First Abu Dhabi Bank

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED 30 JUNE 2026

TABLE OF CONTENTS

Review report on condensed consolidated interim financial information

To the Board of Directors of First Abu Dhabi Bank P.J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of First Abu Dhabi Bank P.J.S.C. (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2026 and the related condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of condensed consolidated 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.

Review report on condensed consolidated interim financial information (continued)

To the Board of Directors of First Abu Dhabi Bank P.J.S.C.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers Limited Partnership - Abu Dhabi
22 July 2026

Jigesh Ashokkumar Shah
Registered Auditor Number: 5621
Place: Abu Dhabi, United Arab Emirates

Condensed consolidated interim statement of financial position

As at

	Note	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Assets			
Cash and balances with central banks	7	263,847	268,497
Investments at fair value through profit or loss	8	72,088	74,107
Due from banks and financial institutions		26,766	25,613
Reverse repurchase agreements	9	88,757	93,987
Derivative financial instruments	34	44,977	43,274
Loans, advances and Islamic financing	10	661,181	616,325
Non trading investment securities	11	181,924	189,712
Other assets	34	31,572	26,988
Investment in associates	12	5,313	5,297
Investment properties	13	7,386	7,934
Property and equipment		5,283	5,386
Intangibles	14	19,645	19,742
Total assets		1,408,739	1,376,862
Liabilities			
Due to banks and financial institutions	15	130,299	137,801
Repurchase agreements	16	53,700	52,190
Commercial paper	17	34,104	29,939
Derivative financial instruments	34	54,955	49,680
Customer accounts and other deposits	18	852,971	840,773
Other liabilities	34	41,658	37,269
Term borrowings	19	87,326	75,308
Subordinated notes	20	9,663	7,017
Total liabilities		1,264,676	1,229,977
Equity			
Share capital	21	11,048	11,048
Share premium		53,583	53,583
Statutory and special reserves		13,084	13,084
Other reserves	21	(1,238)	164
Tier 1 capital notes	22	11,673	14,428
Share based payment		250	250
Retained earnings		55,493	54,141
Equity attributable to owners of the Bank		143,893	146,698
Non-controlling interest		170	187
Total equity		144,063	146,885
Total liabilities and equity		1,408,739	1,376,862

To the best of our knowledge, the financial information present fairly in all material respects the financial condition, financial performance and cash flows of the Group as of, and for, the periods presented therein.

These condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on 22 July 2026 and signed on its behalf:

Chairman | Group Chief Executive Officer | Group Chief Financial Officer

The accompanying notes forms an integral part of these condensed consolidated interim financial information.

The independent auditor's report on the review of the condensed consolidated interim financial information is set out on page 2 to 3.

Refer note 34 for changes to comparative figures.

Condensed consolidated interim statement of profit or loss

For the period ended (unaudited)

	Note	Six month period ended 30 Jun 2026 AED million	Six month period ended 30 Jun 2025 AED million	Three month period ended 30 Jun 2026 AED million	Three month period ended 30 Jun 2025 AED million
Interest income	34	**27,900**	28,004	**14,144**	14,399
Interest expense		**(18,023)**	(19,029)	**(9,070)**	(9,890)
Net interest income		**9,877**	8,975	**5,074**	4,509
Income from Islamic financing and investing products		**2,390**	1,847	**1,215**	951
Distribution on Islamic deposits		**(788)**	(732)	**(422)**	(375)
Net income from Islamic financing and investing products		**1,602**	1,115	**793**	576
Total net interest income and income from Islamic financing and investing products		**11,479**	10,090	**5,867**	5,085
Fee and commission income		**3,863**	3,344	**1,876**	1,677
Fee and commission expense		**(1,079)**	(1,022)	**(550)**	(558)
Net fee and commission income		**2,784**	2,322	**1,326**	1,119
Net foreign exchange (loss) / gain	23,34	**(213)**	(562)	**219**	(264)
Net gain on investments and derivatives	24	**4,789**	5,490	**2,440**	2,848
Other operating income		**664**	969	**316**	707
Operating income		**19,503**	18,309	**10,168**	9,495
General, administration and other operating expenses	25	**(4,251)**	(3,999)	**(2,140)**	(2,034)
Profit before net impairment charge and taxation		**15,252**	14,310	**8,028**	7,461
Net impairment charge	26	**(2,050)**	(1,476)	**(950)**	(752)
Profit before taxation		**13,202**	12,834	**7,078**	6,709
Income tax expense		**(2,437)**	(2,184)	**(1,347)**	(1,195)
Net profit for the period		**10,765**	10,650	**5,731**	5,514
Net profit attributable to:					
Shareholders of the Bank		**10,726**	10,632	**5,715**	5,506
Non-controlling interest		**39**	18	**16**	8
Basic and diluted earnings per share (AED)	27	**0.93**	0.93	**0.50**	0.49

The accompanying notes forms an integral part of these condensed consolidated interim financial information.
The independent auditor’s report on the review of the condensed consolidated interim financial information is set out on page 2 to 3.
Refer note 34 for changes to comparative figures.

Condensed consolidated interim statement of other comprehensive income

For the period ended (unaudited)

	Six month period ended		Three month period ended	
	30 Jun 2026 **AED million**	30 Jun 2025 AED million	**30 Jun 2026** **AED million**	30 Jun 2025 AED million
Net profit for the period	**10,765**	10,650	**5,731**	5,514
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Exchange difference on translation of foreign operations	**(170)**	207	**580**	157
Net change in fair value reserve during the period (including ECL)	**(1,767)**	394	**(31)**	(53)
Income tax on items that may be reclassified subsequently to profit or loss	**124**	(34)	**(43)**	(4)
Items that will not be reclassified to profit or loss				
Equity investments at fair value through other comprehensive income - net change in the fair value	**279**	(538)	**443**	(56)
Re-measurement of defined benefit obligations	**-**	(2)	**-**	(1)
Board of directors remuneration	**(30)**	-	**-**	-
Income tax on items that will not be reclassified to profit or loss	**-**	48	**-**	5
Other comprehensive (loss)/income for the period	**(1,564)**	75	**949**	48
Total comprehensive income for the period	**9,201**	10,725	**6,680**	5,562
Comprehensive income attributable to:				
Shareholders of the Bank	**9,218**	10,740	**6,665**	5,589
Non-controlling interest	**(17)**	(15)	**15**	(27)
Total comprehensive income for the period	**9,201**	10,725	**6,680**	5,562

The accompanying notes forms an integral part of these condensed consolidated interim financial information.
The independent auditor’s report on the review of the condensed consolidated interim financial information is set out on page 2 to 3.

Condensed consolidated interim statement of changes in equity

For the period ended (unaudited)

	Share capital AED million	Share premium AED million	Statutory and special reserves AED million	Other reserves AED million	Tier 1 capital notes AED million	Share based payment AED million	Retained earnings AED million	Equity attributable to owners of the Bank AED million	Non-controlling interest AED million	Total AED million
Balance at 1 January 2026	**11,048**	**53,583**	**13,084**	**164**	**14,428**	**250**	**54,141**	**146,698**	**187**	**146,885**
Net profit for the period	-	-	-		-	-	10,726	10,726	39	10,765
Other comprehensive loss for the period	-	-	-	(1,478)	-	-	(30)	(1,508)	(56)	(1,564)
Realised gain on sale of FVOCI Investment (note 21)	-	-	-	(9)	-	-	9	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	(1,487)	-	-	10,705	9,218	(17)	9,201
Impairment reserve movement (note 21)	-	-	-	85	-	-	(85)	-	-	-
<u>Transactions with owners of the Bank</u>										
Dividend for the year (note 21)	-	-	-	-	-	-	(8,838)	(8,838)	-	(8,838)
Repayment of Tier 1 notes (note 22)	-	-	-	-	(2,755)	-	(2)	(2,757)	-	(2,757)
Interest on Tier 1 capital notes (note 22)	-	-	-	-	-	-	(428)	(428)	-	(428)
Balance at 30 June 2026	**11,048**	**53,583**	**13,084**	**(1,238)**	**11,673**	**250**	**55,493**	**143,893**	**170**	**144,063**
Balance at 1 January 2025	11,048	53,583	13,084	(3,997)	10,755	250	46,029	130,752	123	130,875
Net profit for the period	-	-	-	-	-	-	10,632	10,632	18	10,650
Other comprehensive income / (loss) for the period	-	-	-	110	-	-	(2)	108	(33)	75
Realised gain on sale of FVOCI Investment (note 21)	-	-	-	(63)	-	-	63	-	-	-
Total comprehensive income / (loss) for the period				47			10,693	10,740	(15)	10,725
Impairment reserve movement (note 21)	-	-	-	483	-	-	(483)	-	-	-
<u>Transactions with owners of the Bank</u>										
Dividend for the year (note 21)	-	-	-	-	-	-	(8,286)	(8,286)	-	(8,286)
Interest on Tier 1 capital notes (note 22)	-	-	-	-	-	-	(347)	(347)	-	(347)
Balance at 30 June 2025	11,048	53,583	13,084	(3,467)	10,755	250	47,606	132,859	108	132,967

The accompanying notes forms an integral part of these condensed consolidated interim financial information.

The independent auditor's report on the review of the condensed consolidated interim financial information is set out on page 2 to 3.

Condensed consolidated interim statement of cash flows

For the period ended (unaudited)

	Note	30 Jun 2026 AED million	30 Jun 2025 AED million
Cash flows from operating activities			
Profit before taxation		**13,202**	12,834
Adjustments for:			
Depreciation and amortisation of intangibles	25	**404**	473
Gain on sale of investment property		**(18)**	(78)
Fair value gain on investment property		**(355)**	-
Net impairment charge	26	**2,305**	1,637
Accreted interest		**353**	224
		15,891	15,090
Changes in:			
Investments at fair value through profit or loss		**1,995**	(18,416)
Due from central banks, banks and financial institutions		**(7,395)**	(287)
Reverse repurchase agreements		**5,260**	(30,118)
Loans, advances and Islamic financing		**(47,186)**	(41,052)
Other assets	34	**(4,770)**	(3,801)
Due to banks and financial institutions		**(7,502)**	55,930
Repurchase agreements		**1,510**	7,100
Customer accounts and other deposits		**12,198**	30,899
Derivative financial instruments	34	**3,178**	4,972
Other liabilities	34	**2,960**	3,127
		(23,861)	23,444
Income tax paid, net of recoveries		**(981)**	(886)
Board of Directors' remuneration paid		**(100)**	(45)
Net cash (used in) / from operating activities		**(24,942)**	22,513
Cash flows from investing activities			
Net movement in non trading investment securities and investment in associates		**6,408**	(13,659)
Purchase of investment properties		**(4)**	(3)
Sale of investment properties		**1,130**	120
Purchase of property and equipment, net of disposals		**(190)**	(350)
Net cash from / (used in) investing activities		**7,344**	(13,892)
Cash flows from financing activities			
Net movement of commercial paper		**4,165**	21,243
Dividend paid		**(8,840)**	(8,304)
Issue of term borrowings	19	**22,062**	8,622
Repayment of term borrowings	19	**(9,821)**	(4,024)
Repayment of tier 1 capital	22	**(2,755)**	-
Issuance of subordinated notes		**2,755**	-
Interest on Tier 1 capital notes	22	**(428)**	(347)
Net cash from financing activities		**7,138**	17,190
Net (decrease) / increase in cash and cash equivalents		**(10,460)**	25,811
Foreign currency translation adjustment		**(439)**	1,887
Cash and cash equivalents at 1 January	28	**291,324**	235,828
Cash and cash equivalents	28	**280,425**	263,526

The accompanying notes forms an integral part of these condensed consolidated interim financial information.
The independent auditor’s report on the review of the condensed consolidated interim financial information is set out on page 2 to 3.
Refer note 34 for changes to comparative figures.

Notes to the condensed consolidated interim financial information

1 Legal status and principal activities

First Abu Dhabi Bank PJSC (the "Bank") is a public joint stock company with a limited liability incorporated in the emirate of Abu Dhabi, United Arab Emirates (UAE) under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended). The registered address of the Bank is P. O. Box 6316, FAB Building, Khalifa Business Park, Al Qurum, Abu Dhabi, United Arab Emirates.

These condensed consolidated interim financial information as at and for the period ended 30 June 2026, comprise the Bank and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in corporate, consumer, private and investment banking activities, payment services, management services, Islamic banking activities and real estate activities; and carries out its operations through its local and overseas branches, subsidiaries and representative offices located in the United Arab Emirates, Bahrain, Brazil, Cayman Islands, China, Egypt, France, Hong Kong, India, Indonesia, Iraq, Jordan[1], Kingdom of Saudi Arabia, Kuwait, Lebanon[1], Libya, Malaysia, Nigeria, Oman, Qatar[2], Singapore, South Korea, Switzerland, Turkey, United Kingdom and United States of America.

The Group's Islamic banking activities are conducted in accordance with Islamic Sharia'a rules and principles as interpreted by the Internal Shariah Supervision Committee ("ISSC") in accordance with the resolutions issued by the Higher Shariah Authority ("HSA").

The Bank is listed on the Abu Dhabi Securities Exchange (Ticker: FAB). The consolidated financial statements of the Group as at and for the year ended 31 December 2025 are available upon request from the Group's registered office or at website (http://www.bankfab.com).

[1] Under closure.
[2] The Bank has notified the Qatar Financial Centre Regulatory Authority ("QFCRA") that it will relinquish its Qatar Financial Centre ("QFC") branch license and permanently close its QFC branch.

2 Statement of compliance

These condensed consolidated interim financial information have been prepared on a going concern basis as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future, in accordance with IAS 34 Interim Financial Reporting and the requirements of applicable laws in the UAE. They do not include all the information required for the complete set of annual consolidated financial statements as required under IFRS Accounting Standards. These condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2025. In addition, results for the period from 1 January 2026 to 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The Bank is in compliance with applicable provisions of the UAE Companies Law No. 32 of 2021, as amended and the UAE Federal Decree-Law No. 6 of 2025 as at the date of these condensed consolidated interim financial information.

These condensed consolidated interim financial information were approved by the Board of Directors and authorised for issue on 22 July 2026.

3 Basis of preparation

(a) Basis of measurement

These condensed consolidated interim financial information are prepared under the historical cost basis except for the following items, which are measured on the following basis:

Items	Measurement basis
Investments at fair value through profit or loss ("FVTPL")	Fair value
Derivative financial instruments	Fair value
Debt and equity instruments designated at fair value through other comprehensive income ("FVOCI")	Fair value
Investment properties	Fair value
Recognised assets and liabilities designated as hedged items in qualifying hedge relationships	Adjusted for changes in fair value attributable to the risk being hedged
Non financial assets acquired in settlement of Loans, advances and Islamic financing	Lower of fair value less costs to sell and the carrying amount of the loans, advances and Islamic financing

3 Basis of preparation (continued)

(b) Functional and presentation currency

These condensed consolidated interim financial information are presented in United Arab Emirates Dirhams ("AED"), which is the Bank's presentation currency. The presentation of the condensed consolidated interim financial information have been rounded to the nearest millions, unless otherwise indicated. Items included in the financial statements of each of the Group's overseas subsidiaries and branches are measured using the currency of the primary economic environment in which they operate.

4 Material accounting policy information

The accounting policies and risk management framework applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2025, except the adoption of the following new standards / amendments as of 1 January 2026.

New and amended standards and interpretations adopted

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial information. The adoption of the amended standards below did not result in changes to previously reported net profit or equity of the Group.

Description	Effective from
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026

Standards issued but not yet effective

The following new standards and amendments to the existing standards are applicable to annual reporting periods beginning on or after 1 January 2027 and early application is permitted. The Group is currently evaluating the impact of the new standards and amendments to the existing standards and expects to adopt them on the effective date.

Description	Effective from
IFRS 18 Presentation and disclosure in financial statements - This new standard contains requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	1 January 2027
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures – This new standard permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.	1 January 2027

5 Basis of consolidation

Subsidiaries (including special purpose entities) are entities that are controlled by the Group. The Group controls the investee if it meets the control criteria. The Group reassesses whether it has control if, there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries (including special purpose entities) are included in these condensed consolidated interim financial information from the date that control commences until the date that control ceases. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Bank and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance.

Notes to the condensed consolidated interim financial information

5 Basis of consolidation (continued)

The condensed consolidated interim financial information comprises the financial information of the Bank and those of its following subsidiaries (including special purpose entities):

Legal Name	Country of Incorporation	Principal activities	As at 30 Jun 2026	As at 31 Dec 2025
First Abu Dhabi Bank USA N.V.	Curacao	Banking	100%	100%
First Abu Dhabi Bank Securities - Sole Proprietorship LLC	United Arab Emirates	Brokerage	100%	100%
Abu Dhabi National Leasing LLC	United Arab Emirates	Leasing	100%	100%
FAB Private Bank (Suisse) SA	Switzerland	Banking	100%	100%
First Abu Dhabi Islamic Finance PJSC	United Arab Emirates	Islamic Finance	100%	100%
Abu Dhabi Securities Brokerage Egypt[1]	Egypt	Brokerage	96%	96%
National Bank of Abu Dhabi Representações Ltda	Brazil	Banking	100%	100%
FAB Global Markets (Cayman) Limited	Cayman Islands	Financial Institution	100%	100%
Nawat Management Services - Sole Proprietorship LLC	United Arab Emirates	Services	100%	100%
Mismak Properties - Sole Proprietorship LLC (“Mismak”)	United Arab Emirates	Real estate investments	100%	100%
Shangri La Dubai Hotel LLC[4]	United Arab Emirates	Real estate investments	-	100%
First Merchant International LLC (“FMI”)	United Arab Emirates	Real estate investments	100%	100%
FAB Employment Services LLC	United Arab Emirates	Resourcing services	100%	100%
FAB Resourcing Services LLC	United Arab Emirates	Resourcing services	100%	100%
Horizon Gulf Electromechanical Services LLC (“Horizon”)	United Arab Emirates	Real estate related services	100%	100%
Horizon Gulf General Contracting LLC	United Arab Emirates	Real estate related services	100%	100%
PDCS Engineering LLC	United Arab Emirates	Real estate related services	100%	100%
Horizon Gulf Oil and Gas Services LLC	United Arab Emirates	Real estate related services	100%	100%
FAB Sukuk Company Limited[3]	Cayman Islands	Special purpose entity	-	-
First Gulf Libyan Bank[2]	Libya	Banking services	50%	50%
First Gulf Information Technology LLC (“FGIT”)	United Arab Emirates	IT Services	100%	100%
FAB Global Business Services Limited	India	IT Services	100%	100%
FAB Capital Financial Company (A Saudi Closed Joint Stock Company)	Kingdom of Saudi Arabia	Financial Institution	100%	100%
First Abu Dhabi Bank Misr S.A.E (“FAB Misr”)	Egypt	Banking	100%	100%
FAB Invest SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968A SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968B SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968C SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968D SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
Lime Consumer Finance	Egypt	Financial services	100%	100%
Ocean View Hotel LLC - S.P.C	United Arab Emirates	Real estate related services	100%	100%
FAB Asset Management Limited	United Arab Emirates	Financial services	100%	100%
1968E SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	-

[1] Under liquidation.

[2] Although the Bank owns 50% of the outstanding shares of First Gulf Libyan Bank, the investment has been classified as a subsidiary as the Bank exercises control over the investee because it casts the majority of the votes on the Board of Directors.

[3] FAB Sukuk Company’s entire issued share capital is held by Maple FS Limited on trust for charitable purposes.

[4] On 27 February 2026, the Group entered into an agreement to sell its wholly owned subsidiary, Shangri-La Dubai Hotel L.L.C., for a consideration of AED 1.1 billion. The transaction has been completed during the period ended 30 June 2026 and, upon transfer of control to the buyer, the subsidiary has been deconsolidated from the Group’s condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information

6 Use of estimates and judgements

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, management has applied certain additional assumptions in measuring Expected Credit Loss ("ECL"). The inputs, assumptions and estimation techniques used in the measurement of ECL are described in the note below. Except for these matters, the other significant judgements made by management in applying the Group's accounting policies, methods of computation and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including expectation of future events that may have a financial impact on the Group and considered to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Impact of macro-economic conditions and CBUAE Financial Institution Resilience Package

Background and regulatory measures

On 28 February 2026 escalating geopolitical tensions across the broader Middle East region resulted in disruptions to certain business and economic activities. These developments remain ongoing and increased volatility in the overall economic environment, although some stabilization has been observed during Q2 26 following de-escalation activities. In response to these developments and to safeguard financial stability, the Central Bank of the UAE ("CBUAE") introduced a comprehensive Financial Institution Resilience Package ("the Resilience Package") on 17 March 2026. During Q2 2026, the CBUAE issued version 2.0 of the standards, effective from 1 July 2026 until 30 September 2026, extending the relief measures.

The Resilience Package is designed to pre-empt the temporary impact of the current conditions on the UAE's banking sector and broader economy. The Package continues to comprise monetary policy measures, liquidity and funding relief, capital relief, credit risk management guidance and expectations regarding support measures provided by banks.

The below financial information has been provided to highlight significant judgements, estimation uncertainty and risk management considerations arising from the current environment, and the actions taken by management to estimate the implications of these measures on the Group's financial position, performance, and risk profile as at and for the period ended 30 June 2026.

Credit risk management and expected credit losses

The IFRS 9 Steering Committee, which reports to the Group Risk Committee, is primarily responsible for overseeing the Group's ECL Models and calculations. This committee is now also closely monitoring the impact of the Resilience Package on the Group's credit portfolio and ECL estimates.

Consistent with IFRS 9 and the CBUAE Credit Risk Management Standards (''CRMS''), the Group continues to assess Significant Increase in Credit Risk ("SICR"), staging, and default based on reasonable and supportable information available without undue cost or effort. In accordance with the Resilience Package, the Group continues to identify and assess borrowers impacted by the current circumstances separately from those experiencing credit deterioration unrelated to these conditions.

During the first half of 2026, relief measures permitted certain restructuring and staging flexibilities for borrowers affected by the circumstances. The regulatory relief arises primarily through the classification of eligible restructurings as non-distressed restructuring under the Resilience Package, rather than through any suspension of SICR, staging or default assessments.

- For wholesale and corporate customers, impacted by the current environment, restructuring and payment deferrals initiated until 30 June 2026 and meeting CBUAE criteria have been classified as non distressed restructuring, where applicable. Provided the borrower was not distressed prior to 28 February 2026, the restructuring process is short term and fully documented, and borrower viability is demonstrated. Such non distressed restructurings remain classified as Stage 1, subject to CRMS criteria. Other distressed restructuring cases continue to be assessed in accordance with existing CRMS principles and IFRS 9.

  Non distressed restructurings with moratoria of less than six months and without bullet repayments have generally not resulted in automatic migration to Stage 2, provided there was no evidence of pre-existing credit deterioration.

Notes to the condensed consolidated interim financial information

6 Use of estimates and judgements (continued)

Impact of macro-economic conditions and CBUAE Financial Institution Resilience Package (continued)

Credit risk management and expected credit losses (continued)

- For retail and SME customers, impacted customer groups have been identified based on relevant risk drivers. Where appropriate, temporary risk parameter overrides have been applied to avoid mechanical migration to Stage 2 or Stage 3, with staging and probability of default remaining unchanged from 28 February 2026, unless credit deterioration was already evident or is unrelated to the current circumstances. Early restructuring and payment deferrals that meet regulatory conditions are classified as non distressed restructuring, and interest and fee waivers have been granted to vulnerable customers where applicable.

All credit risk relief measures are temporary in nature. In line with the version 2 of the Resilience Package, Bank continues to proactively engage with their risk profile and provide payment deferrals when deemed appropriate. The flexibility in the categorisation of restructuring and staging of clients continues to apply, however, this flexibility is compensated for by additional provisions at the portfolio level.

Macro-economic assumptions and overlays

The Bank uses a range of macro-economic factors in ECL across the jurisdictions in which it operates. These are disclosed in note 47 (a) of annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2025.

The Group continued to assess the impact of geopolitical developments and associated economic uncertainty through the application of macroeconomic scenarios and management overlays, where appropriate. In line with the CBUAE Resilience Package, the Group has retained its existing macro-economic scenarios. In addition to the ECL charge on existing exposures, management has recorded an ECL overlay of AED 650 million for the six-month period ended 30 June 2026, reflecting the uncertainty in credit risk arising from the ongoing regional conflict. This reflects the recalibration of forward-looking macroeconomic scenario weightings, together with management's judgement on emerging risks that may not be fully captured under model framework across the corporate and retail portfolios.

These overlays are reviewed by senior management and governance committees and are reflected within the reported impairment charge for the period.

The probability weightings applied to each macro-economic scenario are summarised below and reflect management's assessment of current risks and conditions at the reporting date.

	30 June 2026	30 June 2025	31 December 2025
Upside scenario	15%	30%	30%
Base scenario	35%	40%	40%
Downside scenario	50%	30%	30%

Liquidity risk management

The Group's management of liquidity risk is disclosed in note 47 (b) to the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2025. The impact of the extraordinary circumstances on liquidity and funding conditions continues to be monitored through the Group's established liquidity risk management and governance framework.

In accordance with the CBUAE Financial Institution Resilience Package, banks are temporarily permitted to operate with a Liquidity Coverage Ratio ("LCR") below the regulatory minimum of 100%, provided the ratio remains above 80%, and a Net Stable Funding Ratio ("NSFR") below 100%, provided the ratio remains above 90%. These measures have been extended until 30 September 2026.

As at 30 June 2026, the Group continues to maintain the liquidity and funding ratios at levels comfortably above the normal regulatory thresholds (pre-disruption and the Resilience Package), notwithstanding the reduction in minimum requirements under the Resilience Package and held sufficient high quality liquid assets to meet its obligations under stressed conditions.

6 Use of estimates and judgements (continued)

Impact of macro-economic conditions and CBUAE Financial Institution Resilience Package (continued)

Capital management

Under the CBUAE Financial Institution Resilience Package, the Countercyclical Capital Buffer ("CCyB") applicable to UAE private sector exposures remains reduced from 0.5% to 0%, and banks are permitted to utilise up to one percentage point of the Capital Conservation Buffer without supervisory consequences.

The Group continues to operate with capital ratios above internal risk appetite levels and regulatory requirements, after considering the impact of the relief measures

Outlook

Management continues to monitor geopolitical developments and their potential impact on economic activity, credit quality, liquidity and capital adequacy. The Group will continue to reassess credit risk classifications, restructuring arrangements, expected credit loss estimates, macroeconomic assumptions, collateral valuations and management overlays as economic conditions evolve and regulatory guidance develops. The Group remains well positioned to support customers and maintain financial resilience through its strong capital position, prudent liquidity management and established risk governance framework.

7 Cash and balances with central banks

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Cash on hand	**3,029**	2,443
Central Bank of the UAE		
cash reserve deposits	**41,764**	7,386
other balances	**18,000**	65,000
Balances with other central banks	**201,189**	193,804
Gross cash and balances with central banks	**263,982**	268,633
Less: expected credit loss	**(135)**	(136)
Total cash and balances with central banks	**263,847**	268,497

As per the CBUAE regulations, the Bank is allowed to draw their balances held in the UAE reserve account, while ensuring that they meet the reserve requirements over a 14-day period. Balances with other central banks include mandatory reserves which are available for day-to-day operations under certain specified conditions.

8 Investments at fair value through profit or loss

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Investments in managed funds[1]	**1**	1
Investment in private equities / funds[1]	**9,536**	7,263
Investments in equities and certificates	**2,284**	1,298
Debt securities	**60,267**	65,545
Total investments at fair value through profit or loss	**72,088**	74,107

Included in the above are sukuk investments as at 30 June 2026 amounting to AED 2,898 million (31 December 2025: AED 1,977 million).

[1]The Group has assessed its investments in funds and concluded that it does not exercise significant influence over them.

Notes to the condensed consolidated interim financial information

9 Reverse repurchase agreements

The Group enters into reverse repurchase agreements in the normal course of business in which the third party transfers financial assets to the Group for short term financing.

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Reverse repurchase with banks and others	80,890	86,093
Reverse repurchase with central banks	3,306	3,306
Reverse repurchase with customers	4,607	4,664
Gross reverse repurchase agreements	88,803	94,063
Less: expected credit loss	(46)	(76)
Total reverse repurchase agreements	88,757	93,987

At 30 June 2026, the fair value of financial assets accepted as collateral that the Group is permitted to sell or re-pledge in the absence of default is AED 100,706 million (31 December 2025: AED 107,623 million).

At 30 June 2026, the fair value of financial assets accepted as collateral that have been sold or re-pledged was AED 27,015 million (31 December 2025: AED 19,875 million). The Group is obliged to return equivalent securities. These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

10 Loans, advances and Islamic financing

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Gross loans, advances and Islamic financing	679,054	632,724
Less: interest in suspense	(7,223)	(7,043)
Less: expected credit loss	(10,650)	(9,356)
Net loans, advances and Islamic financing	661,181	616,325

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
By counterparty:		
Government sector	98,777	101,363
Public sector	88,594	81,855
Banking sector	52,915	21,780
Corporate / private sector	343,127	334,016
Personal / retail sector	95,641	93,710
Gross loans, advances and Islamic financing	679,054	632,724

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
By product:		
Overdrafts	30,379	26,011
Term loans	506,640	495,236
Trade related loans	104,380	73,824
Personal loans	29,676	29,670
Credit cards	5,654	5,752
Vehicle financing loans	2,325	2,231
Gross loans, advances and Islamic financing	679,054	632,724

Notes to the condensed consolidated interim financial information

10 Loans, advances and Islamic financing (continued)

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Concentration by industry sector:		
Agriculture	**3,784**	4,985
Energy	**57,231**	50,750
Manufacturing	**38,785**	32,044
Construction	**10,618**	9,046
Real estate	**104,484**	101,120
Trading	**23,987**	25,718
Transport and communication	**48,551**	46,092
Banks	**52,915**	21,780
Other financial institutions	**95,875**	96,636
Services	**48,406**	49,480
Government	**98,777**	101,363
Personal – loans and credit cards	**50,556**	50,822
Personal - retail mortgage	**45,085**	42,888
Gross loans, advances and Islamic financing	**679,054**	632,724

Included in the above Loans, advances and Islamic financing are the following Islamic financing contracts:

Islamic financing contracts

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Murabaha	**41,299**	34,477
Ijara	**20,278**	18,584
Others	**1,188**	715
Gross Islamic financing contracts	**62,765**	53,776
Less: suspended profit	**(213)**	(198)
Less: expected credit loss	**(1,875)**	(1,679)
Total Islamic financing contracts	**60,677**	51,899

11 Non trading investment securities

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Fair value through other comprehensive income (FVOCI):		
- with recycle to profit or loss (Debt investments securities)	**167,392**	177,886
- without recycle to profit or loss (Equity investments securities[1])	**7,219**	6,484
Amortised cost securities	**7,315**	5,344
Gross non trading investment securities	**181,926**	189,714
Less: expected credit loss on amortised cost securities	**(2)**	(2)
Total non trading investment securities	**181,924**	189,712

[1]Equity investments securities measured at FVOCI are strategic investments for long term purposes. During the previous year, certain investments were disposed of in line with the strategic initiatives of the Group.

Notes to the condensed consolidated interim financial information

11 Non trading investment securities (continued)

An analysis of non trading investments securities by class at the reporting date is shown below:

	(unaudited) 30 Jun 2026 AED million			(audited) 31 Dec 2025 AED million		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Equity investment securities	**7,000**	**219**	**7,219**	6,265	219	6,484
Debt investment securities	**173,425**	**1,282**	**174,707**	181,892	1,338	183,230
Gross non trading investment securities	**180,425**	**1,501**	**181,926**	188,157	1,557	189,714
Less: expected credit loss on amortised cost securities	**(2)**	**-**	**(2)**	(2)	-	(2)
Total non trading investment securities	**180,423**	**1,501**	**181,924**	188,155	1,557	189,712

Included in the above are sukuk investments as at 30 June 2026 amounting to AED 9,778 million (31 December 2025: AED 10,209 million).

Debt investments securities under repurchase agreements included in non trading investment securities as at 30 June 2026 amounted to AED 28,996 million (31 December 2025: AED 33,538 million).

As at 30 June 2026, the fair value of non trading investment securities measured at amortised cost amounted to AED 7,238 million (31 December 2025: AED 5,255 million).

The provision for expected credit losses on financial instruments classified as FVOCI is recognised in profit or loss, with the corresponding amount reflected in the fair value reserve under equity.

12 Investment in associates

The list of associates are as follows:

Legal Name	**Country of incorporation**	**Principal activities**	**(unaudited) 30 Jun 2026**	(audited) 31 Dec 2025
Neptune Project Holding 1 Limited (UAE)("NPH1")	United Arab Emirates	Payment services	**34%**	34%
Midmak Properties LLC	United Arab Emirates	Real estate investments	**16%**	16%
Emirates Digital Wallet LLC[1]	United Arab Emirates	Payment services	**24%**	24%
AEDC Stable Coin LLC	United Arab Emirates	Digital assets services	**33%**	-
AEDC Stable Coin Network and Distribution LLC	United Arab Emirates	Digital assets services	**33%**	-
Nebras Open Finance LLC	United Arab Emirates	Fintech services	**15%**	15%
Global Climate Finance Centre Limited	United Arab Emirates	Climate finance	**44%**	44%

[1] Under liquidation.

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Investment in associates	**5,313**	5,297
Total investment in associates*	**5,313**	5,297

*The underlying liabilities of the associates amount to less than 1% of the Group's total liabilities.

Notes to the condensed consolidated interim financial information

13 Investment properties

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Beginning of the period	**7,934**	8,169
Additions	**4**	593
Disposals and other movements	**(907)**	(981)
Fair value adjustment	**355**	153
End of the period	**7,386**	7,934

The fair value of the investment properties is based on the valuations performed by third party valuers as at 31 December 2025 and all are level 3 under the fair value hierarchy.

14 Intangibles

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Goodwill	**18,693**	18,693
Customer relationship	**1,778**	1,778
Core deposits	**704**	704
License	**369**	369
Brand	**22**	22
Gross intangibles	**21,566**	21,566
Accumulated amortisation	**(1,921)**	(1,824)
Total intangibles	**19,645**	19,742

15 Due to banks and financial institutions

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Banks and financial institutions	**48,885**	42,226
Central banks	**81,414**	95,575
Total due to banks and financial institutions	**130,299**	137,801

16 Repurchase agreements

The Group enters into repurchase agreements in the normal course of business by which it transfers recognised financial assets directly to third parties.

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Banks and financial institutions	**53,700**	52,190
Total repurchase agreements	**53,700**	52,190

The carrying value that is also the fair value of financial assets collateralised as at 30 June 2026 amounted to AED 28,996 million (31 December 2025: AED 33,538 million) and their associated financial liabilities amounted to AED 53,700 million (31 December 2025: AED 52,190 million). The net difference between the fair value of the financial assets collateralised and the carrying value of the repurchase agreement is AED 24,704 million (31 December 2025: AED 18,652 million) which represents pledged financial assets received as collateral against reverse repurchase agreements or through security borrowing arrangement from custodian.

17 Commercial paper

The Bank has a Euro Commercial Paper programme with a limit of USD 3.5 billion and a US Dollar Commercial Paper programme with a limit of USD 10 billion. The notes outstanding as at 30 June 2026 amounted to AED 34,104 million (31 December 2025: AED 29,939 million) and have maturity period of less than 12 months.

The Group has not had any defaults of principal, interest or other breaches with respect to its commercial paper programs during the period ended 30 June 2026 and year ended 31 December 2025.

18 Customer accounts and other deposits

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
By account:		
Current accounts	**340,109**	343,393
Savings accounts	**50,848**	48,313
Margin accounts	**4,465**	4,258
Notice and time deposits	**425,311**	408,925
	820,733	804,889
Certificates of deposit	**32,238**	35,884
Total customer accounts and other deposits	**852,971**	840,773

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
By counterparty:		
Government sector	**139,773**	140,935
Public sector	**123,397**	117,159
Corporate / private sector	**408,420**	404,012
Personal / retail sector	**149,143**	142,783
	820,733	804,889
Certificates of deposit	**32,238**	35,884
Total customer accounts and other deposits	**852,971**	840,773

Included in the above customer accounts and other deposits are the following Islamic customer deposits:

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Wakala deposits	**16,536**	12,016
Mudaraba saving deposits	**10,976**	8,230
Current account	**3,870**	3,483
Murabaha deposits	**522**	929
Margin deposits	**84**	82
Mudaraba term deposits	**50**	50
Total Islamic customer deposits	**32,038**	24,790

19 Term borrowings

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Amortised cost	**86,355**	74,189
Fair value through profit or loss	**971**	1,119
Total term borrowings	**87,326**	75,308

During the period, the Bank has issued various fixed and floating rate notes. The movement of term borrowings during the period is below:

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Beginning of the period	**75,308**	64,788
New issuances	**22,062**	19,053
Repayments	**(9,821)**	(10,815)
Fair valuations, exchange movements and other adjustments	**(223)**	2,282
End of the period	**87,326**	75,308

Notes to the condensed consolidated interim financial information

19 Term borrowings (continued)

		30 Jun 2026 (unaudited)						31 Dec 2025 (audited)					
Currency	**Interest (range)**	**Up to 3 months AED million**	**3 months to 1 year AED million**	**1 to 3 years AED million**	**3 to 5 years AED million**	**Over 5 years AED million**	**Total AED million**	Up to 3 months AED million	3 months to 1 year AED Million	1 to 3 years AED million	3 to 5 years AED million	Over 5 years AED million	Total AED million
USD	Fixed rate of up to 5.74% p.a.	**2**	**1,912**	**14,944**	**11,538**	**10,060**	**38,456**	2,400	218	10,765	11,316	9,756	34,455
USD	USD SOFR QRT OB SHIFT -5BD + up to 4.401% p.a.	**213**	**2,711**	**4,175**	**20,408**	**-**	**27,507**	1,249	213	3,870	13,804	312	19,448
EUR	Fixed rate of up to 3.53% p.a.	**-**	**2,061**	**59**	**6,660**	**174**	**8,954**	3,226	-	2,116	62	3,847	9,251
GBP	Fixed rate of up to 4.696% p.a.	**1,205**	**-**	**450**	**120**	**2,149**	**3,924**	-	1,207	-	90	124	1,421
CHF	Fixed rate of up to 0.167% p.a.	**-**	**2,080**	**674**	**-**	**-**	**2,754**	-	1,852	1,877	-	-	3,729
HKD	Fixed rate of up to 3.94% p.a.	**-**	**-**	**828**	**776**	**-**	**1,604**	77	182	733	185	586	1,763
AED	Fixed rate of up to 4.93% p.a.	**1,249**	**-**	**4**	**-**	**-**	**1,253**	-	1,354	4	-	-	1,358
CNH	Fixed rate of up to 3.80% p.a.	**139**	**260**	**141**	**535**	**-**	**1,075**	1,182	241	390	435	79	2,327
JPY	Fixed rate of up to 2.60% p.a.	**226**	**-**	**-**	**361**	**-**	**587**	-	232	-	-	-	232
SGD	Fixed rate of 2% p.a.	**-**	**-**	**426**	**-**	**-**	**426**	-	-	429	-	-	429
AUD	3M AUD BBSW + up to 4.367% p.a.	**230**	**-**	**-**	**76**	**-**	**306**	-	373	-	74	-	447
EGP[1]	Fixed rate of up to 26.10% p.a.	**16**	**212**	**-**	**-**	**-**	**228**	-	196	-	-	-	196
AUD	Fixed rate of 1.87% p.a.	**-**	**163**	**-**	**-**	**-**	**163**	-	156	-	-	-	156
NZD	Fixed rate of 5.5% p.a.	**-**	**-**	**74**	**-**	**-**	**74**	-	-	77	-	-	77
MXN	Fixed rate of 0.50% p.a.	**-**	**-**	**15**	**-**	**-**	**15**	-		14	-	-	14
TRY[1]	Fixed rate of up to 37.25% p.a.	**-**	**-**	**-**	**-**	**-**	**-**	5	-	-	-	-	5
Total term borrowings		**3,280**	**9,399**	**21,790**	**40,474**	**12,383**	**87,326**	8,139	6,224	20,275	25,966	14,704	75,308

Included in the above are sukuk borrowings as at 30 June 2026 amounting to AED 14,282 million (31 December 2025 14,274 million).

[1]These are structured notes issued in denominated currencies, with returns economically linked to multiple market drivers.

Notes to the condensed consolidated interim financial information

20 Subordinated notes

Date of issue	Currency	Interest rate	Maturity date	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
10 December 2012	MYR	Fixed rate of 4.75% p.a.	9 December 2027	**445**	445
4 October 2023	USD	Fixed rate of 6.32% p.a. until 4 April 2029 and if not called, then from 4 April 2029 to the maturity date, the prevailing 5-Year US Treasury rate + 1.70% p.a.	4 April 2034	**3,702**	3,773
16 July 2024	USD	Fixed rate of 5.804% p.a. until 16 January 2030 and if not called, then from 16 January 2030 to the maturity date, the prevailing 5-Year US Treasury rate + 1.55% p.a.	16 January 2035	**2,746**	2,799
30 June 2026	USD	Fixed rate of 5.701% p.a. until 30 December 2031 and if not called, then from 30 December 2031 to the maturity date, the prevailing 5-Year US Treasury rate + 1.40% p.a.	30 December 2036	**2,770**	-
Total subordinated notes				**9,663**	7,017

The Bank has hedged the interest rate and foreign currency exposure on the subordinated notes. The Bank has not had any defaults of principal, interest, or other breaches with respect to its subordinated notes during the period ended 30 June 2026 and year ended 31 December 2025.

21 Capital and reserves

Share capital

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Authorised share capital (Ordinary shares of AED 1 each)	**11,048**	11,048

Dividends

At the Annual General Meeting (AGM) held on 11 March 2026, the shareholders of the Bank approved a cash dividend of AED 0.80 per ordinary share amounting to AED 8,838 million (31 December 2024: cash dividend of AED 0.75 per ordinary share amounting to AED 8,286 million).

Other reserves

Other reserves include the following:

	Fair value reserve AED million	General reserve AED million	Foreign currency translation reserve AED million	Impairment reserve – collective AED million	Total AED million
As at 1 January 2026	**154**	**278**	**(4,563)**	**4,295**	**164**
Other comprehensive loss for the period	**(1,364)**	**-**	**(114)**	**-**	**(1,478)**
Impairment reserve movement	**-**	**-**	**-**	**85**	**85**
Realised gain on sale of FVOCI Investment	**(9)**	**-**	**-**	**-**	**(9)**
As at 30 June 2026	**(1,219)**	**278**	**(4,677)**	**4,380**	**(1,238)**
As at 1 January 2025	(2,299)	278	(4,844)	2,868	(3,997)
Other comprehensive gain / (loss) for the period	(130)	-	240	-	110
Impairment reserve movement	-	-	-	483	483
Realised gain on sale of FVOCI Investment	(63)	-	-	-	(63)
As at 30 June 2025	(2,492)	278	(4,604)	3,351	(3,467)

Notes to the condensed consolidated interim financial information

22 Tier 1 capital notes

Issuance	Currency	Interest rate	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Government of Abu Dhabi Tier 1 capital notes	AED	Floating interest of 6-month EIBOR plus 2.3% p.a.	**8,000**	8,000
USD 750 million Tier 1 capital notes[1]	USD	Fixed rate of 4.50% p.a., thereafter, reset on the first date and every sixth anniversary; thereafter on the basis of the aggregate of the margin and the relevant six year reset on the relevant U.S. Securities determination date	**-**	2,755
USD 1 billion Tier 1 capital notes	USD	Fixed rate of 5.875% p.a., thereafter, reset on the first date and every sixth anniversary; thereafter on the basis of the aggregate of the margin and the relevant six year reset on the relevant U.S. Securities determination date	**3,673**	3,673
Total Tier 1 capital notes			**11,673**	14,428

[1]On 05 April 2026, the Bank redeemed the USD 750 million Tier 1 capital notes, at their Early Redemption Amount, in accordance with condition 9.1(b) of the Capital Securities.

Tier 1 capital notes are perpetual, subordinated, unsecured and carry coupons to be paid semi-annually in arrears. The Bank may elect not to pay a coupon at its own discretion. The note holder does not have a right to claim the coupon and an election by the Bank not to service coupon is not considered an event of default. In addition, there are certain circumstances under which the Bank is prohibited from making a coupon payment on a relevant coupon payment date.

If the Bank makes a non payment election or a non payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or (b) redeem, purchase, cancel, reduce or otherwise acquire any of the share capital or any securities of the Bank ranking pari passu with or junior to the notes except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until two consecutive coupon payments have been paid in full.

During the period, the coupon payment election was made by the Bank amounting to AED 428 million (30 June 2025: AED 347 million).

23 Net foreign exchange (loss) / gain

	(unaudited) Six month period ended 30 Jun 2026 AED million	(unaudited) Six month period ended 30 Jun 2025 AED million	(unaudited) Three month period ended 30 Jun 2026 AED million	(unaudited) Three month period ended 30 Jun 2025 AED million
Trading and retranslation (loss) / gain on foreign exchange and related derivatives[1]	**(1,055)**	(1,465)	**(207)**	(731)
Dealings with customers	**842**	903	**426**	467
Total net foreign exchange (loss) / gain	**(213)**	(562)	**219**	(264)

[1]Due to effective hedging strategies, the impact of hedging instruments is reflected in the net gain on investments and derivatives (note 24).

24 Net gain on investments and derivatives

	(unaudited) Six month period ended 30 Jun 2026 AED million	(unaudited) Six month period ended 30 Jun 2025 AED million	(unaudited) Three month period ended 30 Jun 2026 AED million	(unaudited) Three month period ended 30 Jun 2025 AED million
Net realised and unrealised gain on investments at fair value through profit or loss and derivatives	**4,492**	5,350	**2,279**	2,753
Net gain / (loss) on sale of non trading investment securities	**48**	(24)	**22**	(36)
Dividend and other income	**249**	164	**139**	131
Total net gain on investments and derivatives	**4,789**	5,490	**2,440**	2,848

Notes to the condensed consolidated interim financial information

25 General, administration and other operating expenses

	(unaudited) Six month period ended 30 Jun 2026 AED million	(unaudited) Six month period ended 30 Jun 2025 AED million	(unaudited) Three month period ended 30 Jun 2026 AED million	(unaudited) Three month period ended 30 Jun 2025 AED million
Staff costs	**2,206**	2,038	**1,132**	1,008
Information technology expenses	**846**	742	**420**	374
Depreciation	**293**	362	**144**	184
Professional fees	**285**	277	**141**	154
Amortisation of intangibles	**111**	111	**56**	56
Communication expenses	**113**	108	**60**	56
Premises expenses	**96**	100	**46**	51
Publicity and advertisement	**76**	77	**37**	39
Sponsorships and donations	**65**	53	**29**	27
Other general and administration expenses	**160**	131	**75**	85
Total general, administration and other operating expenses	**4,251**	3,999	**2,140**	2,034

26 Net impairment charge

	(unaudited) Six month period ended 30 Jun 2026 AED million	(unaudited) Six month period ended 30 Jun 2025 AED million	(unaudited) Three month period ended 30 Jun 2026 AED million	(unaudited) Three month period ended 30 Jun 2025 AED million
Impairment charge on				
loans, advances and Islamic financing	**2,299**	1,550	**1,153**	796
other financial assets	**(15)**	51	**(46)**	23
unfunded exposures	**(10)**	20	**14**	9
Recoveries	**(255)**	(161)	**(186)**	(87)
Write off of impaired financial assets	**31**	16	**15**	11
Total net impairment charge	**2,050**	1,476	**950**	752

27 Earnings per share

Earnings per share is calculated by dividing the net profit for the period after deduction of Tier 1 capital notes payment by the weighted average number of ordinary shares outstanding during the period as set out below:

	(unaudited) Six month period ended 30 Jun 2026	(unaudited) Six month period ended 30 Jun 2025	(unaudited) Three month period ended 30 Jun 2026	(unaudited) Three month period ended 30 Jun 2025
Basic earnings per share:				
Net profit for the period (AED million)	**10,726**	10,632	**5,715**	5,506
Less: payment on Tier 1 capital notes (AED million)	**(428)**	(347)	**(169)**	(62)
Net profit after payment of Tier 1 capital notes (AED million)	**10,298**	10,285	**5,546**	5,444
Weighted average number of ordinary shares:				
Weighted average number of ordinary shares (million)	**11,048**	11,048	**11,048**	11,048
Basic and diluted earnings per share (AED)	**0.93**	0.93	**0.50**	0.49

Notes to the condensed consolidated interim financial information

28 Cash and cash equivalents

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Cash and balances with central banks	**263,982**	268,633
Due from banks and financial institutions	**26,808**	25,662
	290,790	294,295
Less: balances with central banks maturing after three months of placement	**(7,853)**	(24)
Less: due from banks and financial institutions maturing after three months of placement	**(1,266)**	(1,567)
Less: restricted deposits with central banks for regulatory purposes	**(1,246)**	(1,380)
Total cash and cash equivalents	**280,425**	291,324

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of its acquisition.

29 Commitments and contingencies

The Group, in the ordinary course of business, enters into various types of transactions that involve undertaking certain commitments such as letters of credit, guarantees and undrawn loan commitments.

There were no other significant changes in contingent liabilities and commitments during the period other than those arising out of normal course of business.

	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Letter of credit	**56,073**	58,542
Guarantees	**174,210**	165,287
Trade contingencies	**230,283**	223,829
Undrawn commitment to extend credit	**119,082**	128,180
Commitments for future private equity investments	**6,118**	2,304
Total commitments	**125,200**	130,484
Total commitments and contingencies	**355,483**	354,313

Notes to the condensed consolidated interim financial information

30 Segmental information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's CEO (the Group's Chief Operating Decision Maker) in order to allocate resources to the segment and to assess its performance.

During the previous year, the Group reorganised its operating segments in line with its customer centric strategy, resulting in changes to the composition and reporting of the Bank's operating segments. The Group's operating structure consists of four key operating segments across geographic regions, driving strategy, customer value propositions, product and channel development, and customer relationships, while supporting the Group's financial performance. The Chief Operating Decision Maker now reviews the performance of the Bank based on the new segment structure.

Business segments

Investment Banking & Markets ("IB&M")

IB&M provides institutional and public sector clients with a broad range of banking and financing solutions including corporate & Islamic finance, capital markets, trade, liquidity, cash management services and global markets products. It also encompasses market making, risk management and investment management activities for the Group.

Wholesale Banking ("WB")

WB serves large and medium sized corporates with a broad range of banking and financing solutions including corporate & Islamic finance, capital markets, trade, liquidity, cash management services and global markets products.

Personal, Business, Wealth, and Privileged Client Banking Group ("PBW&PCBG")

PBW&PCBG serves a diverse client base including affluent, high and ultra high net worth individuals, privileged clients and family offices, as well as small to medium sized businesses. The division offers retail banking, private banking and tailored investment and advisory solutions, leveraging advanced AI & digital capabilities along with distribution and sales channels to deliver seamless experience across the entire customer journey.

Head Office ("HO")

HO includes the Group's support functions and the share of results of associates and certain subsidiaries partially or fully owned by the Group providing banking services and other complementary offerings. These include FAB Misr, First Gulf Libya, Mismak, Abu Dhabi National Properties and legacy portfolios.

Geographic information

The Group manages its various business segments through a network of branches, subsidiaries and representative offices within the two defined geographic segments, which are UAE and International. Balance sheet and income statement presented within this section are principally the location from which a client relationship exists and is managed, which may differ from where it is financially booked.

30 Segmental information (continued)

	Business Segments					Geographic information		
	IB&M AED million	WB AED million	PBW&PCBG AED million	HO AED million	Total AED million	UAE AED million	International AED million	Total AED million
For the period ended 30 June 2026 (unaudited)								
Net interest income and income from Islamic financing and investing products	**3,710**	**2,033**	**4,915**	**821**	**11,479**	**8,880**	**2,599**	**11,479**
Net non interest income	**2,706**	**1,376**	**1,668**	**2,274**	**8,024**	**6,260**	**1,764**	**8,024**
Operating income	**6,416**	**3,409**	**6,583**	**3,095**	**19,503**	**15,140**	**4,363**	**19,503**
General, administration and other operating expenses	**(772)**	**(608)**	**(2,081)**	**(790)**	**(4,251)**	**(3,161)**	**(1,090)**	**(4,251)**
Net impairment charge	**(29)**	**(391)**	**(460)**	**(1,170)**	**(2,050)**	**(1,843)**	**(207)**	**(2,050)**
Profit before taxation	**5,615**	**2,410**	**4,042**	**1,135**	**13,202**	**10,136**	**3,066**	**13,202**
As at 30 June 2026 (unaudited)								
Segment assets	**489,527**	**188,709**	**257,673**	**472,830**	**1,408,739**	**971,877**	**436,862**	**1,408,739**
Segment liabilities	**328,260**	**237,116**	**359,083**	**340,217**	**1,264,676**	**1,036,222**	**228,454**	**1,264,676**
For the period ended 30 June 2025 (unaudited)								
Net interest income and income from Islamic financing and investing products	2,967	1,866	4,475	782	10,090	8,047	2,043	10,090
Net non interest income	2,996	1,073	1,975	2,175	8,219	7,025	1,194	8,219
Operating income	5,963	2,939	6,450	2,957	18,309	15,072	3,237	18,309
General, administration and other operating expenses	(761)	(595)	(2,008)	(635)	(3,999)	(3,037)	(962)	(3,999)
Net impairment charge	(68)	(178)	(382)	(848)	(1,476)	(1,205)	(271)	(1,476)
Profit before taxation	5,134	2,166	4,060	1,474	12,834	10,830	2,004	12,834
As at 31 December 2025 (audited)								
Segment assets	432,175	173,818	261,112	509,757	1,376,862	959,641	417,221	1,376,862
Segment liabilities	329,960	250,469	335,879	313,669	1,229,977	964,322	265,655	1,229,977

Notes to the condensed consolidated interim financial information

31 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise major shareholders, Board of Directors and key management personnel of the Group. Key management personnel comprise those executive committee members ("EXCO") of the Group who are involved in the strategic planning and decision making of the Group. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

The Group operates in a market dominated by entities directly or indirectly controlled by the Government of Abu Dhabi through its government authorities, agencies, affiliations and other organizations, collectively referred to as government related entities. The Group has transactions with other government related entities and these transactions are conducted in the ordinary course of its business on terms agreed by the Board.

Details of Board of Directors remuneration and key management personnel remuneration are as follows:

	(unaudited) 30 Jun 2026 AED million	(unaudited) 30 Jun 2025 AED million
BOD remuneration paid during the period	100	45
Short term benefits	67	50
Long term benefits	1	5

Balances with related parties at the reporting date are shown below:

	Board of Directors AED million	Major shareholders AED million	Senior management AED million	Associates AED million	Total AED million
As of 30 June 2026 (unaudited)					
Financial assets					
Investments at fair value through profit or loss	-	43	-	-	43
Derivative financial instruments	-	138	-	-	138
Loans, advances and Islamic financing	4,116	28,516	158	1,703	34,493
Non trading investment securities	-	2,979	-	-	2,979
Other assets	40	124	10	-	174
Financial liabilities					
Derivative financial instruments	-	200	-	11	211
Customer accounts and other deposits	11,556	20,075	70	1,859	33,560
Other liabilities	123	146	-	-	269
Contingent liabilities					
Derivatives	-	13,409	-	1,685	15,094
Letter of credit	-	253	-	-	253
Guarantees	171	1,260	-	1	1,432
For the period ended 30 June 2026 (unaudited)					
Interest income	75	747	3	37	862
Interest expense	(169)	(306)	(1)	(46)	(522)
Fee and commission income	7	57	-	7	71
Fee and commission expense	-	-	-	(70)	(70)
Net loss on investments and derivatives	-	(36)	-	(6)	(42)

Notes to the condensed consolidated interim financial information

31 Related parties (continued)

	Board of Directors AED million	Major shareholders AED million	Senior management AED million	Associates AED million	Total AED million
As of 31 December 2025 (audited)					
Financial assets					
Investments at fair value through profit or loss	-	136	-	-	136
Reverse purchase agreements	-	75	-	-	75
Derivative financial instruments	-	210	-	5	215
Loans, advances and Islamic financing	3,819	33,166	160	1,291	38,436
Non trading investment securities	-	3,713	-	-	3,713
Other assets	48	428	9	7	492
Financial liabilities					
Derivative financial instruments	-	152	-	11	163
Customer accounts and other deposits	10,774	11,733	66	1,532	24,105
Other liabilities	279	66	1	7	353
Contingent liabilities					
Derivatives	-	12,320	-	1,685	14,005
Letter of credit	1	374	-	-	375
Guarantees	173	1,444	-	1	1,618
For the period ended 30 June 2025 (unaudited)					
Interest income	83	855	3	34	975
Interest expense	(174)	(236)	(1)	(45)	(456)
Fee and commission income	10	69	-	2	81
Fee and commission expense	-	-	-	(70)	(70)
Net gain on investments and derivatives	-	91	-	7	98

As at 30 June 2026, the ECL allowance held against related party balances amounted to AED 43 million (31 December 2025: AED 37 million).

Notes to the condensed consolidated interim financial information

32 Financial risk management

Credit risk

Credit risk is the risk that a customer or counterparty to a financial asset fails to meet its contractual obligations and cause the Group to incur a financial loss. It arises principally from the Group's loans, advances and Islamic financing, due from banks and financial institutions, reverse repurchase agreements and non trading debt investments, derivative financial instruments and certain other financial assets.

Credit quality analysis

The following tables set out information about the credit quality of financial assets measured at amortised cost, and fair value through other comprehensive income (FVOCI) debt investments without considering collateral or other credit enhancements. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Notes to the condensed consolidated interim financial information

32 Financial risk management (continued)

Credit risk (continued)

The Group measures its exposure to credit risk by reference to the gross carrying amount of financial assets less amounts offset, interest in suspense and impairment losses, if any.

The carrying amount of financial assets represents the maximum credit exposure.

As at 30 June 2026 (unaudited)	Stage 1		Stage 2		Stage 3		Purchased or originally credit impaired[4]		Total	
	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million
Balances with central banks	259,447	17	1,506	118	-	-	-	-	260,953	135
Due from banks and financial institutions	25,040	1	1,768	41	-	-	-	-	26,808	42
Reverse repurchase agreements	88,803	46	-	-	-	-	-	-	88,803	46
Loans, advances and Islamic financing[1]	642,817	3,356	13,882	1,720	18,587	5,172	3,768	402	679,054	10,650
Non trading investment securities										
Amortised cost securities	7,315	2	-	-	-	-	-	-	7,315	2
FVOCI debt securities[2]	167,309	143	-	-	83	3	-	-	167,392	146
Other assets[3]	26,639	280	10	-	122	26	-	-	26,771	306
Unfunded exposures	344,332	480	3,142	87	1,889	651	2	-	349,365	1,218
	1,561,702	4,325	20,308	1,966	20,681	5,852	3,770	402	1,606,461	12,545

[1] The exposure represents gross loans, advances and Islamic financing, including suspended interest of AED 7,223 million primarily on Stage 3 and purchased or originally credit impaired assets (POCI).
[2] The provision for expected credit losses on financial instruments classified as FVOCI is recognised in profit or loss, with the corresponding amount reflected in the fair value reserve under equity.
[3] On certain assets included as part of other assets, ECL is computed based on simplified approach.
[4]The Group, from an internal credit quality point of view, considers AED 3,704 million as par to non performing loans, advances and Islamic financing.

Notes to the condensed consolidated interim financial information

32 Financial risk management (continued)

Credit risk (continued)

As at 31 December 2025 (audited)	Stage 1		Stage 2		Stage 3		Purchased or originally credit impaired[4]		Total	
	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million
Balances with central banks	264,864	17	1,326	119	-	-	-	-	266,190	136
Due from banks and financial institutions	23,495	5	2,168	44	-	-	-	-	25,663	49
Reverse repurchase agreements	94,063	76	-	-	-	-	-	-	94,063	76
Loans, advances and Islamic financing[1]	597,543	2,647	14,276	1,749	17,243	4,611	3,662	349	632,724	9,356
Non-trading investment securities										
Amortised cost securities	5,344	2	-	-	-	-	-	-	5,344	2
FVOCI debt securities[2]	177,803	101	-	-	83	3	-	-	177,886	104
Other assets[3]	23,545	292	26	-	176	34	-	-	23,747	326
Unfunded exposures	346,533	483	3,201	103	2,274	647	1	1	352,009	1,234
	1,533,190	3,623	20,997	2,015	19,776	5,295	3,663	350	1,577,626	11,283

[1] The exposure represents gross loans, advances and Islamic financing, including suspended interest of AED 7,043 million primarily on Stage 3 and purchased or originally credit impaired assets (POCI).
[2] The provision for expected credit losses on financial instruments classified as FVOCI is recognised in profit or loss, with the corresponding amount reflected in the fair value reserve under equity.
[3] On certain assets included as part of other assets, ECL is computed based on simplified approach.
[4]The Group, from an internal credit quality point of view, considers AED 3,569 million as par to non performing loans, advances and Islamic financing.

Notes to the condensed consolidated interim financial information

32 Financial risk management (continued)

Credit risk (continued)

The movement of gross exposure is as follows:

Loans, advances and Islamic financing (unaudited)	**Stage 1 AED million**	**Stage 2 AED million**	**Stage 3 AED million**	**POCI AED million**	**Total AED million**
Balance as at 1 January 2026	**597,543**	**14,276**	**17,243**	**3,662**	**632,724**
Transfers:					
Transfer from Stage 1 to Stage 2	**(2,721)**	**2,721**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(1,595)**	**-**	**1,595**	**-**	**-**
Transfer from Stage 2 to Stage 1	**1,058**	**(1,058)**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(932)**	**932**	**-**	**-**
Transfer from Stage 3 to Stage 2	**-**	**179**	**(179)**	**-**	**-**
Transfer from Stage 3 to Stage 1	**32**	**-**	**(32)**	**-**	**-**
	(3,226)	**910**	**2,316**	**-**	**-**
Net amounts written off	**(16)**	**(12)**	**(966)**	**(2)**	**(996)**
Net non stage movements	**48,516**	**(1,292)**	**(6)**	**108**	**47,326**
Balance as at 30 June 2026	**642,817**	**13,882**	**18,587**	**3,768**	**679,054**

Unfunded exposure (unaudited)	**Stage 1 AED million**	**Stage 2 AED million**	**Stage 3 AED million**	**POCI AED million**	**Total AED million**
Balance as at 1 January 2026	**346,533**	**3,201**	**2,274**	**1**	**352,009**
Transfers:					
Transfer from Stage 1 to Stage 2	**(225)**	**225**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(37)**	**-**	**37**	**-**	**-**
Transfer from Stage 2 to Stage 1	**243**	**(243)**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(138)**	**138**	**-**	**-**
Transfer from Stage 3 to Stage 2	**-**	**18**	**(18)**	**-**	**-**
	(19)	**(138)**	**157**	**-**	**-**
Net non stage movements	**(2,182)**	**79**	**(542)**	**1**	**(2,644)**
Balance as at 30 June 2026	**344,332**	**3,142**	**1,889**	**2**	**349,365**

Loans, advances and Islamic financing (audited)	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2025	513,581	10,528	22,677	3,727	550,513
Transfers:					
Transfer from Stage 1 to Stage 2	(8,576)	8,576	-	-	-
Transfer from Stage 1 to Stage 3	(2,159)	-	2,159	-	-
Transfer from Stage 2 to Stage 1	2,856	(2,856)	-	-	-
Transfer from Stage 2 to Stage 3	-	(1,583)	1,583	-	-
Transfer from Stage 3 to Stage 2	-	734	(734)	-	-
Transfer from Stage 3 to Stage 1	100	-	(100)	-	-
	(7,779)	4,871	2,908	-	-
Net amounts written off	(45)	(382)	(7,499)	(93)	(8,019)
Net non stage movements	91,786	(741)	(843)	28	90,230
Balance as at 31 December 2025	597,543	14,276	17,243	3,662	632,724

32 Financial risk management (continued)

Credit risk (continued)

Unfunded exposure (audited)	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2025	250,775	3,842	2,294	1	256,912
Transfers:					
Transfer from Stage 1 to Stage 2	(890)	890	-	-	-
Transfer from Stage 1 to Stage 3	(178)	-	178	-	-
Transfer from Stage 2 to Stage 1	529	(529)	-	-	-
Transfer from Stage 2 to Stage 3	-	(107)	107	-	-
Transfer from Stage 3 to Stage 2	-	16	(16)	-	-
Transfer from Stage 3 to Stage 1	27	-	(27)	-	-
	(512)	270	242	-	-
Net non stage movements	96,270	(911)	(262)	-	95,097
Balance as at 31 December 2025	346,533	3,201	2,274	1	352,009

There were no material movement between stages for other financial assets for the period ended 30 June 2026 and year ended 31 December 2025.

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance for financial assets. The basis for determining transfers due to changes in credit risk is set out in the Group's accounting policy; refer note 6(a)(vii) of the consolidated financial statements for the year ended 31 December 2025.

Loss allowance (unaudited)	**Stage 1[1] AED million**	**Stage 2 AED million**	**Stage 3 AED million**	**POCI AED million**	**Total AED million**
Balance as at 1 January 2026	**3,623**	**2,015**	**5,295**	**350**	**11,283**
Transfers:					
Transfer from Stage 1 to Stage 2	**(59)**	**59**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(53)**	**-**	**53**	**-**	**-**
Transfer from Stage 2 to Stage 1	**52**	**(52)**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(119)**	**119**	**-**	**-**
Transfer from Stage 3 to Stage 2	**-**	**43**	**(43)**	**-**	**-**
Transfer from Stage 3 to Stage 1	**21**	**-**	**(21)**	**-**	**-**
	(39)	**(69)**	**108**	**-**	**-**
Impact of change in provision	**747**	**29**	**1,444**	**55**	**2,275**
Write offs and other adjustments	**(6)**	**(9)**	**(995)**	**(3)**	**(1,013)**
Balance as at 30 June 2026	**4,325**	**1,966**	**5,852**	**402**	**12,545**

Loss allowance (audited)	Stage 1[1] AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2025	3,438	2,097	9,591	450	15,576
Transfers:					
Transfer from Stage 1 to Stage 2	(197)	197	-	-	-
Transfer from Stage 1 to Stage 3	(136)	-	136	-	-
Transfer from Stage 2 to Stage 1	104	(104)	-	-	-
Transfer from Stage 2 to Stage 3	-	(298)	298	-	-
Transfer from Stage 3 to Stage 2	-	258	(258)	-	-
Transfer from Stage 3 to Stage 1	52	-	(52)	-	-
	(177)	53	124	-	-
Impact of change in provision	379	226	2,980	(32)	3,553
Write offs and other adjustments	(17)	(361)	(7,400)	(68)	(7,846)
Balance as at 31 December 2025	3,623	2,015	5,295	350	11,283

[1]On certain assets included as part of other assets, ECL is computed based on simplified approach.

There were no material movement between stages for other financial assets for the period ended 30 June 2026 and year ended 31 December 2025.

Notes to the condensed consolidated interim financial information

32 Financial risk management (continued)

Credit risk (continued)

The Group's credit concentration by counterparty for Investments at fair value through profit or loss and non trading investment securities are disclosed below:

	Non trading investment securities		Investments at fair value through profit or loss	
	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
Government sector	110,795	125,664	56,005	62,365
Supranational	331	1,119	107	44
Public sector	10,415	12,557	1,155	1,298
Banking sector	17,294	15,464	792	1,102
Corporate / private sector	43,091	34,910	14,029	9,298
	181,926	189,714	72,088	74,107
Less: expected credit loss on amortised cost securities	(2)	(2)	-	-
Total non trading investment securities and investments at fair value through profit or loss	**181,924**	189,712	**72,088**	74,107

The external ratings for trading and non trading investment securities are disclosed below:

	Non trading investment securities		Investments at fair value through profit or loss	
	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million	(unaudited) 30 Jun 2026 AED million	(audited) 31 Dec 2025 AED million
AAA	32,730	42,670	1,120	1,264
AA to A	110,289	110,431	16,197	29,159
BBB to B	26,083	26,112	39,054	31,418
CCC and below	144	338	3,371	3,422
Unrated	12,680	10,163	12,346	8,844
	181,926	189,714	72,088	74,107
Less: expected credit loss on amortised cost securities	(2)	(2)	-	-
Total non trading investment securities and investments at fair value through profit or loss	**181,924**	189,712	**72,088**	74,107

Unrated investments primarily consist of investments in private equities and investments in equities which do not carry credit risk. Investments at fair value through profit or loss are neither past due nor impaired.

Notes to the condensed consolidated interim financial information

33 Financial assets and liabilities

Financial instruments measured at fair value - hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level of the fair value hierarchy:

	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
As at 30 June 2026 (unaudited)				
Investment at fair value through profit or loss	**35,484**	**28,165**	**8,439**	**72,088**
FVOCI - with recycle to profit or loss	**132,891**	**34,206**	**295**	**167,392**
FVOCI - without recycle to profit or loss	**6,996**	**-**	**223**	**7,219**
Derivative financial instruments (assets)	**813**	**44,164**	**-**	**44,977**
	176,184	**106,535**	**8,957**	**291,676**
Derivative financial instruments (liabilities)	**444**	**54,490**	**21**	**54,955**
Term borrowings	**-**	**431**	**540**	**971**
	444	**54,921**	**561**	**55,926**

	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
As at 31 December 2025 (audited)				
Investment at fair value through profit or loss	50,852	17,313	5,942	74,107
FVOCI - with recycle to profit or loss	151,380	25,386	1,120	177,886
FVOCI - without recycle to profit or loss	6,262	3	219	6,484
Derivative financial instruments (assets)	216	43,037	21	43,274
	208,710	85,739	7,302	301,751
Derivative financial instruments (liabilities)	1,023	48,578	79	49,680
Term borrowings	-	674	445	1,119
	1,023	49,252	524	50,799

Notes to the condensed consolidated interim financial information

33 Financial assets and liabilities (continued)

Financial instruments measured at fair value - hierarchy (continued)

The following table shows the transfer between the hierarchies:

Investment at fair value through profit or loss (unaudited)	**Level 1 AED million**	**Level 2 AED million**	**Level 3 AED million**	**Total AED million**
Balance as at 1 January 2026	**50,852**	**17,313**	**5,942**	**74,107**
Transfers:				
Transfer from level 1 to level 2	**(380)**	**380**	**-**	**-**
Transfer from level 2 to level 1	**2,988**	**(2,988)**	**-**	**-**
	2,608	**(2,608)**	**-**	**-**
Net non level movements	**(17,976)**	**13,460**	**2,497**	**(2,019)**
Balance as at 30 June 2026	**35,484**	**28,165**	**8,439**	**72,088**

Non trading investment securities (unaudited)	**Level 1 AED million**	**Level 2 AED million**	**Level 3 AED million**	**Total AED million**
Balance as at 1 January 2026	**157,642**	**25,389**	**1,339**	**184,370**
Transfers:				
Transfer from level 1 to level 2	**(1,685)**	**1,685**	**-**	**-**
Transfer from level 2 to level 1	**815**	**(815)**	**-**	**-**
Transfer from level 2 to level 3	**-**	**(38)**	**38**	**-**
	(870)	**832**	**38**	**-**
Net non level movements	**(16,885)**	**7,985**	**(859)**	**(9,759)**
Balance as at 30 June 2026	**139,887**	**34,206**	**518**	**174,611**

Investment at fair value through profit or loss (audited)	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Balance as at 1 January 2025	12,980	38,678	4,370	56,028
Transfers:				
Transfer from level 2 to level 1	1,055	(1,055)	-	-
	1,055	(1,055)	-	-
Net non level movements	36,817	(20,310)	1,572	18,079
Balance as at 31 December 2025	50,852	17,313	5,942	74,107

Non trading investment securities (audited)	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Balance as at 1 January 2025	146,005	35,410	2,002	183,417
Transfers:				
Transfer from level 1 to level 2	(112)	112	-	-
Transfer from level 2 to level 1	5,947	(5,947)	-	-
Transfer from level 3 to level 2	-	263	(263)	-
	5,835	(5,572)	(263)	-
Net non level movements	5,802	(4,449)	(400)	953
Balance as at 31 December 2025	157,642	25,389	1,339	184,370

Management considers that the carrying amounts of financial assets and liabilities recognised in the condensed consolidated interim financial information do not materially differ from their fair values.

The valuation techniques and inputs used in these condensed consolidated interim financial information is same as those prescribed in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

34 Comparative figures

Management has reassessed the presentation of certain transactions and balances in the condensed consolidated interim financial information to enhance alignment with the presentation requirements of IFRS Accounting Standards. Accordingly, certain comparative figures have been re-presented as detailed below:

(i) Statement of financial position and cash flows

In prior periods, the clean fair value of derivative contracts was presented within derivative financial assets and liabilities, while the related accrued interest receivable and payable were presented separately within other assets and other liabilities. To better reflect the fair value presentation and economic substance of derivative contracts, the related accrued interest balances have been reclassified to derivative financial assets and derivative financial liabilities, and comparative figures have been re-presented accordingly. Accordingly, comparative figures for the year ended 31 December 2025, has been re-presented to conform with the current period presentation.

As a result, as at 31 December 2025, derivative financial assets increased from AED 40,702 million to AED 43,274 million, derivative financial liabilities increased from AED 48,548 million to AED 49,680 million, other assets decreased from AED 56,562 million to AED 26,988 million, and other liabilities decreased from AED 65,403 million to AED 37,269 million. Consequently, total assets decreased from AED 1,403,864 million to AED 1,376,862 million and total liabilities decreased from AED 1,256,979 million to AED 1,229,977 million.

The reclassification also impacted the condensed consolidated interim statement of cash flows for the period ended 30 June 2025, increasing cash flows from other assets by AED 1,266 million, decreasing cash flows from other liabilities by AED 2,081 million and increasing cash flows from derivative financial instruments by AED 815 million.

The reclassification relates solely to the classification of balances within the condensed consolidated interim statement of financial position and the related cash flow impact in condensed consolidated interim statement of cash flows, and has no impact on the measurement of derivative financial instruments nor on the Group's condensed consolidated interim statements of profit or loss, other comprehensive income and changes in equity for any period presented.

(ii) Statement of profit of loss

During the period, management also reassessed the presentation of gains and losses arising from the cost of hedge related to FX swap contracts used to hedge foreign currency financing exposures. Amounts previously presented within net interest income have been reclassified to net foreign exchange (loss) / gain to align the presentation with the economic substance of the underlying transactions.

As a result, for the six month and three month period ended 30 June 2025, net interest income increased by AED 131 million, with a corresponding increase in net foreign exchange loss. The reclassification affects presentation only and has no impact on Group's condensed consolidated interim statements of financial position, profit or loss, other comprehensive income, changes in equity and cash flows for any period presented.

35 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 information as at and for the period ended 30 June 2026.