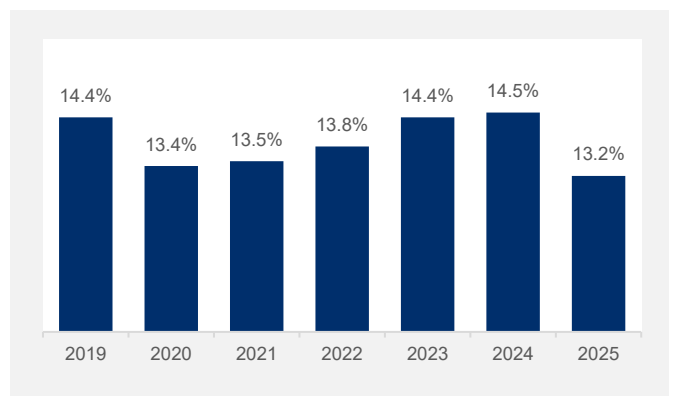
ADCB has consistently maintained a deposit market share of around 15%-17% of the UAE banking system, reflecting the strength of its franchise and funding platform. The bank continues to operate with a balanced deposit mix, preserving a high CASA base while also using time deposits selectively to lock in longer-tenor funding. While deposit growth of 19% YTD (Q4 2025) trails industry growth of ~21%, this largely reflects conscious pricing discipline rather than share loss. Importantly, the cost of funding expected to decline through 2025–26 in line with Fed rate cuts, supporting NIMs.

Deposit Growth: ADCB vs Peer Average



Source: ADCB and Peers Financial Statements

Deposit share of ADCB

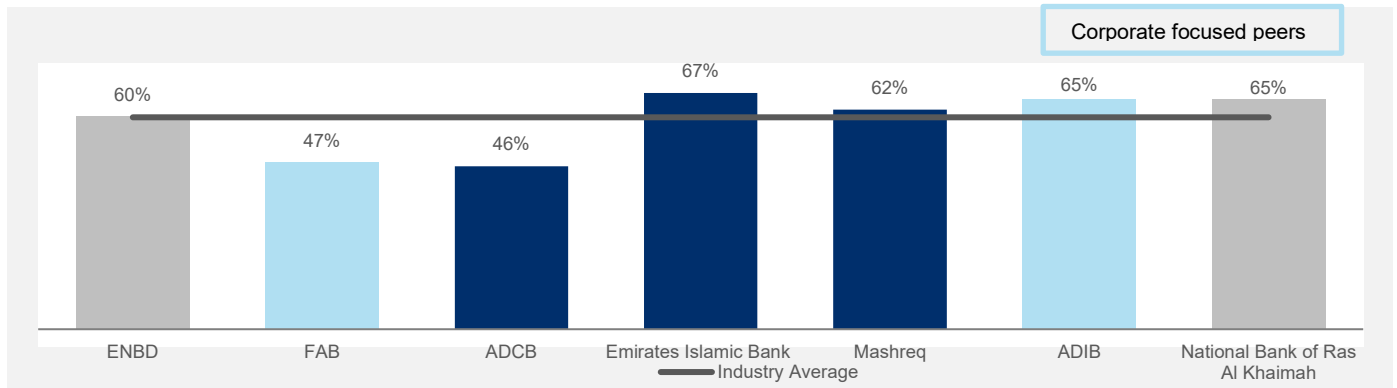


Source: ADCB Financial Statements

² Numbers are ex- Dubai Islamic Bank

CASA ratio in-line with corporate-focused peers: As of 2025, ADCB's CASA ratio has declined from 51% in FY-2020 to 46% as of FY-2025 which is broadly in line with leading corporate-focused peers such as First Abu Dhabi Bank, Abu Dhabi Commercial Bank, and Mashreq Bank. Importantly, CASA balances have proven exceptionally sticky, with corporate CASA deposits up AED 55 bn (+27%) YoY, reflecting strong client engagement and a growing share of cash management and transaction banking activity, while retail CASA grew AED 18 bn (+20%) YoY. ADCB's low-cost, stable funding base is expected to provide pricing flexibility to remain competitive in corporate lending while safeguarding NIMs and supporting sustained profitability as rates normalize.

CASA Ratios: ADCB vs Industry Peers (2025)



Source: Company presentation

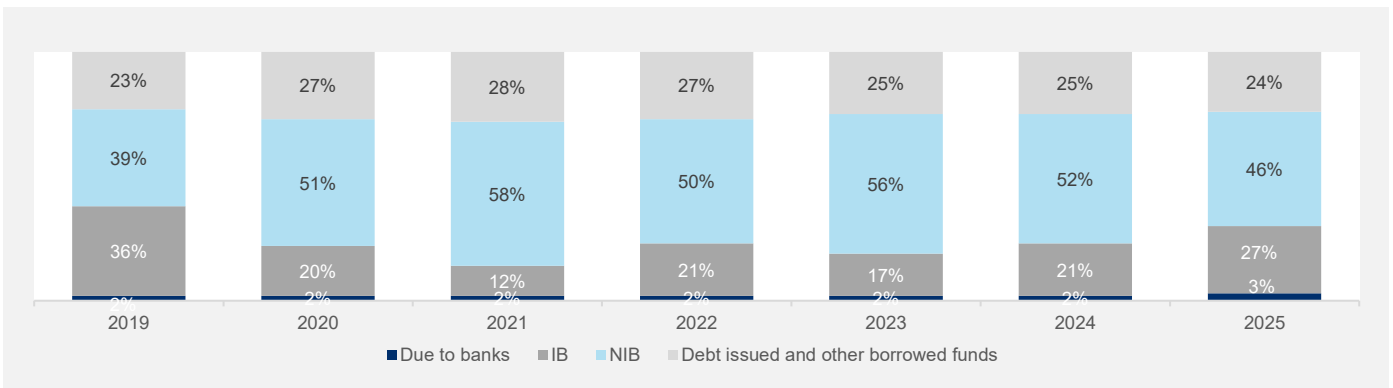
ADCB is well-positioned to capitalize on a declining interest rate environment for higher profitability

A possible shift in financing mix towards non-interest-bearing liabilities: ADCB's interest-bearing liabilities (IBL) have increased in line with repo rate hikes, reaching pre-2019 levels, while its CASA deposits have declined. The bank's interest-bearing liabilities (IBL) have closely followed the movements in the repo rate and the broader interest rate environment. From 2020 to mid-2022, the IBL mix ranged between 45% to 58%. However, following the repo rate increase from 1% in February 2022 to a peak of 6% in July 2023, deposits remained stable around 45%, interest-bearing (time) deposits. Reliance on interbank deposits has averaged ~2% till FY-2025. As interest rates decline, the bank's mix is expected to shift back to CASA deposits and benefit from improved access to lower-cost interbank funding.

ADCB's cost of financing was 3.43% in Q4 2025, which has been declining steadily from 4.2% in FY-2024. As the rate cut environment prevails, the bank is expected to shift towards non-IBL as higher non-IBL proves to be a strategic advantage to the bank due to the lower cost of financing as liquidity and convenience are preferred over lower yields.

We believe ADCB is strongly positioned to control and likely reduce its cost of financing through FY-2026, supported by a structural funding advantage and a favourable macro backdrop. Management commentary across recent concalls reinforces this view, highlighting strong system liquidity, limited deposit-pricing competition, and a clear shift in balance-sheet growth toward corporate and retail growth, which deepens low-cost deposit pools and reduces dependence on expensive corporate or sovereign financing.

ADCB's Financing Mix



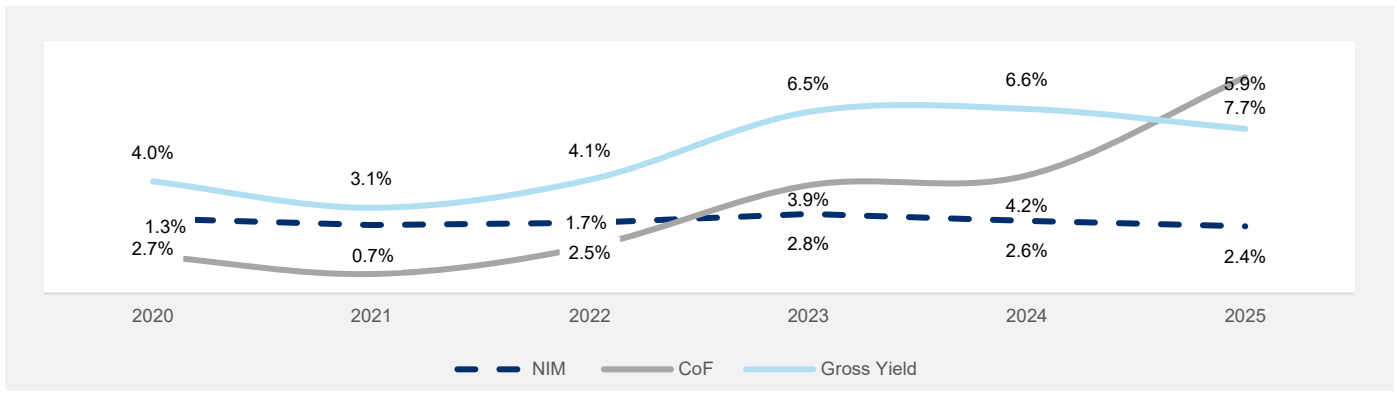
Source: ADCB Investor Presentation

NIMs expected to stay resilient despite Fed interest rate cuts: ADCB's NIMs have lagged the peer average through the recent rate cycle, reflecting a more corporate-heavy loan mix and limited participation in the higher-margin retail and SME segments that have driven peer outperformance since 2022. While the bank has a respectable CASA ratio and solid deposit franchise, the compositional tilt toward large-ticket corporate lending, often extended at competitive pricing to retain key relationships has constrained margin expansion relative to retail-focused competitors. Unlike peers with diversified retail engines, ADCB's loan book carries a higher proportion of medium-to-long tenor fixed-rate corporate exposures that reprice more slowly in a falling rate environment, creating an asymmetric repricing dynamic where asset yields decline ahead of funding cost relief. This structural lag is further compounded by ADCB's slower progress in scaling fee-generating retail products such as cards, wealth management, and transaction banking, limiting the bank's ability to offset NIM pressure through non-funded income growth.

Looking ahead, earnings will be increasingly influenced by the pace at which ADCB can rebalance its funding mix and accelerate retail penetration. In the UAE, improving system liquidity should support gradual funding cost normalization into FY26, though ADCB's reliance on higher-cost term deposits and institutional funding relative to pure-play retail franchises may delay the full benefit. Management has indicated efforts to optimize the investment book by rotating out of low-yield liquidity buffers into higher-returning securities, but the impact on group NIMs is expected to be modest given the overall size of the corporate loan book. Unlike peers benefiting from cross-border diversification or rapidly scaling digital platforms, ADCB lacks near-term structural margin levers, its UAE-centric model offers stability but limited upside optionality as the rate cycle matures. Without meaningful progress in retail customer acquisition, digital origination, or fee income diversification, the bank remains more exposed to domestic competitive intensity and rate cycle volatility than peers with more balanced business models.

ADCB does not benefit from the geographic or business model diversification that provides natural margin hedges for peers with international operations. The absence of higher-yielding portfolios in markets like India or Saudi Arabia, or exposure to different rate cycles as seen with Turkey, means ADCB's earnings are almost entirely tied to UAE monetary conditions and competitive dynamics. This concentration amplifies the impact of domestic margin compression and leaves the bank with fewer buffers to absorb yield pressure during periods of policy normalization. While the UAE-only footprint reduces execution complexity and regulatory risk, it also limits the bank's ability to optimize group-level margins through portfolio rebalancing or cross-geography yield management, reinforcing the case for a cautious valuation stance until clearer evidence emerges of sustained retail momentum, fee income acceleration, or strategic initiatives that can drive differentiated margin performance versus the peer group.

ADCB: Net Interest Margins vs Cost of Funding vs Gross Yield

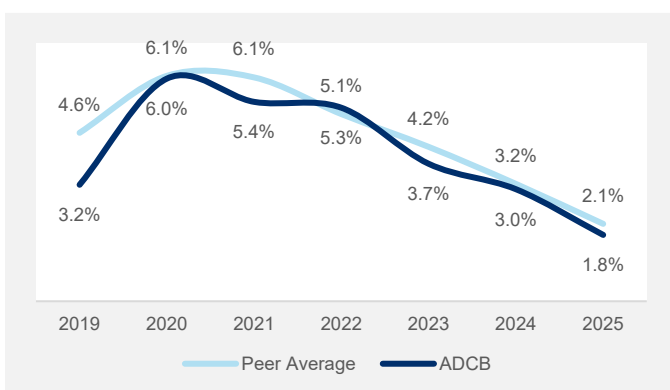


ADCB has maintained high asset quality with low NPLs and increasing NPL coverage: ADCB has made notable progress in strengthening its asset quality, with the non-performing loan (NPL) ratio improving to 1.83% in Q4 2025, down 121 bps year-on-year. Management attributed this improvement to strong recoveries and a buoyant credit environment, which supported overall credit quality. With a coverage ratio of around 289%, the bank maintains ample provisioning buffers, allowing it to recognize recoveries and writebacks more confidently, further reinforcing the improvement in asset quality.

The bank has maintained quite a fluctuating NPL coverage ratio ranging from as low as 156% to as high as 279%, with 289% being the highest in Q4 2025, surpassing the industry average of 175%.

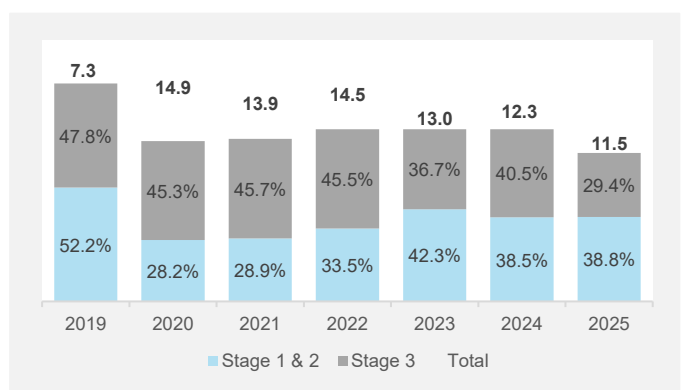
The decline in Stage 3 provisions (FY-2019: 47.8%, FY-2025: 29.4%) points towards successful recoveries of impaired exposures and limited new defaults, aligning with management's Q4 2025 comments on strong recoveries and a supportive credit environment. Provisions for Stage 1 & Stage 2 have remained consistent, highlighting confidence in the quality of lending as well as surety of payoffs.

NPL Ratio: ADCB vs Peer Average



Source: ADCB, Company Filings

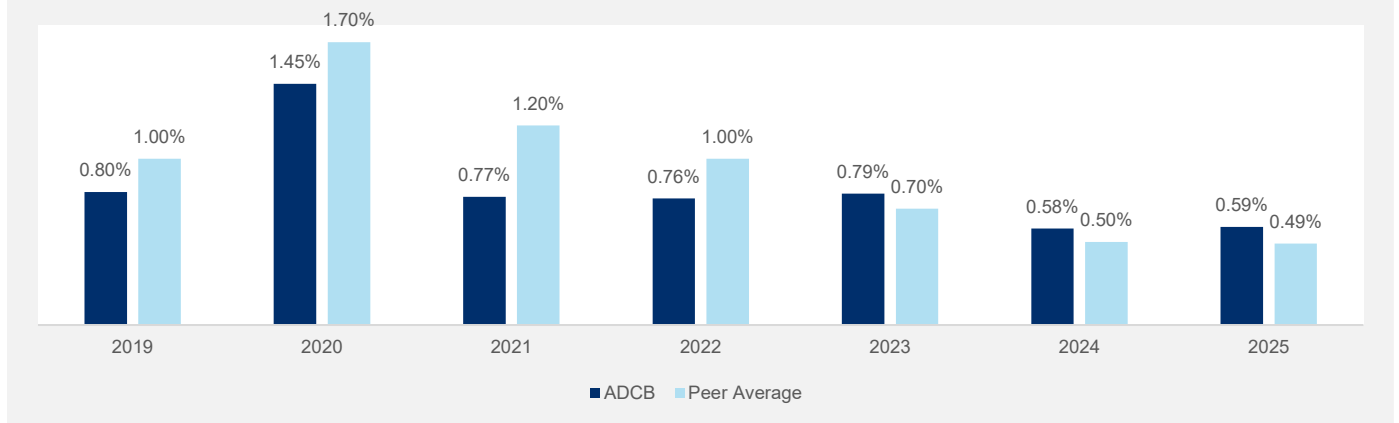
Distribution of Expected Credit Losses (ECL) across Stages



Source: ADCB

As of 9M 2025, the bank reported a cost of risk (CoR) of 0.82%, increasing by 24 bps on a YTD basis. The adjusted cost of risk is below 40 bps as highlighted by the management. Management has done an extra provisioning as a matter of prudence, which has led to an uptick in the CoR.. Management has guided to a cost of risk of 20–40 bps over the medium term, which is broadly in line with our assumptions. For FY-2026, however, we build in a range of 35-45 bps, reflecting expected portfolio seasoning and a cautious stance, rather than any fundamental change in asset quality.

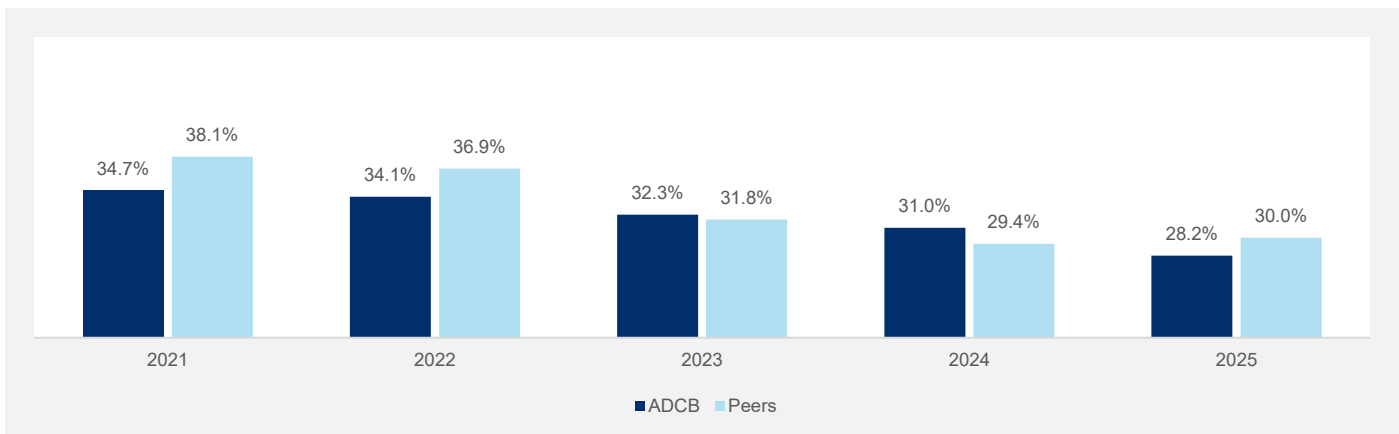
Cost of Risk: ADCB vs Peer Average



Source: ADCB Company Presentation

ADCB's cost-to-income ratio consistently outperformed the peer average: ADCB's cost-to-income ratio has reduced significantly from ~34%-35% to 28% between 2023 and 2025, below the UAE banking sector average. The improvement in cost-efficiency can be attributed to the bank's digital transformation through the announcement of an AI transformation program, aiming to unlock over 4 Bn AED in financial value through cost efficiencies and risk management.

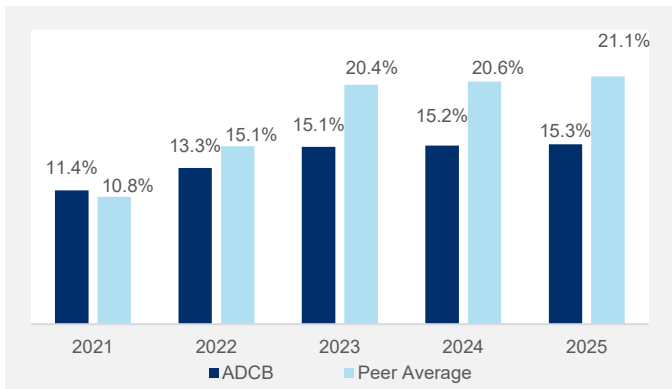
Cost-to-Income Ratio: ADCB vs Peer Average



Source: ADCB, Peer Company filings

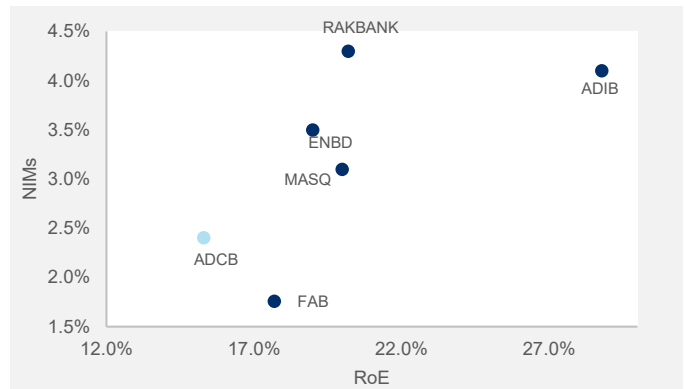
Lower P/TB valuation despite strong RoE: ADCB's strategic focus on a concentrated corporate loan book positions the bank advantageously for rate repricing opportunities. The corporate-heavy portfolio provides greater flexibility to adjust pricing upward in response to interest rate movements compared to retail-focused peers with stickier rate structures. Since 2019, the bank's price to tangible book value (P/TB) has consistently remained below the peer average, while its RoE has been in line. Based on Q4 2025, ADCB is trading at a P/TB ratio of 1.5x and RoE of 15.3%, compared to peer averages of 1.7x and 21.1%, respectively.

Return on Equity (RoE): ADCB vs Peer Average



Source: ADCB, Peer company filings

NIMs vs RoE (2025)



Source: ADCB, Peer company filings

Guidance for FY-2026: ADCB is guiding for FY-2025 loan growth in the mid-to-high single-digit range, reflecting a more measured expansion strategy focused on disciplined credit underwriting and selective corporate relationship deepening. For FY-2026, we forecast loan growth of ~8%-10%, supported by the government infrastructure spend and higher investment banking deal momentum. Management continues to guide for corporate-led growth, with corporate expected to outpace retail and mortgage lending, a view we share. On liabilities, we expect deposits to grow ~12%-14% in FY-2026, reflecting sustained system liquidity and balance-sheet expansion.

We forecast the loan-to-deposit ratio to remain comfortable at ~75%–77% through FY-2026 & FY-2027, reflecting a well-funded balance sheet despite elevated growth. Management has guided to a medium-term cost of risk of 20–40 bps, which we broadly align with, though we model a moderate rise to 45–55 bps in FY-2026 to reflect portfolio seasoning amidst expansion and overseas integration. Operating efficiency remains strong, with the cost-to-income ratio at 28.2% in 2025, well below the management target range. Asset quality continues to improve, with impairments down sharply YoY by 82% as of 2025; we expect the NPL ratio to remain stable at ~2.2% for FY-2026 and then increase to 2.8% for FY-2026, due to the seasoning of recent vintage retail and SME loan originations.

We forecast FY-2026 NIMs at 2.0%–2.30% and expect FY-2027 NIMs to stay in that same range below the below the UAE peer average of ~2.2%–2.4%, reflecting the structural characteristics of the loan book and limited margin upside in the absence of transformational business mix shifts.

The bank reported ~12% year-on-year growth in EPS, supported by stable operating fundamentals though constrained by modest margin pressure and slower fee income momentum relative to peers. Over FY-2025, earnings have been supported by net interest income growth and disciplined cost management, though fee income growth remained in the mid-to-high single digits. We therefore forecast high-single-digit to low-double-digit EPS growth across FY-2026.

Abu Dhabi Commercial Bank (ADCB) Financials

| Balance Sheet (AED Mn, unless stated otherwise) | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Cash and balances with Central Bank | 39,429 | 45,375 | 46,223 | 63,019 | 67,161 | 69,325 |
| Due from banks and FIs | 35,339 | 37,625 | 50,214 | 56,594 | 68,159 | 73,107 |
| Investments | 113,955 | 130,380 | 145,034 | 167,636 | 190,149 | 210,805 |
| Other assets | 21,711 | 18,960 | 20,005 | 34,970 | 36,920 | 40,965 |
| Goodwill and other intangibles | 7,152 | 7,049 | 7,672 | 7,658 | 7,663 | 7,663 |
| Net loans | 258,494 | 301,995 | 350,638 | 405,967 | 438,500 | 484,358 |
| Total assets | 497,843 | 567,194 | 652,814 | 773,654 | 844,009 | 919,539 |
| Liabilities | | | | | | |
| Due to banks and other FIs | 9,719 | 8,795 | 11,277 | 19,086 | 19,664 | 19,374 |
| Customers' deposits | 308,931 | 362,905 | 421,060 | 499,775 | 567,994 | 630,231 |
| Borrowings | 69,876 | 76,653 | 88,687 | 89,794 | 80,343 | 71,935 |
| Other liabilities | 25,671 | 23,571 | 26,179 | 23,571 | 41,721 | 45,636 |
| Total liabilities | 436,416 | 495,941 | 577,247 | 684,913 | 748,242 | 808,349 |
| Shareholder's equity | | | | | | |
| Share capital | 6,957 | 7,320 | 7,320 | 7,912 | 7,912 | 7,912 |
| Reserves | 30,583 | 37,293 | 41,608 | 54,191 | 62,346 | 79,921 |
| Retained earnings | 23,035 | 26,701 | 30,526 | 35,904 | 44,059 | 61,634 |
| Total shareholders' equity | 55,419 | 62,492 | 66,807 | 79,982 | 88,137 | 105,712 |
| Tier 1 sukuk | 6,000 | 8,755 | 8,755 | 8,755 | 8,755 | 8,755 |
| Total equity | 61,427 | 71,253 | 75,567 | 88,741 | 96,896 | 114,470 |
| Total liabilities & equity | 497,843 | 567,194 | 652,814 | 773,654 | 844,511 | 920,830 |
| Income Statement (AED Mn, unless stated otherwise) | | | | | | |
| Special commission income | 13,975 | 25,205 | 30,217 | 31,210 | 28,221 | 30,266 |
| Special commission expense | (5,800) | (14,910) | (19,188) | (19,119) | (15,071) | (15,130) |
| Net special commission income | 8,175 | 10,296 | 11,029 | 12,091 | 13,150 | 15,136 |
| Fee and commission income | 2,110 | 2,444 | 3,101 | 3,607 | 3,232 | 4,714 |
| Total operating income, net | 10,285 | 12,740 | 14,130 | 15,698 | 16,381 | 19,851 |
| Operating expenses | (4,888) | (5,453) | (6,031) | (6,246) | (6,197) | (7,300) |
| Impairment charge for credit losses | (2,779) | (3,477) | (2,874) | (3,103) | (1,932) | (305) |
| Total operating charge incl impairments | (7,667) | (8,930) | (8,905) | (9,349) | (8,129) | (7,605) |
| Net operating income | 9,456 | 11,414 | 13,448 | 15,937 | 16,987 | 19,737 |
| Share in earnings of associates | (8) | (0) | 11 | 9 | 0 | 0 |
| Pre-tax income: | 9,448 | 11,414 | 13,459 | 15,946 | 16,987 | 19,737 |
| (-) Zakat | (135) | (221) | (1,166) | (1,398) | (1,467) | (1,749) |
| Net income to common: | 9,312 | 11,193 | 12,293 | 14,548 | 15,520 | 17,988 |
| Earnings per share (AED): | 0.93 | 1.12 | 1.29 | 1.45 | 1.87 | 2.43 |

Source: Kamco Invest Research, ADCB

| Valuation & Financial Metrics | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E |
|-------------------------------------|-------|--------|--------|--------|--------|--------|
| Gross yield (%) | 3.5% | 5.7% | 5.9% | 5.3% | 4.3% | 4.2% |
| Cost of financing (%) | 2.0% | 4.0% | 4.5% | 3.8% | 2.4% | 2.8% |
| Net interest margin (%) | 2.1% | 2.3% | 2.2% | 2.0% | 2.0% | 2.1% |
| Cost of risk (%) | 1.08% | 1.15% | 0.82% | 0.76% | 0.44% | 0.06% |
| Cost to income ratio (%) | 34.1% | 32.3% | 31.0% | 28.2% | 26.7% | 27.0% |
| Dividend payout ratio (%) | 59.4% | 49.9% | 45.8% | 35.0% | 35.0% | 35.0% |
| Net loans/deposits (%) | 83.7% | 83.2% | 83.3% | 81.2% | 77.2% | 76.9% |
| Non-Performing Loan (NPL) ratio (%) | 5.3% | 3.7% | 3.0% | 2.1% | 2.2% | 2.8% |
| NPL coverage ratio (%) | 93.0% | 102.5% | 110.0% | 101.8% | 104.8% | 105.5% |
| Return on assets (RoA) (%) | 1.4% | 1.4% | 1.7% | 1.6% | 1.7% | 2.0% |
| Return on equity (RoE) (%) | 12.0% | 13.1% | 14.6% | 15.6% | 15.8% | 18.2% |
| Common Equity Tier 1 (CET1) ratio | 13.0% | 15.1% | 12.6% | 13.8% | 13.8% | 15.2% |
| Tier 1 capital ratio | 14.6% | 17.3% | 14.6% | 15.6% | 15.4% | 16.6% |
| Earnings per share (AED) | 0.93 | 1.12 | 1.29 | 1.45 | 1.87 | 2.43 |
| Dividend per share (AED) | 0.55 | 0.56 | 0.59 | 0.55 | 0.65 | 0.85 |
| Tangible Book value per share (AED) | 8.84 | 9.75 | 10.35 | 12.21 | 13.33 | 15.75 |
| P/TB (x) | 7.98 | 8.55 | 9.15 | 9.95 | 11.07 | 13.49 |
| P/E (x) | 0.9x | 0.9x | 0.9x | 1.3x | 1.2x | 1.0x |
| Dividend yield (%) | 0.9x | 0.9x | 0.9x | 1.6x | 1.4x | 1.2x |

Source: Kamco Invest Research, ADCB

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