



The National Bank of Ras Al-Khaimah (P.S.C.)

**Review report and condensed consolidated
interim financial information for the period
from 1 January 2026 to 31 March 2026**

The National Bank of Ras Al-Khaimah (P.S.C.)

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Board of Directors
The National Bank of Ras Al-Khaimah (P.S.C.)
Ras Al Khaimah
United Arab Emirates

Introduction

We have reviewed the accompanying Group condensed consolidated interim statement of financial position of **The National Bank of Ras Al-Khaimah (P. S.C.)** (the “Bank”) and its **Subsidiaries** (together referred to as the “Group”) as at 31 March 2026 and the related Group statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Musa Ramahi
Registration No. 872
20 April 2026
Dubai
United Arab Emirates

The National Bank of Ras Al-Khaimah (P.S.C.)

Condensed consolidated interim statement of financial position as at 31 March 2026

	Notes	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
ASSETS			
Cash and balances with UAE Central Bank	4	11,639,085	11,625,579
Due from other banks, net	5	15,718,124	16,411,627
Investment securities measured at fair value	6	10,976,502	10,341,339
Investment securities measured at amortised cost	6	9,812,258	9,133,446
Loans and advances, net	7	55,380,802	53,246,026
Reinsurance contract assets	12	291,257	319,094
Customer acceptances		238,529	315,553
Other assets	8	2,046,617	2,440,647
Property and equipment		645,218	628,370
Right-of-use assets		131,318	125,597
Goodwill and intangible assets		442,825	431,060
Total assets		107,322,535	105,018,338
LIABILITIES AND EQUITY			
LIABILITIES			
Due to other banks	9	6,725,413	8,246,015
Deposits from customers	10	74,307,666	70,459,532
Customer acceptances		238,529	315,553
Debt securities issued and other long-term borrowings	11	7,100,668	6,558,307
Insurance contract liabilities	12	594,403	611,619
Other liabilities	13	3,123,766	3,015,177
Lease liabilities		117,342	115,585
Deferred tax liability	26	2,030	24,123
Subordinated note	14	913,771	916,912
Total liabilities		93,123,588	90,262,823
EQUITY			
Share capital	15	2,011,495	2,011,495
Tier 1 capital notes	16	1,101,900	1,101,900
Legal reserve		1,128,804	1,128,804
Retained earnings		6,728,614	7,028,066
Other reserves		3,185,123	3,443,796
Equity attributable to owners of the Bank		14,155,936	14,714,061
Non-controlling interests		43,011	41,454
Total equity		14,198,947	14,755,515
Total liabilities and equity		107,322,535	105,018,338

This condensed consolidated interim financial information was duly approved and authorised by the Board of Directors on 20 April 2026 and signed on their behalf by:



Raheel Ahmed
Chief Executive Officer



Mohammad Jaffer Nini
Chief Financial Officer

The accompanying notes form an integral part of these condensed consolidated interim financial information. (2)

The National Bank of Ras Al-Khaimah (P.S.C.)

Condensed consolidated interim statement of profit or loss for the period from 1 January 2026 to 31 March 2026

	Notes	Three months period ended 31 March	
		2026 (un-audited) AED'000	2025 (un-audited) AED'000
Interest income	19	1,229,953	1,117,383
Interest expense	19	(423,905)	(370,248)
Net interest income		806,048	747,135
Income from Islamic financing	20	198,677	183,953
Distribution to depositors	20	(58,201)	(64,199)
Net income from Islamic financing		140,476	119,754
Net interest income and net income from Islamic financing		946,524	866,889
Net fees and commission income	21	205,590	188,018
Foreign exchange & derivative income		114,248	97,578
Investment income	22	53,637	126,451
Insurance revenue		162,395	126,005
Insurance expense		(158,104)	(128,916)
Other operating income	23	495,625	24,235
Non-interest income		873,391	433,371
Operating income		1,819,915	1,300,260
General and administrative expenses	24	(476,063)	(434,375)
Operating profit before net impairment charge and tax		1,343,852	865,885
Net impairment charge	25	(237,988)	(93,713)
Profit for the period before tax		1,105,864	772,172
Income tax expense	26	(98,108)	(67,677)
Profit for the period after tax		1,007,756	704,495
<i>Attributed to:</i>			
Owners of the Bank		1,004,290	702,215
Non-controlling interests		3,466	2,280
Profit for the period		1,007,756	704,495
<i>Earnings per share:</i>			
Basic and diluted in AED	27	0.50	0.35

The accompanying notes form an integral part of these condensed consolidated interim financial information. (3)

The National Bank of Ras Al-Khaimah (P.S.C.)

Condensed consolidated interim statement of comprehensive income for the period from 1 January 2026 to 31 March 2026

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Profit for the period after tax	1,007,756	704,495
<i>Other comprehensive income/(loss):</i>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Changes in fair value of financial assets measured at fair value through other comprehensive income, net (equity instruments)	(48,458)	12,041
Loss on sale of equity investments held at fair value through other comprehensive income	-	(4,606)
Income tax income/(expense) related to the above	4,361	(669)
 <i>Items that may be reclassified subsequently to profit or loss:</i>		
Changes in fair value of financial assets measured at fair value through other comprehensive income, net (debt instruments)	(219,889)	92,481
Profit on sale of debt instruments transferred to profit and loss	(21,948)	(8,266)
Net changes in fair value arising from cash flow hedges	3,259	460
Deferred tax expense related to the above	22,093	(7,615)
Other comprehensive (loss)/income for the period	(260,582)	83,826
Total comprehensive income for the period	747,174	788,321
<i>Attributed to:</i>		
Owners of the Bank	745,617	785,518
Non-controlling interests	1,557	2,803
Total comprehensive income for the period	747,174	788,321

The National Bank of Ras Al-Khaimah (P.S.C.)

**Condensed consolidated interim statement of changes in equity
for the period from 1 January 2026 to 31 March 2026**

	Share capital AED'000	Tier 1 Capital notes AED'000	Legal reserve AED'000	Retained earnings AED'000	Other reserves AED'000	Equity attributable to owners of the Bank AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2025 (audited)	2,011,495	-	1,128,804	5,458,933	3,166,371	11,765,603	31,076	11,796,679
Profit for the period	-	-	-	702,215	-	702,215	2,280	704,495
Other comprehensive (loss)/gain	-	-	-	(4,191)	87,494	83,303	523	83,826
Total comprehensive income for the period	-	-	-	698,024	87,494	785,518	2,803	788,321
Coupon paid on Tier 1 capital notes	-	-	-	-	-	-	-	-
Dividend payable for the period (Note 13 and 15)	-	-	-	(1,005,748)	-	(1,005,748)	-	(1,005,748)
At 31 March 2025 (un-audited)	2,011,495	-	1,128,804	5,151,209	3,253,865	11,545,373	33,879	11,579,252
Balance at 1 January 2026 (audited)	2,011,495	1,101,900	1,128,804	7,028,066	3,443,796	14,714,061	41,454	14,755,515
Profit for the period	-	-	-	1,004,290	-	1,004,290	3,466	1,007,756
Other comprehensive (loss)/gain	-	-	-	-	(258,673)	(258,673)	(1,909)	(260,582)
Total comprehensive income for the period	-	-	-	1,004,290	(258,673)	745,617	1,557	747,174
Coupon paid on Tier 1 capital notes	-	-	-	(36,500)	-	(36,500)	-	(36,500)
Dividends paid (Note 15)	-	-	-	(1,267,242)	-	(1,267,242)	-	(1,267,242)
At 31 March 2026 (un-audited)	2,011,495	1,101,900	1,128,804	6,728,614	3,185,123	14,155,936	43,011	14,198,947

The National Bank of Ras Al-Khaimah (P.S.C.)

Condensed consolidated interim statement of cash flows for the period from 1 January 2026 to 31 March 2026

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
<i>Cash flows from operating activities</i>		
Profit for the period before tax	1,105,864	772,172
<i>Adjustments:</i>		
Net impairment charge	237,988	93,713
Depreciation and amortisation of property and equipment and intangibles	35,670	28,335
Net changes in fair value arising of hedge and forex revaluation on investments	30,448	(14,618)
Depreciation on right-of-use assets	6,136	5,251
Interest cost on lease liabilities	1,161	1,005
Loss on disposal of property and equipment	2	-
Amortisation of discount relating to investments securities	(51,612)	(38,203)
Gain on sale of debt securities measured at FVOCI	(21,950)	(8,021)
Gain on sale of investment securities held at FVTPL	(13,777)	(98,283)
Gain on sale of investment securities held at amortised cost	(13,299)	-
Gain on sale of business	(473,455)	-
Fair value change on FVTPL investment securities	10,844	(531)
Net changes in fair value of hedge and amortization of discount on debt securities issued	(10,679)	9,307
	843,341	750,127
<i>Changes in operating assets and liabilities</i>		
Increase in due from other banks (original maturities of three months or more)	(749,584)	(558,572)
Increase in loans and advances, net	(2,377,624)	(462,866)
(Increase)/decrease in investment securities measured at fair value	(439,423)	123,174
Decrease in reinsurance contract assets	27,837	12,260
Decrease in other assets	556,994	68,121
Decrease in due to other banks	(1,520,602)	(170,291)
Increase in deposits from customers	3,848,134	1,388,116
Decrease in insurance contract liabilities	(17,216)	(30,170)
Decrease in other liabilities	(61,293)	(362,818)
	110,564	757,081
<i>Cash flows from investing activities</i>		
Purchase of investment securities	(5,220,412)	(3,621,991)
Proceeds from maturity/disposal of investment securities	4,106,676	2,831,267
Purchase of property and equipment	(64,285)	(56,715)
Proceeds from sale of business	385,613	-
	(792,408)	(847,439)
<i>Cash flows from financing activities</i>		
Issue of debt security and other borrowings	549,900	771,634
Dividends paid	(1,267,242)	-
Coupon paid on Tier 1 capital notes	(36,500)	-
Payment for rentals on lease contracts	(9,358)	(7,721)
	(763,200)	763,913
Net cash (used in)/generated from financing activities	(763,200)	763,913
Net increase in cash and cash equivalents	(1,445,044)	673,555
Cash and cash equivalents, beginning of the period	15,052,407	10,063,881
Cash and cash equivalents, end of the period (Note 29)	13,607,363	10,737,436

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026

1. Incorporation and Principal Activities

The National Bank of Ras Al-Khaimah (P.S.C.) (the “Bank”) is a public shareholding company incorporated in the Emirate of Ras Al-Khaimah in the United Arab Emirates (“UAE”). The head office of the Bank is located at the National Bank of Ras Al-Khaimah building, Al Rifa area, Exit No. 129, Sheikh Mohammed Bin Zayed Road, Ras Al-Khaimah, UAE.

The Bank is engaged in providing Retail, Commercial, Islamic banking and Treasury services through a network of eighteen branches and two electronic banking units in the UAE. The Bank is controlled by the Government of Ras Al-Khaimah by majority of voting rights.

At 31 March 2026, The National Bank of Ras Al-Khaimah (P.S.C.) comprises the Bank and five subsidiaries (together referred to as the “Group”). The condensed consolidated interim financial information for the three-month period ended 31 March 2026 comprises the Bank and following direct subsidiaries:

<i>Subsidiary</i>	<i>Authorized and issued capital</i>	<i>Ownership interest</i>	<i>Incorporated</i>	<i>Principal Activities</i>
Ras Al Khaimah National Insurance Company PSC	AED 121.275 million	79.23%	UAE	Underwriting all types of Insurance business
BOSS FZCO	AED 0.5 million	80.00%*	UAE	Back-office support services to the Bank
RAK Technologies FZCO	AED 0.5 million	80.00%*	UAE	Technological support services to the Bank
Protego Insurance Brokers L.L.C.	AED 28.5 million	100.00%	UAE	Insurance brokerage
RAKAZA (Management Office)	AED 5.0 million	100.00%	UAE	Sales and support services to the Bank

*These represent legal ownership of the Bank. However, beneficial ownership is 100% as the remaining interest is held by a related party on trust and for the benefit of the Bank.

RAK Technologies FZCO is currently under liquidation, and the closure formalities are in progress. During 2025, the Group incorporated RAKBANK Digital Assets LLC as a wholly owned subsidiary to issue payment tokens, and the necessary formalities with regards to capital infusion are in progress.

2. Application of new and revised IFRS Accounting Standards

New and amended IFRS Accounting Standards that are effective for the current period

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in condensed consolidated interim financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial statements:

New and revised IFRS Accounting Standard

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

**Effective for
annual periods
beginning on or after**

1 January 2026

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

2. Application of new and revised IFRS Accounting Standards (continued)

New and amended IFRS Accounting Standards that are effective for the current period (continued)

<u>New and revised IFRS Accounting Standard</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding purchase power arrangements	1 January 2026
The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	
Annual improvements to IFRS Accounting Standards - Volume 11	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none">• IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>: Hedge accounting by a first-time adopter• IFRS 7 <i>Financial Instruments - Disclosures</i>: Gain or loss on derecognition• IFRS 7 <i>Financial Instruments - Disclosures</i>: Disclosure of deferred difference between fair value and transaction price• IFRS 7 <i>Financial Instruments - Disclosures</i>: Introduction and credit risk disclosures• IFRS 9 <i>Financial Instruments</i>: Lessee derecognition of lease liabilities• IFRS 9 <i>Financial Instruments</i>: Transaction price• IFRS 10 <i>Consolidated Financial Statements</i>: Determination of a "de facto agent"	
IAS 7 <i>Statement of Cash Flows</i> : Cost method	

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2026.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

2. Application of new and revised IFRS Accounting Standards (continued)

New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorisation of these condensed consolidated interim financial statements, the following new and revised IFRS Accounting Standards have been issued but are not yet effective or early adopted by the Group during the period:

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
<i>IFRS 18 Presentation and Disclosures in Financial Statements</i> IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i> IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
<i>Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures</i> The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.	1 January 2027
<i>Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates</i> relating to Translation to a Hyperinflationary Presentation Currency The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	1 January 2027
<i>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)</i> The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial statements of Group in the period of initial application.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

3. Material accounting policy information

(a) Basis of preparation

The condensed consolidated interim financial information of the Group is prepared under the historical cost basis except for certain financial instruments which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standard Board ("IASB") and also comply with the applicable requirements of the laws in the U.A.E.

The accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2025.

As required by the Securities and Commodities Authority of the U.A.E. ("SCA") Notification No. 2624/2008 dated 12 October 2008, accounting policies relating to financial assets, cash and cash equivalents and Islamic financing and investing assets have been disclosed in the condensed consolidated interim financial information.

These condensed consolidated interim financial information do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2025. In addition, results for the three months period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

(b) Consolidation

The condensed consolidated interim financial information incorporate the condensed consolidated interim financial information of National Bank of Ras Al-Khaimah (P.S.C.) and its subsidiaries (collectively referred to as "Group").

i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

ii) Transactions eliminated on consolidation

Intra-group balances and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the condensed consolidated interim financial information. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii) Acquisition accounting

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest, and the Group allocates the purchase price to these net assets acquired. The measurement period for purchase price allocations ends as soon as information on the facts and circumstances becomes available but does not exceed 12 months. The Group policy is aligned with that laid out in IFRS 3.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

3. Material accounting policy information (continued)

(b) Consolidation (continued)

iii) Acquisition accounting (continued)

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services which are charged to the statement of profit or loss.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date.

(c) Islamic financing

The Group engages in Shari'ah compliant Islamic banking activities through various Islamic instruments such as Murabaha, Salam, Mudaraba, and Wakala. The accounting policy for initial recognition, subsequent measurement and derecognition of Islamic financial assets and liabilities are below:

i) Murabaha financing

A sale contract whereby the Group sells to a customer commodities and other assets by disclosing agreed upon profit mark up on cost. The Group purchases the assets based on a promise received from customer to buy the item purchased according to specific terms and conditions. Profit from Murabaha is quantifiable at the commencement of the transaction. Such income is recognised as it accrues over the period of the contract on effective profit rate method on the balance outstanding.

ii) Salam

Bai Al Salam is a Sale contract where the Customer (Seller) undertakes to deliver/supply a specified tangible asset to the Group (Buyer) at mutually agreed future date(s) in exchange for an advance price fully paid on the spot by the buyer.

Revenue on Salam financing is recognised on the effective profit rate basis satisfied through the delivery of commodities over the period of the contract, based on the Salam commodities outstanding.

iii) Mudaraba

A contract between the Group and a customer, whereby one party provides the funds (Rab Al Mal - customer) and the other party (the Mudarib - the Group) invests the funds in a project or a particular activity and any profits generated are distributed between the parties according to the profit sharing ratio that were pre-agreed in the contract. The Mudarib would bear the loss in case of misconduct, negligence or violation of any of the terms and conditions of the Mudaraba, otherwise, losses are borne by the Rab Al Mal.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

3. Material accounting policy information (continued)

(c) Islamic financing (continued)

iv) Wakala

A Wakala agreement is a contract between two parties where one party, the Muwakkil (fund provider), provides a specified amount of money (the Wakala Capital) to the other party, the Wakeel (agent). The Wakeel invests the Wakala Capital in a Sharia-compliant manner, following the feasibility study or investment plan submitted to the Muwakkil. Under this arrangement, the Wakeel earns a fixed fee (the Wakala Fee) either as a lump sum or as a percentage of the Wakala Capital. The Muwakkil is entitled to all profits generated from the Wakala investment. The Wakeel may also receive an additional performance incentive if profits exceed a pre-agreed return threshold.

Generally, Wakala profits are distributed upon liquidation of the Wakala Capital and declaration by the Wakeel. If actual liquidation is not feasible, Sharia permits constructive liquidation, allowing profit distribution based on estimated values. Losses are borne by the Muwakkil unless they result from the Wakeel's misconduct, negligence, or breach of contract terms. In such cases, the Wakeel is responsible for the loss. Otherwise, the Muwakkil bears the loss provided there is satisfactory evidence that it was due to force majeure and beyond the Wakeel's control or ability to prevent. Under this agreement, the Group may act either as Muwakkil or Wakeel, depending on the circumstances.

v) Ijara

Ijara financing is a finance lease agreement whereby the Group (lessor) leases an asset based on the customer's (lessee) request and promise to lease the assets for a specific period in lieu of rental instalments. Ijara ends in transferring the ownership of the asset to the lessee at the end of the lease inclusive of the risks and rewards incident to an ownership of the leased assets. Ijara assets are stated at amounts equal to the net investment outstanding in the lease including the income earned thereon less impairment provisions.

vi) Profit distribution mechanism

Deposits of Islamic banking are managed in accordance with Shari'ah principles through a Mudaraba pool and profit is distributed in accordance with the Shari'ah approved profit distribution mechanism. To ensure the competitive return to the depositors, Shari'ah compliant reserves are maintained as followed;

- Profit Equalisation Reserves (PER) is appropriated out of the Common Mudaraba Pool's profit in order to maintain the adequate return on investments for participants of Common Mudaraba Pool.
- Investment Risk Reserve (IRR) is appropriated from the depositors' share of profits set aside as a reserve.

(d) Cash and cash equivalents

In the condensed consolidated interim statement of cash flows, cash and cash equivalents include cash on hand, money in current and call accounts and placements with original maturity of less than three months excluding the statutory deposit required to be maintained with the UAE Central Bank.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

4. Cash and balances with UAE Central Bank

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Cash in hand	873,662	980,042
Balances with the UAE Central bank	10,765,423	10,645,537
	11,639,085	11,625,579

As per the CBUAE regulations, the Bank is allowed to draw their balances held in the UAE Central Bank reserve account, while ensuring that they meet the reserve requirements over 14 days period. Therefore, the balances have been classified as part of cash and cash equivalents (Note 29). There is no ECL charge on above exposures.

5. Due from other banks, net

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Placements with other banks	1,487,461	1,207,012
Demand deposits	1,378,779	2,164,260
Banker's acceptances	7,882,785	7,636,843
Syndicated loans	4,185,618	4,495,950
Reverse repurchase agreements	236,582	550,503
Trade loans	610,865	424,744
Others	12,722	24,466
Total due from other banks	15,794,812	16,503,778
Provision for expected credit losses	(76,688)	(92,151)
Due from other banks, net	15,718,124	16,411,627

As at 31 March 2026, the Group held borrowed quoted debt securities with a fair value of AED 265 million (31 December 2025: AED 627 million) as collateral under reverse repurchase agreements amounting to AED 237 million (31 December 2025: AED 551 million). Of the borrowed securities, debt securities with a fair value of AED 109 million (31 December 2025: AED 591 million) were subsequently pledged as collateral to secure repurchase borrowings amounting to AED 93 million (31 December 2025: AED 591 million) [Note 9].

The below represents deposits and balances due from:

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Banks in UAE	318,138	368,885
Banks outside UAE	15,476,674	16,134,893
Total due from other banks	15,794,812	16,503,778

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

6. Investment securities, net

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
<i>Securities at fair value through other comprehensive income (FVOCI)</i>		
Quoted equity securities	595,558	642,033
Unquoted equity securities	758	758
Quoted debt securities*	9,495,747	9,168,697
Unquoted debt securities	4,180	91,948
	<u>10,096,243</u>	<u>9,903,436</u>
<i>Securities at fair value through profit or loss (FVTPL)</i>		
Quoted funds	60,582	67,967
Unquoted funds	53,148	73,860
Quoted equity securities	114,904	149,546
Quoted debt securities	651,625	146,530
	<u>880,259</u>	<u>437,903</u>
Investment securities measured at fair value	<u>10,976,502</u>	<u>10,341,339</u>
<i>Securities held at amortised cost</i>		
Quoted debt securities*	9,845,780	9,163,815
	<u>9,845,780</u>	<u>9,163,815</u>
Provision for expected credit loss for securities held at amortised cost	(33,522)	(30,369)
Investment securities measured at amortised cost	<u>9,812,258</u>	<u>9,133,446</u>
Investment securities, net	<u>20,788,760</u>	<u>19,474,785</u>

*As at 31 March 2026, quoted debt securities with fair value of AED 3,586 million and carrying value of AED 3,471 million (31 December 2025: fair value of AED 2,588 million and carrying value of AED 2,565 million) have been given as collateral against repo borrowings of AED 3,223 million (31 December 2025: AED 2,155 million) [Note 9].

As at 31 March 2026, the provision for credit loss on debt securities at FVOCI amounted to AED 69 million (31 December 2025: AED 65 million) [Note 36].

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

6. Investment securities, net (continued)

The composition of the investment portfolio by category is as follows:

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Federal and local Government – UAE	4,507,394	3,641,341
Government related entity – UAE	1,569,244	1,486,790
Government – GCC	1,156,019	1,101,852
Government – Others	1,168,731	1,213,424
Banks and financial institutions – UAE	1,895,027	1,875,215
Banks and financial institutions – GCC	1,946,392	2,082,100
Banks and financial institutions – Other	3,385,969	2,838,647
Public limited companies – UAE	819,004	699,969
Public limited companies – GCC	2,087,280	1,912,204
Public limited companies – Others	1,462,272	1,719,448
Total debt securities	19,997,332	18,570,990
Quoted equity securities	710,462	791,579
Unquoted equity securities	758	758
Quoted funds	60,582	67,967
Unquoted funds	53,148	73,860
Total investment securities	20,822,282	19,505,154

7. Loans and advances, net

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
(a) Loans and advances		
Retail banking	25,445,435	24,971,238
Wholesale banking	21,203,547	19,716,484
Business banking	11,547,032	11,255,884
Total loans and advances [Note 7(b)]	58,196,014	55,943,606
Provision for credit losses [Note 7(c)]	(2,815,212)	(2,697,580)
Net loans and advances	55,380,802	53,246,026

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

7. Loans and advances, net (continued)

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
(b) Analysis of loans and advances		
Personal loans	5,927,762	5,875,560
Mortgage loans	13,549,216	13,039,305
Credit cards	2,778,096	2,848,091
Auto loans	442,985	456,904
RAK Business loans	3,999,369	4,056,522
Other Business banking loans	7,547,663	7,199,362
Wholesale banking loans	21,203,547	19,716,484
Other retail loans	2,747,376	2,751,378
	<hr/>	<hr/>
Total loans and advances	58,196,014	55,943,606
	<hr/> <hr/>	<hr/> <hr/>
(c) Movement in provision for credit losses		
Balance at the beginning of the year	2,697,580	2,850,054
Impairment allowance for the year [Note 7(d)]	266,542	543,296
Written-off during the year	(148,910)	(695,770)
	<hr/>	<hr/>
Balance at the end of the year	2,815,212	2,697,580
	<hr/> <hr/>	<hr/> <hr/>
(d) Net impairment charge on loans and advances		
Impairment allowance for the year [Note 7(c)]	266,542	543,296
Net recoveries during the year	(23,695)	(136,771)
	<hr/>	<hr/>
	242,847	406,525
	<hr/> <hr/>	<hr/> <hr/>

Net recovery mainly represents amounts subsequently recovered from fully written-off loans.

The below table summarizes the Islamic financing assets that are part of loans and advances above:

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Islamic financing assets		
Islamic retail financing assets	3,754,814	3,666,201
Islamic business banking assets	2,469,117	2,525,950
Islamic wholesale banking assets	1,694,135	1,239,206
	<hr/>	<hr/>
Total Islamic financing assets	7,918,066	7,431,357
Provision for credit losses	(369,346)	(328,910)
	<hr/>	<hr/>
Net Islamic financing assets	7,548,720	7,102,447
	<hr/> <hr/>	<hr/> <hr/>

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

7. Loans and advances, net (continued)

(e) Islamic financing assets (continued)

The below table summarizes the Islamic financing assets that are part of loans and advances above:

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
<i>Analysis of Islamic financing assets</i>		
Islamic Business Banking Finance	2,469,117	2,525,950
Islamic Salam Personal finance	2,511,515	2,477,080
Islamic Ijara Property Finance	1,150,294	1,089,731
Islamic Wholesale Banking	1,694,135	1,239,206
Islamic Murabaha Auto Finance	46,976	50,624
Islamic Credit Cards	46,029	48,766
	<hr/>	<hr/>
Total Islamic financing assets	7,918,066	7,431,357
	<hr/> <hr/>	<hr/> <hr/>

8. Other assets

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Interest receivable	686,460	685,308
Profit receivable on Islamic financing assets	109,475	117,759
Prepayments	108,202	78,627
Foreign exchange and other derivative contracts (Note 18)	632,282	460,013
Gold in hand	212,531	901,355
Islamic profit paid in advance	15,075	6,615
Others*	282,592	190,970
	<hr/>	<hr/>
	2,046,617	2,440,647
	<hr/> <hr/>	<hr/> <hr/>

*Includes deferred consideration at net present value of AED 137 million receivable from Network International LLC from sale of merchant acquiring business [Note 23].

9. Due to other banks

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Term borrowings	3,186,804	5,260,798
Repurchase agreements	3,316,654	2,745,889
Demand deposits	221,955	239,328
	<hr/>	<hr/>
	6,725,413	8,246,015
	<hr/> <hr/>	<hr/> <hr/>

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

9. Due to other banks (continued)

As at 31 March 2026:

- Quoted debt securities with fair value of AED 3,586 million and carrying value of AED 3,471 million (31 December 2025: fair value of AED 2,588 million and carrying value of AED 2,565 million) have been given as collateral against repo borrowings of AED 3,223 million (31 December 2025: AED 2,155 million) [Note 6].
- Borrowed quoted debt securities with fair value of AED 109 million (31 December 2025: AED 627 million) have been given as collateral against repo borrowings of AED 93 million (31 December 2025: AED 591 million) [Note 5].
- Repurchase agreements include borrowings from non-banking financial institutions.

10. Deposits from customers

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Current accounts	43,381,745	40,892,408
Time deposits	25,525,140	24,636,746
Saving deposits	4,093,247	3,696,538
Call deposits	1,307,534	1,233,840
	74,307,666	70,459,532

Deposits include AED 2,696 million (31 December 2025: AED 2,499 million) held by the Group as cash collateral for loans and advances granted to customers.

The below table summarises the Islamic deposits of customers that are part of deposits from customers above:

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Murabaha term deposit	1,531,684	2,628,985
Qard-E-Hassan - current accounts	1,925,958	1,761,684
Wakala deposits	1,481,385	824,985
Mudaraba - current accounts	413,362	439,107
Mudaraba - saving accounts	346,222	304,136
Mudaraba - call deposits	13,773	10,473
Mudaraba term investment deposits	6,060	6,483
	5,718,444	5,975,853

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

11. Debt securities issued and other long-term borrowings

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
AED 370 million bilateral borrowing (a)	370,000	370,000
USD 50 million bilateral borrowing (b)	183,650	183,650
AED 370 million Islamic bilateral borrowing (c)	370,000	370,000
USD 100 million bilateral borrowing (d)	367,300	367,300
USD 100 million bilateral borrowing (e)	367,300	367,300
AED 550 million bilateral borrowing (f)	550,000	550,000
AED 550 million Islamic bilateral borrowing (g)	550,000	550,000
USD 600 million medium term note issued at discount in July 2024 (h)	2,199,925	2,199,600
USD 75 million Islamic bilateral borrowing (i)	275,475	275,475
AED 500 million Islamic bilateral borrowing (j)	500,000	500,000
USD 30 million bilateral borrowing (k)	110,190	110,190
USD 120 million bilateral borrowing (l)	440,760	440,760
USD 75 million bilateral borrowing (m)	275,475	275,475
USD 100 million bilateral borrowing (n)	367,300	-
USD 50 million bilateral borrowing (o)	183,650	-
Less: Debt securities and other borrowing issue costs	(14,975)	(13,044)
Fair value adjustment on hedged medium-term note	4,618	11,601
	7,100,668	6,558,307

- (a) In June 2023, the Group borrowed AED 370 million at an interest rate of 6 months EIBOR + 0.90% per annum which matures in June 2026.
- (b) In June 2023, the Group borrowed USD 50 million at an interest rate of daily SOFR + 1.10% per annum which matures in June 2026.
- (c) In June 2023, the Group borrowed AED 370 million at a profit rate of 3 months EIBOR + 0.90% per annum which matures in June 2026.
- (d) In July 2023, the Group borrowed USD 100 million at an interest rate of USD 3 month SOFR + 1% which matures in July 2026.
- (e) In September 2023, the Group borrowed USD 100 million at an interest rate of USD daily SOFR + 1% which matures in September 2026.
- (f) In February 2024, the Group borrowed AED 550 million at an interest rate of 3 months EIBOR + 0.75% per annum which matures in February 2027.
- (g) In March 2024, the Group borrowed AED 550 million at a profit rate of 3 months EIBOR + 0.75% per annum which matures in March 2027.
- (h) In July 2024, the Group issued five-year USD 600 million EMTN Bonds under the Groups Social Finance Framework. These were issued at a discounted rate of 99.723% and carries a fixed interest rate of 5.375% per annum. These notes mature in July 2029.
- (i) In January 2025, the Group borrowed USD 75 million at a profit rate of USD 3 months SOFR + 0.95% per annum which matures in January 2028.
- (j) In March 2025, the Group borrowed AED 500 million at a profit rate of 3 months EIBOR + 0.75% per annum which matures in March 2028.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

11. Debt securities issued and other long-term borrowings (continued)

- (k) In June 2025, the Group borrowed USD 30 million at an interest rate of 3 months SOFR + 0.90% per annum which matures in June 2029.
- (l) In June 2025, the Group borrowed USD 120 million at an interest rate of 3 months SOFR + 0.85% per annum which matures in June 2028.
- (m) In October 2025, the Group borrowed USD 75 million at an interest rate of 3 months SOFR + 0.95% per annum which matures in October 2028.
- (n) In January 2026, the Group borrowed USD 100 million at an interest rate of 3 months SOFR + 1.10% per annum which matures in January 2031.
- (o) In January 2026, the Group borrowed USD 50 million at an interest rate of 3 months SOFR + 1.30% per annum which matures in January 2031.

12. Reinsurance contract assets and insurance contract liabilities

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
<i>Reinsurance contract assets</i>		
<i>Incurred claims for contracts under Premium Allocation Approach (PAA)</i>		
Present value of future cashflows	351,247	358,213
Risk adjustment for non-financial risk	9,848	10,347
	361,095	368,560
Remaining coverage excluding loss-recovery component	(69,838)	(49,466)
Remaining coverage loss recovery component	-	-
	291,257	319,094
<i>Insurance contract liabilities</i>		
<i>Liabilities for Incurred Claims (LIC) under Premium Allocation Approach (PAA)</i>		
Present value of future cashflows	401,977	430,137
Risk adjustment for non-financial risk	14,559	15,656
	416,536	445,793
<i>Liabilities for Remaining Coverage (LRC)</i>		
Excluding loss component	177,438	165,649
Loss component	429	177
	177,867	165,826
	594,403	611,619

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

13. Other liabilities

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Interest payable	367,569	429,443
Profit distributable on Islamic deposits	26,485	17,699
Accrued expenses	707,111	751,043
Provision for staff end-of-service benefits	154,092	154,054
Foreign exchange and other derivatives contracts (Note 18)	549,233	352,775
Credit card payables and liabilities	76,714	85,286
Managers cheques issued	316,852	378,007
Mortgage payables and liabilities	32,972	31,919
Insurance related payables	8,536	6,068
Reinsurance contract liabilities	35,566	30,931
Provision for Corporate Tax	359,662	265,940
Others	488,974	512,012
	3,123,766	3,015,177

14. Subordinated note

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
September 2024 issue (5.8732% fixed rate maturing on 10 December 2034)	918,250	918,250
Less: Unamortised issuance cost	(2,302)	(2,470)
Fair value adjustment on hedged medium-term note	(2,177)	1,132
	913,771	916,912

In September 2024, the Bank issued USD 250 million of Subordinated Tier 2 notes. The notes, were issued at a par with coupon rate of 5.8732% p.a. The notes are callable after 5 years and have a final maturity of 10.25 years. The notes will rank pari passu among themselves, rank subordinate and junior to all senior obligations and rank in priority only to all junior obligations.

15. Share capital

At 31 March 2026, the authorised, issued and fully paid share capital of the Bank comprised 2,011 million shares of AED 1 each (31 December 2025: 2,011 million shares of AED 1 each).

Cash dividend of 63% amounting to AED 1,267 million of the issued and paid-up capital for the year ended 31 December 2025 (2025: 50% amounting to AED 1,006 million of the issued and paid-up capital for the year ended 31 December 2024) was paid after the shareholder's approval in the annual general meeting held on 2 March 2026.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

16. Tier 1 capital notes

In July 2025, the Bank issued Additional Tier 1 (AT1) capital notes amounting to USD 300 million. The notes are perpetual, subordinated and unsecured and are issued at a fixed coupon rate of 6.625% p.a. Subject to interest cancellation clauses, interest is payable semi-annually at a fixed rate of 6.625% p.a. until July 9, 2031; and thereafter, the interest will reset every sixth year. The Bank can elect not to pay a coupon at its own discretion and has the option to call back the securities in 2031 subject to obtaining regulatory approvals. Note holders will not have a right to claim the coupon and such event will not be considered an event of default. The notes carry no maturity date and have been classified as equity. Accordingly, the interest paid is accounted for as a deduction from retained earnings.

The transaction costs associated with this issuance are incremental costs directly attributable to the AT1 transaction that otherwise would have been avoided therefore are also deducted from retained earnings.

17. Contingencies and commitments

	31 March 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Irrevocable commitments to extend credit	5,949,817	6,171,880
Letters of guarantee - Financial	2,029,061	2,204,354
Letters of guarantee – Non-financial	2,375,961	2,292,550
Letters of credit	387,637	397,521
Capital commitments and other contingencies	612,304	110,561
	11,354,780	11,176,866

The Group is holding AED 40.7 million (31 December 2025: AED 39.3 million) provision for expected credit loss on contingencies and commitments.

Commitments to extend credit shown above represent unfunded amounts out of approved limits offered to customers, which are irrevocable by the Group. Commitments to extend credit amounting to AED 10,970 million (31 December 2025: AED 10,762 million) are revocable at the option of the Group and not included in the above table.

18. Forward foreign exchange and other derivative contracts

Foreign exchange contracts comprise commitments to purchase foreign and domestic currencies on behalf of customers and in respect of the Bank's undelivered spot transactions. Outstanding forward foreign exchange contracts, interest rate swaps and other derivative contracts at 31 March 2026 and 31 December 2025 are as follows:

	Fair Values		
	Assets AED'000	Liability AED'000	Notional AED'000
<i>31 March 2026</i>			
Foreign exchange contracts	415,742	359,338	71,596,375
Interest rate swaps	195,996	134,012	13,159,782
Other derivative contracts	20,544	55,883	4,523,546
	632,282	549,233	89,279,703
<i>31 December 2025</i>			
Foreign exchange contracts	198,260	136,854	69,889,022
Interest rate swaps	197,500	115,559	13,288,576
Other derivative contracts	64,253	100,362	11,827,867
	460,013	352,775	95,005,465

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

19. Interest income and expense

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
<i>Interest income</i>		
Personal loans	65,339	62,898
Mortgage loans	105,004	94,269
Credit cards	83,638	78,128
Auto loans	7,047	6,726
RAK Business loans	127,117	125,751
Wholesale banking loans	268,731	226,661
Other Business banking loans	138,044	126,773
Other retail banking loans	33,863	36,296
Investment securities	207,440	170,819
Deposits with the U.A.E. Central Bank	27,816	27,500
Other banks	165,914	161,562
	1,229,953	1,117,383
<i>Interest expense</i>		
Deposits from customers	281,942	224,578
Debt securities issued and other borrowings	29,957	31,489
Borrowings from other banks	98,117	100,531
Subordinated note	13,889	13,650
	423,905	370,248

20. Income from Islamic financing and distribution to depositors

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
<i>Income from Islamic financing</i>		
Islamic Salam Personal finance	48,408	43,335
Islamic Auto Murabaha	923	749
Islamic Business Banking finance	72,731	78,582
Islamic Wholesale Banking finance	31,971	19,488
Islamic Ijara Property finance	12,851	13,236
Islamic Investment Income	31,793	28,563
	198,677	183,953
<i>Distribution to depositors</i>		
Distribution of Profit on Islamic term investment deposits	32,677	47,688
Distribution of Profit on Islamic demand deposits	2,727	249
Bilateral long-term borrowing	22,797	16,262
	58,201	64,199

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

21. Net fees and commission income

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Personal loans	5,945	5,815
Mortgage loans	1,284	4,858
Credit cards	57,134	50,540
Auto loans	698	1,069
Wholesale banking loans	34,411	25,537
Business banking	64,587	58,146
Fiduciary income	20,045	17,407
Bancassurance	4,983	3,422
Others	16,503	21,224
	<u>205,590</u>	<u>188,018</u>

22. Investment income

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Dividend income	15,455	19,616
Net gain on disposal of investments	49,026	106,304
Fair value gain	(10,844)	531
	<u>53,637</u>	<u>126,451</u>

23. Other operating income

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Net insurance income	(17)	1,003
Other income*	495,642	23,232
	<u>495,625</u>	<u>24,235</u>

*Included in others is a gain of AED 473 million from sale of merchant acquiring business to Network International LLC.

In December 2025, the Group entered into an 'Asset Sale and Purchase Agreement' to sell its merchant acquiring business which is part of retail banking segment to Network International LLC. The transaction is completed on 23 March 2026 after obtaining necessary approvals from Central Bank of the UAE. This resulted in a total enterprise value of AED 551 million, consisting of upfront consideration received of AED 386 million and deferred consideration of AED 165 million which was discounted to AED 137 million and recorded under other assets [Note 8]. Gain of AED 473 million is derived after measuring deferred consideration at net present value and deducting related transaction costs and net assets value.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

24. General and administrative expenses

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Staff costs	264,736	236,408
Outsourced staff costs	34,546	24,974
Occupancy costs	11,047	13,982
Marketing expenses	11,668	10,211
Depreciation and amortisation	35,514	28,044
Communication costs	18,493	14,280
Credit card expenses	22,531	16,233
Information and technology expenses	56,834	53,860
Others	20,694	36,383
	476,063	434,375

25. Net impairment charge

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Net impairment charge on loans and advances	242,847	96,396
Net impairment release on due from other banks	(15,463)	(11,749)
Net impairment charge on debt securities measured at FVOCI	5,084	2,966
Net impairment charge/(release) on debt securities measured at amortised cost	3,153	(968)
Net impairment charge/(release) on other receivables and acceptances	922	(693)
Net impairment charge on off balance sheet items	1,445	7,761
Total net impairment charge	237,988	93,713

Expected credit loss allowance

A summary of the provision for credit loss and the net movement on financial instruments by category are as follows:

	At 31 December 2025 AED'000	Charge AED'000	Other movement AED'000	At 31 March 2026 AED'000
Due from other banks	92,151	(15,463)	-	76,688
Loans and advances	2,697,580	266,542	(148,910)	2,815,212
Debt investment securities – FVOCI	64,788	5,084	(382)	69,490
Debt Investment securities – amortised cost	30,369	3,153	-	33,522
Other receivables	44,673	453	190	45,316
Customer acceptances	3,313	103	-	3,416
Off balance sheet items	39,301	1,445	-	40,746
Total	2,972,175	261,317	(149,102)	3,084,390

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

26. Taxation

On 9 December 2022, UAE Ministry of Finance (MoF) released Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December the first tax period was the period from 1 January 2025 to 31 December 2025, with the respective tax return filed in September 2026.

The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% on taxable profits above AED 375,000.

Below is an analysis of the group's income tax recognized during the period/year:

	Three months period ended 31 March	
	2026	2025
	(un-audited)	(un-audited)
	AED'000	AED'000
<i>Current tax recognized in profit or loss for the period</i>		
Current tax expense on profits for the period	98,108	67,677
<i>Current tax recognized in Other comprehensive income for the period</i>		
Current tax expense/(income) for the period recognized on items that will not be reclassified subsequently to profit or loss	(4,361)	669
	31 March	31 December
	2026	2025
	AED'000	AED'000
	(un-audited)	(audited)
<i>Deferred income tax liability</i>		
Deferred tax liability at the beginning of the period/year	24,123	8,921
Increase during the year recognised in OCI on items that may be reclassified subsequently to profit or loss	(22,093)	15,202
	2,030	24,123

For determining the tax expense for the period the accounting profit has been adjusted for tax purposes. Adjustments for tax purpose include items relating to both income and expense. After giving effect to these adjustments the average effective tax rate is estimated to 8.87% (31 March 2025: 8.76%).

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

27. Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the period:

	Three months period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Profit for the period (attributed to owners of the Bank)	1,004,290	702,215
Weighted average number of shares in issue (in thousands)	2,011,495	2,011,495
Basic and diluted earnings per share (AED)	0.50	0.35

28. Fiduciary activities

The Group holds assets in a fiduciary capacity for its customers without recourse. At 31 March 2026, market value of such assets amounted to AED 6,488 million (31 December 2025: AED 6,696 million) and are excluded from the condensed consolidated interim financial information of the Group.

29. Cash and cash equivalents

	31 March 2026 (un-audited) AED'000	31 March 2025 (un-audited) AED'000
	Cash in hand and balances with UAE Central Bank	11,639,085
Due from other banks	15,794,812	12,540,152
	27,433,897	22,410,753
Less: Due from other banks original maturity of three months or more	(13,826,534)	(11,673,317)
Cash and cash equivalents	13,607,363	10,737,436

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

30. Operating segments

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting to the management, which is responsible for allocating resources to the reportable segments and assesses its performance. All operating segments used by the Group meet the definition of a reportable segment under IFRS 8.

The Group has four main business segments:

- Retail banking - incorporating individual customer and certain business current accounts, savings accounts, deposits, credit and debit cards, individual customer loans and mortgages;
- Wholesale banking – incorporating transactions with corporate bodies including government and public bodies and comprising of loans, advances, deposits and trade finance transactions of corporate customers and financial institutions, including Treasury related activities on the dealing room, related money market, and foreign exchange transactions and hedging activities with other banks and financial institutions;
- Business banking - incorporating transactions comprising of loans, advances, deposits and trade finance transactions of SME; and
- Head Office and Others - Comprises Central funding & other support functions including insurance related transactions of Raknic subsidiary.

The above segments include conventional and Islamic products and services of the Group.

As the Group's segment operations are all financial with a majority of revenues deriving from interest and fees and commission income, the management relies primarily on revenue and segmental results to assess the performance of the segment.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in inter-segment revenue. Interest charged for these funds is based on the Group's funds transfer pricing guidelines. There are no other material items of income or expense between the business segments.

The Group's management reporting is based on a measure of net profit comprising net interest income, loan impairment charges, net fee and commission income, other income and non-interest expenses.

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the CEO (the chief operating decision maker) in order to allocate resources to the segment and to assess its performance.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

30. Operating segments (continued)

The segment information provided to the management for the reportable segments for the periods ended 31 March 2026 and 31 March 2025 are as follows:

	Retail Banking AED'000	Wholesale Banking AED'000	Business Banking AED'000	Head office and Others AED'000	Total AED'000
31 March 2026					
Net external interest income	208,631	468,847	232,523	(103,953)	806,048
Income from Islamic financing net of distribution to depositors	56,347	34,315	72,626	(22,812)	140,476
Internal revenue	14,995	(209,952)	144,380	50,577	-
Net interest income and net income from Islamic financing	279,973	293,210	449,529	(76,188)	946,524
Non-interest income	128,260	175,913	92,805	476,413	873,391
Operating income	408,233	469,123	542,334	400,225	1,819,915
General and administrative expenses	(230,404)	(82,297)	(163,688)	326	(476,063)
Operating profit before net impairment charge and tax	177,829	386,826	378,646	400,551	1,343,852
Net impairment charge	(26,816)	75,833	(52,481)	(234,524)	(237,988)
Profit for the period before tax	151,013	462,659	326,165	166,027	1,105,864
Income tax expense	-	-	-	(98,108)	(98,108)
Profit for the period after tax	151,013	462,659	326,165	67,919	1,007,756
As at 31 March 2026					
Segment assets	25,393,196	69,139,920	10,702,896	2,086,523	107,322,535
Segment liabilities	24,484,289	28,129,748	26,893,379	13,616,172	93,123,588

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

30. Operating segments (continued)

	Retail Banking AED'000	Wholesale Banking AED'000	Business Banking AED'000	Head office and Others AED'000	Total AED'000
<i>31 March 2025</i>					
Net external interest income	222,663	370,622	225,519	(71,669)	747,135
Income from Islamic financing net of distribution to depositors	51,979	6,477	77,549	(16,251)	119,754
Internal revenue	(10,780)	(157,429)	138,706	29,503	-
Net interest income and net income from Islamic financing	263,862	219,670	441,774	(58,417)	866,889
Non-interest income	124,525	223,917	82,376	2,553	433,371
Operating income	388,387	443,587	524,150	(55,864)	1,300,260
General and administrative expenses	(201,862)	(66,370)	(152,628)	(13,515)	(434,375)
Operating profit before net impairment charge and tax	186,525	377,217	371,522	(69,379)	865,885
Net impairment charge	(72,447)	(14,129)	(7,082)	(55)	(93,713)
Profit for the period before tax	114,078	363,088	364,440	(69,434)	772,172
Income tax expense	-	-	-	(67,677)	(67,677)
Profit for the period after tax	114,078	363,088	364,440	(137,111)	704,495
<i>As at 31 December 2025</i>					
Segment assets	25,344,028	66,942,823	9,889,823	2,841,664	105,018,338
Segment liabilities	21,275,773	31,528,317	26,689,284	10,769,449	90,262,823

31. Related parties

Related parties comprise key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. During the period, the Group entered into transactions with related parties in the ordinary course of business. No stage 3 provisions for impairment have been recognised pertinent to related parties (2025: Nil). Further, stage 1 and 2 ECL amounted to AED 5.8 million (2025: AED 9.4 million).

The transactions with related parties and balances arising from these transactions are as follows:

	Three month period ended 31 March	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
<i>Transactions during the period</i>		
Interest income	29,484	27,914
Insurance income	35,159	24,317
Commission income	7,566	1,429
Other income	1,717	1,133
Interest expense	40,064	38,149
Insurance expense	18,812	18,209
Other expenses	67	100
Directors' and key management personnel's remuneration and sitting fees	47,914	43,551

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

31. Related parties (continued)

	31 March 2026 (un-audited)	31 December 2025 (audited)
Balances		
Loans and advances:		
- Shareholders and their related companies	2,304,931	2,236,855
- Directors and their related companies	336	653
- Key management personnel	14,195	11,527
	<u>2,319,462</u>	<u>2,249,035</u>
Deposits		
- Shareholders and their related companies	6,308,865	5,430,312
- Directors and their related companies	26,548	38,004
- Key management personnel	33,787	24,778
	<u>6,369,200</u>	<u>5,493,094</u>
Other assets		
- Shareholders and their related companies	65,270	23,984
- Key management personnel	368	600
	<u>65,638</u>	<u>24,584</u>
Other liabilities		
- Shareholders and their related companies	9,873	5,976
- Key management personnel	10,526	9,421
	<u>20,399</u>	<u>15,397</u>
Commitments, contingent liabilities and derivative contracts		
- Shareholders and their related companies	6,088,671	10,510,234
- Directors and their related companies	504	575
- Key management personnel	1,483	1,186
	<u>6,090,658</u>	<u>10,511,995</u>

Interest income and expense majorly relates to transactions with major shareholder and their related entities.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

32. Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Consequently, differences can arise between the carrying values and fair value estimates of financial assets and liabilities. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms. At 31 March 2026, the carrying value of the Group's financial assets and liabilities approximates their fair values, except for the below mentioned financial assets and liabilities:

	Fair value		Carrying value	
	31 March 2026 (un-audited) AED'000	31 December 2025 (Audited) AED'000	31 March 2026 (un-audited) AED'000	31 December 2025 (audited) AED'000
Assets				
Loans and advances	54,993,874	52,963,934	55,380,802	53,246,026
Investment securities measured at fair value	10,976,502	10,341,339	10,976,502	10,341,339
Investment securities measured at amortised cost	9,798,539	9,294,616	9,812,258	9,133,446
Cash and balances with the UAE central Bank	11,639,085	11,625,579	11,639,085	11,625,579
Due from other banks	15,583,250	16,238,068	15,718,124	16,411,627
Total financial assets	102,991,250	100,463,536	103,526,771	100,758,017
Liabilities				
Due to other banks	6,881,237	8,526,017	6,725,413	8,246,015
Deposits from customers	74,268,540	70,452,988	74,307,666	70,459,532
Debt securities issued and other long-term borrowings	7,494,857	6,922,653	7,100,668	6,558,307
Subordinated note	907,901	925,265	913,771	916,912
Total financial liabilities	89,552,535	86,826,923	89,047,518	86,180,766

33. Fair value hierarchy

The fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Quoted market prices - Level 1

Financial instruments are classified as Level 1 if their values are observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions.

Valuation techniques using observable inputs - Level 2

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuation based on observable inputs includes financial instruments such as forward foreign exchange contracts which are valued using market standard pricing techniques.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

33. Fair value hierarchy (continued)

Valuation techniques using significant unobservable inputs - Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from a transaction in an active market.

Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations or other analytical techniques. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible. The table below analyses recurring fair value measurements for assets and liabilities.

	Quoted market prices Level 1 AED'000	Observable inputs Level 2 AED'000	Significant unobservable inputs Level 3 AED'000	Total AED'000
31 March 2026 (un-audited)				
Assets at fair value				
<i>Through other comprehensive income</i>				
Investment securities – debt	9,495,747	-	4,180	9,499,927
Investment securities – equity	595,558	-	758	596,316
<i>Through profit and loss</i>				
Investment market fund	60,582	-	53,148	113,730
Investment securities – debt	651,625	-	-	651,625
Investment securities – equity	114,904	-	-	114,904
Derivative financial instruments	-	632,282	-	632,282
	<u>10,918,416</u>	<u>632,282</u>	<u>58,086</u>	<u>11,608,784</u>
Liabilities at fair value				
Derivative financial instruments	-	549,233	-	549,233

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

33. Fair value hierarchy (continued)

	Quoted market prices Level 1 AED'000	Observable inputs Level 2 AED'000	Significant unobservable inputs Level 3 AED'000	Total AED'000
31 December 2025 (audited)				
<i>Asset at fair value</i>				
<i>Through other comprehensive income:</i>				
Investment securities - debt	9,168,697	91,948	-	9,260,645
Investment securities - equity	642,033	-	758	642,791
<i>Through profit and loss:</i>				
Investment market fund	67,967	20,900	52,960	141,827
Investment securities – debt	146,530	-	-	146,530
Investment securities – equity	149,546	-	-	149,546
Derivative financial instruments	-	460,013	-	460,013
	10,174,773	572,861	53,718	10,801,352
<i>Liabilities at fair value</i>				
Derivative financial instruments	-	352,775	-	352,775

There were no transfers between levels during the period.

34. Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation of uncertainty used in the preparation of these condensed consolidated interim financial information are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2025.

35. Seasonality of results

Dividend income of AED 15.5 million (31 March 2025: AED 19.6 million) of seasonal nature was recorded in the condensed consolidated interim financial information for the period.

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

36. Risk management

The Group monitors credit risk per class of financial instrument. Following are the identified classes of financial instruments.

- Due from other banks;
- Debt investment securities carried at FVOCI and amortised cost;
- Loans and advances to customers;
- Customer acceptances and other financial assets;
- Loan commitments; and
- Financial guarantees

Measurement of Expected Credit loss (ECL)

IFRS 9 framework requires the estimation of Expected Credit Loss (“ECL”) based on current and forecast economic conditions. In order to assess ECL under forecast economic conditions, the Bank utilizes a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes. The Bank has robust governance in place to ensure the appropriateness of the IFRS 9 framework and resultant ECL estimates at all times. Specifically, all aspects of the IFRS 9 framework are overseen by an IFRS 9 Steering Committee with participation from the Chief Risk Officer, Chief Financial Officer and other members from Risk and Finance functions. The Bank, through this committee, reviews the appropriateness of inputs and methodology for IFRS 9 ECL, effectiveness and reliability of the reporting under IFRS 9 and other relevant matters pertaining to IFRS 9 on an ongoing basis.

The Group based on historical analysis determines key economic variables that impacts the credit risk of its various portfolios and uses macro-economic forecasts for these variables to estimate the Probability of Defaults (“PDs”). The Group employs experts who use external and internal information to generate 3 scenarios viz. Baseline, Upside and Downside, in accordance with the IFRS 9 requirements.

The Group has used the updated macro-economic forecasts for the period and is currently using the weightings of (40:30:30) for Baseline: Upside: Downside scenarios. The sensitivity to 10% increase in Downside Scenario, with a corresponding decrease of 10% in Upside scenario is AED 40.4 million as of 31 March 2026 (31 December 2025: AED 45.3 million).

For the purpose of IFRS 9 related notes and disclosures, Non-Retail portfolio means Wholesale and Business Banking Loans excluding RAK Business Loans. An analysis of the Group’s credit risk exposures of major classes of financial instruments without taking into account the effects of any collateral or other credit enhancement is provided in the following tables.

Changes in the gross carrying value for loans and advances at amortised cost:

	31 March 2026 (un-audited)			Grand Total AED’000
	Stage 1 AED’000	Stage 2 AED’000	Stage 3 AED’000	
Opening balance 1 January 2026	52,840,789	2,060,313	1,042,504	55,943,606
Stage 1 to Stage 2 transfer	(878,499)	878,499	-	-
Stage 2 to Stage 3 transfer	-	(294,137)	294,137	-
Stage 2 to Stage 1 transfer	519,021	(519,021)	-	-
Stage 3 to Stage 2 transfer	-	18,823	(18,823)	-
Change in exposures during the period	(7,175,483)	(265,865)	(52,617)	(7,493,965)
New financial assets originated and other transfers:	9,858,133	37,150	-	9,895,283
Write-offs	-	-	(148,910)	(148,910)
Closing balance 31 March 2026	55,163,961	1,915,762	1,116,291	58,196,014

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

36. Risk management (continued)

Changes in the gross carrying value for loans and advances at amortised cost (continued):

Loans and advances	31 December 2025 (audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
Opening Balance 1 January 2025	47,251,057	1,697,428	1,125,509	50,073,994
Stage Transfer:				
Stage 1 to Stage 2 transfer	(3,094,167)	3,094,167	-	-
Stage 2 to Stage 3 transfer	-	(985,320)	985,320	-
Stage 2 to Stage 1 transfer	963,173	(963,173)	-	-
Stage 3 to Stage 2 transfer	-	69,393	(69,393)	-
Change in exposures during the year	(24,935,487)	(1,075,423)	(303,162)	(26,314,072)
New financial assets originated and other transfers	32,656,213	223,241	-	32,879,454
Write offs	-	-	(695,770)	(695,770)
Closing Balance 31 December 2025	52,840,789	2,060,313	1,042,504	55,943,606

Changes in the gross carrying value for due from banks

	31 March 2026 (un-audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
Opening balance 1 January 2026	16,501,068	-	2,710	16,503,778
Stage 1 to Stage 3 transfer	-	-	-	-
Stage 2 to Stage 3 transfer	-	-	-	-
Stage 3 to Stage 1 transfer	2,710	-	(2,710)	-
Change in exposures during the period	(3,307,292)	-	-	(3,307,292)
New financial assets originated	2,598,326	-	-	2,598,326
Closing balance 31 March 2026	15,794,812	-	-	15,794,812

	31 December 2025 (audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
Opening balance 1 January 2025	12,407,009	1,305	-	12,408,314
Stage 1 to Stage 3 transfer	(523)	-	523	-
Stage 2 to Stage 3 transfer	-	(1,850)	1,850	-
Stage 3 to Stage 1 transfer	-	-	-	-
Change in exposures during the year	(10,686,585)	545	337	(10,685,703)
New financial assets originated	14,781,167	-	-	14,781,167
Closing Balance 31 December 2025	16,501,068	-	2,710	16,503,778

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

36. Risk management (continued)

Changes in the gross carrying value for investment securities – FVOCI*

	31 March 2026 (un-audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
Opening balance 1 January 2026	9,136,237	130,155	59,041	9,325,433
Change in Exposures during the period	(1,557,175)	(39,561)	(572)	(1,597,308)
New Financial Assets Originated	1,841,292	-	-	1,841,292
Closing balance 31 March 2026	9,420,354	90,594	58,469	9,569,417

	31 December 2025 (audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
Opening balance 1 January 2025	8,072,649	129,172	88,273	8,290,094
Change in Exposures during the year	(2,584,669)	983	(29,232)	(2,612,918)
New Financial Assets Originated	3,648,257	-	-	3,648,257
Closing balance 31 December 2025	9,136,237	130,155	59,041	9,325,433

*Exposures are gross of IFRS 9 provisions held.

Changes in the gross carrying value for investment securities - amortised Cost

	31 March 2026 (un-audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
Opening balance 1 January 2026	8,922,857	233,753	7,205	9,163,815
Stage 1 to Stage 2 transfer	-	-	-	-
Stage 2 to Stage 3 transfer	-	-	-	-
Change in exposures during the period	(781,365)	(17,515)	38	(798,842)
New financial assets originated	1,480,807	-	-	1,480,807
Closing balance 31 March 2026	9,622,299	216,238	7,243	9,845,780

	31 December 2025 (audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
Opening balance 1 January 2025	7,279,954	209,164	-	7,489,118
Stage 1 to Stage 2 transfer	(25,652)	25,652	-	-
Stage 2 to Stage 3 transfer	-	(7,062)	7,062	-
Change in exposures during the period	(5,698,856)	5,999	143	(5,692,714)
New financial assets originated	7,367,411	-	-	7,367,411
Closing balance 31 December 2025	8,922,857	233,753	7,205	9,163,815

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

36. Risk management (continued)

Provision for expected credit loss for loans and advances measured at amortised cost

	31 March 2026 (un-audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
As at 1 January 2026	1,297,964	424,428	975,188	2,697,580
Stage 1 to Stage 2 transfer	(42,807)	42,807	-	-
Stage 2 to Stage 3 transfer	-	(65,031)	65,031	-
Stage 2 to Stage 1 transfer	39,211	(39,211)	-	-
Stage 3 to Stage 2 transfer	-	11,946	(11,946)	-
Changes in PD's/ LGD's/ EAD	(21,225)	72,725	122,604	174,104
New financial assets originated and other transfers	83,513	8,925	-	92,438
Write offs	-	-	(148,910)	(148,910)
As at 31 March 2026	1,356,656	456,589	1,001,967	2,815,212
	31 December 2025 (audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
As at 1 January 2025	1,396,869	586,089	867,096	2,850,054
Stage 1 to Stage 2 transfer	(306,858)	306,858	-	-
Stage 2 to Stage 3 transfer	-	(359,972)	359,972	-
Stage 2 to Stage 1 transfer	92,003	(92,003)	-	-
Stage 3 to Stage 2 transfer	-	28,542	(28,542)	-
Changes in PD's/ LGD's/ EAD	(203,320)	(116,683)	472,432	152,429
New financial assets originated and other transfers	319,270	71,597	-	390,867
Write offs	-	-	(695,770)	(695,770)
As at 31 December 2025	1,297,964	424,428	975,188	2,697,580

Provision for expected credit loss for due from banks

	31 March 2026 (un-audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
As at 1 January 2026	90,469	-	1,682	92,151
Stage 1 to Stage 3 transfer	-	-	-	-
Stage 2 to Stage 3 transfer	-	-	-	-
Stage 3 to Stage 1 transfer	1,682	-	(1,682)	-
Changes in PD's/ LGD's/ EAD	(21,370)	-	-	(21,370)
New financial assets originated	5,907	-	-	5,907
As at 31 March 2026	76,688	-	-	76,688
	31 December 2025 (audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
As at 1 January 2025	46,904	810	-	47,714
Stage 1 to Stage 3 transfer	(325)	-	325	-
Stage 2 to Stage 3 transfer	-	(1,148)	1,148	-
Stage 3 to Stage 1 transfer	-	-	-	-
Changes in PD's/ LGD's/ EAD	(41,217)	338	209	(40,670)
New financial assets originated	85,107	-	-	85,107
As at 31 December 2025	90,469	-	1,682	92,151

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

36. Risk management (continued)

Provision for expected credit loss for investment securities - FVOCI

	31 March 2026 (un-audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
As at 1 January 2026	14,196	6,995	43,597	64,788
Changes in PD's/ LGD's/ EAD	242	(269)	(382)	(409)
New financial assets originated	5,111	-	-	5,111
As at 31 March 2026	19,549	6,726	43,215	69,490
	31 December 2025 (audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
As at 1 January 2025	7,810	19,173	41,000	67,983
Changes in PD's/ LGD's/ EAD	(5,427)	(12,178)	2,597	(15,008)
New financial assets originated	11,813	-	-	11,813
As at 31 December 2025	14,196	6,995	43,597	64,788

Provision for expected credit loss for investment securities - amortised cost

	31 March 2026 (un-audited)			Grand Total AED'000
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	
As at 1 January 2026	9,574	13,590	7,205	30,369
Stage 1 to Stage 2 transfer	-	-	-	-
Stage 2 to Stage 3 transfer	-	-	-	-
Changes in PD's/ LGD's/ EAD	532	1,282	38	1,852
New financial assets originated	1,301	-	-	1,301
As at 31 March 2026	11,407	14,872	7,243	33,522
	31 December 2025 (audited)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Grand Total AED'000
As at 1 January 2025	5,152	39,685	-	44,837
Stage 1 to Stage 2 transfer	(315)	315	-	-
Stage 2 to Stage 3 transfer	-	(6,391)	6,391	-
Changes in PD's/ LGD's/ EAD	(926)	(20,019)	814	(20,131)
New financial assets originated	5,663	-	-	5,663
As at 31 December 2025	9,574	13,590	7,205	30,369

The National Bank of Ras Al-Khaimah (P.S.C.)

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 31 March 2026 (continued)

36. Risk management (continued)

Regional Geopolitical Developments

During the three-month period ended 31 March 2026, heightened geopolitical tensions and military developments in certain parts of the Middle East contributed to increased uncertainty in the regional economic environment. As the situation remains dynamic, it has also led to indirect effects across a number of countries in the region, including the UAE, with some disruption to business operations and broader economic activity.

The Bank's business continuity arrangements and wider risk management framework remain in place to address any potential operational or commercial disruption arising from the evolving regional environment. The Group has also taken into account relevant regulatory guidance, including support measures made available by the Central Bank of the UAE effective from 17 March 2026 and applicable until 30 June 2026 under the Financial Institution Resilience Package providing temporary liquidity and capital flexibility measures to eligible banks. As part of the Package, Banks may benefit from the Reserve Balance Measure allowing penalty-free drawdown of up to 30% of minimum reserve requirements, enhancing liquidity management flexibility, if required. Additionally, the CBUAE has granted banks access to collateralized term liquidity facilities in Dirhams – Contingent Liquidity Insurance Facility ("CLIF") and US Dollar – USD Dollar Liquidity Facility ("USDLF") under Pillar III of the DMF regulation CBUAE/MMD/2022/333 (January 2022) to manage potential liquidity stress. During the period, the Bank did not utilize the relief liquidity measures. As at 31 March 2026, the Group has not utilised the liquidity relief measures available under the CBUAE package during Q1 2026.

The Group's ECL methodology, governance framework and key modelling approaches remain consistent with those applied in the annual financial statements for the year ended 31 December 2025. However, in light of these developments, Management has continued to monitor the evolving situation closely and has carried out an initial assessment of the possible implications of the recent regional military escalation on key sectors and counterparties. This included a review of exposures to industries that could be more vulnerable, including the Group's exposure to the real estate sector. In performing this assessment, Management also considered the effect of increased volatility in forward-looking macroeconomic indicators when evaluating the probability and severity of scenarios used for ECL measurement. Based on this assessment, management applied an ECL management overlay to capture risks arising from the current geopolitical situation that may not yet be fully reflected in the underlying models.

37. Subsequent Events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed consolidated interim financial statements as at and for the period ended 31 March 2026.

38. Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was approved on 20 April 2026.