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 30 June 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 30 June 2026 and the related Group statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-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
23 July 2026
Dubai
United Arab Emirates

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

Condensed consolidated interim statement of financial position as at 30 June 2026

	Notes	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
ASSETS			
Cash and balances with UAE Central Bank	4	**7,123,936**	11,625,579
Due from other banks, net	5	**16,510,732**	16,411,627
Investment securities measured at fair value	6	**12,235,057**	10,341,339
Investment securities measured at amortised cost	6	**10,404,246**	9,133,446
Loans and advances, net	7	**58,081,542**	53,246,026
Reinsurance contract assets	12	**305,428**	319,094
Customer acceptances		**206,365**	315,553
Other assets	8	**2,519,057**	2,440,647
Property and equipment		**663,938**	628,370
Right-of-use assets		**116,465**	125,597
Goodwill and intangible assets		**444,657**	431,060
Total assets		**108,611,423**	105,018,338
LIABILITIES AND EQUITY			
LIABILITIES			
Due to other banks	9	**6,962,367**	8,246,015
Deposits from customers	10	**75,146,597**	70,459,532
Customer acceptances		**206,365**	315,553
Debt securities issued and other long-term borrowings	11	**6,172,838**	6,558,307
Insurance contract liabilities	12	**596,316**	611,619
Other liabilities	13	**3,481,074**	3,015,177
Lease liabilities		**106,430**	115,585
Deferred tax liability	26	**9,806**	24,123
Subordinated notes	14	**910,932**	916,912
Total liabilities		**93,592,725**	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		**7,430,960**	7,028,066
Other reserves		**3,298,802**	3,443,796
Equity attributable to owners of the Bank		**14,971,961**	14,714,061
Non-controlling interests		**46,737**	41,454
Total equity		**15,018,698**	14,755,515
Total liabilities and equity		**108,611,423**	105,018,338

This condensed consolidated interim financial information was duly approved and authorised by the Board of Directors on 23 July 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.

Condensed consolidated interim statement of profit or loss for the period from 1 January 2026 to 30 June 2026

	Notes	Three months period ended 30 June 2026 (un-audited) AED'000	Three months period ended 30 June 2025 (un-audited) AED'000	Six months period ended 30 June 2026 (un-audited) AED'000	Six months period ended 30 June 2025 (un-audited) AED'000
Interest income	19	**1,248,555**	1,174,585	**2,478,507**	2,291,968
Interest expense	19	**(466,261)**	(398,787)	**(890,165)**	(769,035)
Net interest income		**782,294**	775,798	**1,588,342**	1,522,933
Income from Islamic financing	20	**198,803**	197,225	**397,480**	381,178
Distribution to depositors	20	**(61,838)**	(64,044)	**(120,039)**	(128,243)
Net income from Islamic financing		**136,965**	133,181	**277,441**	252,935
Net interest income and net income from Islamic financing		**919,259**	908,979	**1,865,783**	1,775,868
Net fees and commission income	21	**212,840**	230,275	**436,715**	434,764
Foreign exchange & derivative income		**116,187**	98,860	**230,435**	196,438
Investment income	22	**43,832**	29,687	**97,469**	156,138
Insurance income		**184,599**	178,222	**346,994**	304,227
Insurance expense		**(184,570)**	(178,077)	**(342,675)**	(306,993)
Other operating income	23	**13,014**	2,836	**490,354**	10,600
Non-interest income		**385,902**	361,803	**1,259,292**	795,174
Operating income		**1,305,161**	1,270,782	**3,125,075**	2,571,042
General and administrative expenses	24	**(440,104)**	(456,371)	**(916,167)**	(890,746)
Operating profit before net impairment charge and tax		**865,057**	814,411	**2,208,908**	1,680,296
Net impairment charge	25	**(91,502)**	(79,416)	**(329,490)**	(173,129)
Profit for the period before tax		**773,555**	734,995	**1,879,418**	1,507,167
Income tax expense	26	**(68,728)**	(65,678)	**(166,836)**	(133,355)
Profit for the period after tax		**704,827**	669,317	**1,712,582**	1,373,812
Attributed to:					
Owners of the Bank		**702,347**	666,594	**1,706,636**	1,368,809
Non-controlling interests		**2,480**	2,723	**5,946**	5,003
Profit for the period		**704,827**	669,317	**1,712,582**	1,373,812
Earnings per share:					
Basic and diluted in AED	27	**0.35**	0.33	**0.85**	0.68

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

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 30 June 2026

	Three months period ended 30 June		Six months period ended 30 June	
	2026	2025	**2026**	2025
	(un-audited)	(un-audited)	**(un-audited)**	(un-audited)
	AED'000	AED'000	**AED'000**	AED'000
Profit for the period after tax	**704,827**	669,317	**1,712,582**	1,373,812
Other comprehensive income / loss:				
Items that will not be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets measured at fair value through other comprehensive income, net (equity instruments)	**39,356**	86,634	**(9,102)**	98,675
Loss on sale of equity instruments held at fair value through other comprehensive income	**-**	-	**-**	(4,606)
Income tax income related to the above	**(3,542)**	(7,797)	**819**	(8,466)
Items that may be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets measured at fair value through other comprehensive income, net (debt instruments)	**95,513**	20,847	**(124,376)**	113,328
Profit on sale of debt instruments transferred to profit and loss	**(3,491)**	(9,544)	**(25,439)**	(17,810)
Net changes in fair value arising from cash flow hedges	**(5,135)**	3,275	**(1,876)**	3,735
Deferred tax expense related to the above	**(7,776)**	(1,318)	**14,317**	(8,933)
Other comprehensive income for the period	**114,926**	92,097	**(145,657)**	175,923
Total comprehensive income for the period	**819,752**	761,414	**1,566,925**	1,549,735
Attributed to:				
Owners of the Bank	**816,026**	758,212	**1,561,642**	1,543,730
Non-controlling interests	**3,726**	3,202	**5,283**	6,005
Total comprehensive income for the period	**819,752**	761,414	**1,566,925**	1,549,735

Condensed consolidated interim statement of changes in equity
for the period from 1 January 2026 to 30 June 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	-	-	-	1,368,809	-	1,368,809	5,003	1,373,812
Other comprehensive (loss)/gain	-	-	-	(4,191)	179,112	174,921	1,002	175,923
Total comprehensive income for the period	-	-	-	1,364,618	179,112	1,543,730	6,005	1,549,735
Dividend paid during the period (Note 15)	-	-	-	(1,005,748)	-	(1,005,748)	-	(1,005,748)
At 30 June 2025 (un-audited)	2,011,495	-	1,128,804	5,817,803	3,345,483	12,303,585	37,081	12,340,666
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	**-**	**-**	**-**	**1,706,636**	**-**	**1,706,636**	**5,946**	**1,712,582**
Other comprehensive (loss)/gain	**-**	**-**	**-**	**-**	**(144,994)**	**(144,994)**	**(663)**	**(145,657)**
Total comprehensive income for the period	**-**	**-**	**-**	**1,706,636**	**(144,994)**	**1,561,642**	**5,283**	**1,566,925**
Coupon paid on Tier 1 capital notes	**-**	**-**	**-**	**(36,500)**	**-**	**(36,500)**	**-**	**(36,500)**
Dividend paid during the period (Note 15)	**-**	**-**	**-**	**(1,267,242)**	**-**	**(1,267,242)**	**-**	**(1,267,242)**
At 30 June 2026 (un-audited)	**2,011,495**	**1,101,900**	**1,128,804**	**7,430,960**	**3,298,802**	**14,971,961**	**46,737**	**15,018,698**

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

Condensed consolidated interim statement of cash flows for the period from 1 January 2026 to 30 June 2026

	Six months period ended 30 June	
	2026	2025
	(un-audited)	(un-audited)
	AED'000	AED'000
Cash flows from operating activities		
Profit for the period before tax	**1,879,418**	1,507,167
Adjustments:		
Net impairment charge	**329,490**	173,129
Depreciation and amortisation of property and equipment and intangibles	**73,462**	58,849
Net changes in fair value arising from hedge and forex revaluation	**15,582**	(35,067)
Depreciation on right-of-use assets	**11,785**	11,350
Interest cost on lease liabilities	**2,220**	2,063
Gain on disposal of property and equipment	**(8,681)**	-
Amortisation of discount relating to investments securities	**(98,969)**	(83,451)
Gain on sale of debt securities measured at FVOCI	**(25,883)**	(17,565)
Gain on sale of investment securities held at FVTPL	**(25,377)**	(102,043)
Gain on sale of investment securities measured at amortised cost	**(13,666)**	-
Gain on sale of merchant acquiring business	**(473,455)**	-
Fair value change on FVTPL investment securities	**(5,524)**	(11,498)
Net changes in fair value of hedge and amortisation of discount on debt securities issued	**(17,701)**	20,924
	1,642,701	1,523,858
Changes in operating assets and liabilities		
Increase in due from other banks (original maturities of three months or over)	**(172,568)**	(3,200,540)
Increase in loans and advances, net	**(5,175,000)**	(1,548,102)
Increase in investment securities measured at fair value	**(268,174)**	(66,311)
Decrease/(increase) in reinsurance contract assets	**13,667**	(16,569)
Decrease in other assets	**117,041**	308,611
(Decrease)/increase in due to other banks and UAE Central Bank	**(1,283,647)**	3,011,521
Increase in deposits from customers	**4,687,066**	1,429,574
(Decrease)/increase in insurance contract liabilities	**(15,303)**	33,667
Increase in other liabilities and customer acceptances	**188,832**	90,135
Net cash (used in)/generated from operating activities	**(265,385)**	1,565,844
Cash flows from investing activities		
Purchase of investment securities	**(10,255,597)**	(7,375,048)
Proceeds from maturity/disposal of investment securities	**7,348,361**	6,427,538
Purchase of property and equipment	**(131,586)**	(124,822)
Proceeds from disposal of property and equipment	**17,640**	-
Proceeds from sale of merchant acquiring business	**385,613**	-
Net cash used in investing activities	**(2,635,569)**	(1,072,332)
Cash flows from financing activities		
Dividends paid	**(1,267,242)**	(1,005,748)
Issue of debt security and other borrowings	**(373,750)**	1,319,719
Coupon paid on Tier 1 capital notes	**(36,500)**	-
Payment for rentals on lease contracts	**(12,451)**	(11,369)
Net cash (used in)/generated from financing activities	**(1,689,943)**	302,602
Net (decrease)/increase in cash and cash equivalents	**(4,590,897)**	796,114
Cash and cash equivalents, beginning of the period	**15,052,407**	10,063,881
Cash and cash equivalents, end of the period (Note 29)	**10,461,510**	10,859,995

Notes to the condensed consolidated interim financial information for the period from 1 January 2026 to 30 June 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 nineteen 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 30 June 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 six-month period ended 30 June 2026 comprises the Bank and following direct subsidiaries:

Subsidiary	***Authorized and issued capital***	***Ownership interest***	***Incorporated***	***Principal Activities***
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 Standards	**Effective for annual periods beginning on or after**
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.	1 January 2026

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

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

New and revised IFRS Accounting Standards	**Effective for annual periods beginning on or after**
Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* regarding purchase power arrangements 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.	1 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments: ▪ IFRS 1 *First-time Adoption of International Financial Reporting Standards*: Hedge accounting by a first-time adopter ▪ IFRS 7 *Financial Instruments - Disclosures*: Gain or loss on derecognition ▪ IFRS 7 *Financial Instruments - Disclosures*: Disclosure of deferred difference between fair value and transaction price ▪ IFRS 7 *Financial Instruments - Disclosures*: Introduction and credit risk disclosures ▪ IFRS 9 *Financial Instruments*: Lessee derecognition of lease liabilities ▪ IFRS 9 *Financial Instruments*: Transaction price ▪ IFRS 10 *Consolidated Financial Statements*: Determination of a "de facto agent" ▪ IAS 7 Statement *of Cash Flows*: Cost method	1 January 2026

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.

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:

New and revised IFRS Accounting Standards	**Effective for annual periods beginning on or after**
IFRS 18 *Presentation and Disclosures in Financial Statements* 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
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* 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
Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* 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

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

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

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* relating to Translation to a Hyperinflationary Presentation Currency	1 January 2027
The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	
Amendments to IAS 28 *Investments in Associates and Joint Ventures* relating to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
The amendments provide clarity about which entities are eligible to measure investments using the fair value option in IAS 28	
IFRS 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029
IFRS 20 requires an entity that is subject to a regulatory agreement to provide information about its regulatory assets, regulatory liabilities, regulatory income and regulatory expense.	

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.

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 six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

3. Material accounting policy information (continued)

(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: *Business Combinations*.

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.

3. Material accounting policy information (continued)

(c) Islamic financing (continued)

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.

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 promises 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.

4. Cash and balances with UAE Central Bank

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Cash in hand	**796,946**	980,042
Balances with the UAE Central bank	**6,326,990**	10,645,537
	7,123,936	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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Placements with other banks	**2,121,684**	1,207,012
Demand deposits	**2,280,367**	2,164,260
Banker's acceptances	**7,223,240**	7,636,843
Syndicated loans	**4,079,748**	4,495,950
Reverse repurchase agreements	**442,805**	550,503
Trade loans	**422,395**	424,744
Others	**16,853**	24,466
Total due from other banks	**16,587,092**	16,503,778
Provision for expected credit losses	**(76,360)**	(92,151)
Due from other banks, net	**16,510,732**	16,411,627

As at 30 June 2026, the Group held borrowed quoted debt securities with a fair value of AED 532 million (31 December 2025: AED 627 million) as collateral under reverse repurchase agreements amounting to AED 443 million (31 December 2025: AED 551 million). Of the borrowed securities, debt securities with a fair value of AED Nil (31 December 2025: AED 627 million) were subsequently pledged as collateral to secure repurchase borrowings amounting to AED Nil (31 December 2025: AED 591 million) [Note 9].

The below represents deposits and balances due from:

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Banks in UAE	**686,897**	368,885
Banks outside UAE	**15,900,195**	16,134,893
Total due from other banks	**16,587,092**	16,503,778

6. Investment securities, net

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Securities at fair value through other comprehensive income (FVOCI)		
Quoted equity securities	**638,888**	642,033
Unquoted equity securities	**1,891**	758
Quoted debt securities*	**10,853,159**	9,168,697
Unquoted debt securities	**4,141**	91,948
	11,498,079	9,903,436
Securities at fair value through profit or loss (FVTPL)		
Quoted funds	**70,494**	67,967
Unquoted funds	**53,148**	73,860
Quoted equity securities	**40,899**	149,546
Quoted debt securities	**572,437**	146,530
	736,978	437,903
Investment securities measured at fair value	**12,235,057**	10,341,339
Securities held at amortised cost		
Quoted debt securities*	**10,435,054**	9,163,815
	10,435,054	9,163,815
Provision for expected credit loss for securities held at amortised cost	**(30,808)**	(30,369)
Investment securities measured at amortised cost	**10,404,246**	9,133,446
Investment securities, net	**22,639,303**	19,474,785

*As at 30 June 2026, quoted debt securities with fair value of AED 4,187 million and carrying value of AED 4,178 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 3,900 million (31 December 2025: AED 2,155 million) [Note 9].

As at 30 June 2026, the provision for credit loss on debt securities at FVOCI amounted to AED 70 million (31 December 2025: AED 65 million) [Note 36].

6. Investment securities, net (continued)

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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED (audited)
Federal and local Government – UAE	**4,628,214**	3,641,341
Government related entity – UAE	**1,237,101**	1,486,790
Government – GCC	**1,359,465**	1,101,852
Government – Others	**1,286,646**	1,213,424
Banks and financial institutions – UAE	**2,192,598**	1,875,215
Banks and financial institutions – GCC	**2,160,915**	2,082,100
Banks and financial institutions – Other	**4,252,219**	2,838,647
Public limited companies – UAE	**1,015,051**	699,969
Public limited companies – GCC	**2,200,136**	1,912,204
Public limited companies – Others	**1,532,446**	1,719,448
Total debt securities	**21,864,791**	18,570,990
Quoted equity securities	**679,787**	791,579
Unquoted equity securities	**1,891**	758
Quoted funds	**70,494**	67,967
Unquoted funds	**53,148**	73,860
Total investment securities	**22,670,111**	19,505,154

7. Loans and advances, net

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
(a) **Loans and advances**		
Retail banking	**25,853,411**	24,971,238
Wholesale banking	**23,557,508**	19,716,484
Business banking	**11,436,756**	11,255,884
Total loans and advances [Note 7(b)]	**60,847,675**	55,943,606
Provision for credit losses [Note 7(c)]	**(2,766,133)**	(2,697,580)
Net loans and advances	**58,081,542**	53,246,026

7. Loans and advances, net (continued)

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
(b) Analysis of loans and advances		
Personal loans	**5,973,024**	5,875,560
Mortgage loans	**13,739,863**	13,039,305
Credit cards	**2,950,849**	2,848,091
Auto loans	**409,951**	456,904
RAK Business loans	**3,711,553**	4,056,522
Other Business banking loans	**7,725,203**	7,199,362
Wholesale banking loans	**23,557,508**	19,716,484
Other retail loans	**2,779,724**	2,751,378
Total loans and advances	**60,847,675**	55,943,606
(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)]	**384,675**	543,296
Written-off during the year	**(316,122)**	(695,770)
Balance at the end of the year	**2,766,133**	2,697,580
(d) Net impairment charge on loans and advances		
Impairment allowance for the year [Note 7(c)]	**384,675**	543,296
Net recoveries during the year	**(45,190)**	(136,771)
	339,485	406,525

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

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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Islamic financing assets		
Islamic retail financing assets	**3,841,354**	3,666,201
Islamic business banking assets	**2,365,009**	2,525,950
Islamic wholesale banking assets	**1,846,634**	1,239,206
Total Islamic financing assets	**8,052,997**	7,431,357
Provision for credit losses	**(367,955)**	(328,910)
Net Islamic financing assets	**7,685,042**	7,102,447

7. Loans and advances, net (continued)

(e) Islamic financing assets (continued)

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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Analysis of Islamic financing assets		
Islamic Business Banking Finance	**2,365,009**	2,525,950
Islamic Salam Personal finance	**2,544,354**	2,477,080
Islamic Ijara Property Finance	**1,199,232**	1,089,731
Islamic Wholesale Banking	**1,846,634**	1,239,206
Islamic Murabaha Auto Finance	**45,839**	50,624
Islamic Credit Cards	**51,929**	48,766
Total Islamic financing assets	**8,052,997**	7,431,357

8. Other assets

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Interest receivable	**748,050**	685,308
Profit receivable on Islamic financing assets	**154,332**	117,759
Prepayments	**87,310**	78,627
Foreign exchange and other derivative contracts (Note 18)	**493,663**	460,013
Precious metals on hand	**664,705**	901,355
Islamic profit paid in advance	**18,807**	6,615
Others*	**352,190**	190,970
	2,519,057	2,440,647

*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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Term borrowings	**2,729,705**	5,260,798
Repurchase agreements	**3,900,177**	2,745,889
Demand deposits	**332,485**	239,328
	6,962,367	8,246,015

9. Due to other banks (continued)

As at 30 June 2026:

- Quoted debt securities with fair value of AED 4,187 million and carrying value of AED 4,178 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 3,900 million (31 December 2025: AED 2,155 million) [Note 6].
- Borrowed quoted debt securities with fair value of AED Nil (31 December 2025: AED 627 million) have been given as collateral against repo borrowings of AED Nil (31 December 2025: AED 591 million) [Note 5].
- Repurchase agreements include borrowings from non-banking financial institutions.

10. Deposits from customers

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Current accounts	**42,406,330**	40,892,408
Time deposits	**26,810,102**	24,636,746
Saving deposits	**4,120,725**	3,696,538
Call deposits	**1,809,440**	1,233,840
	75,146,597	70,459,532

Deposits include AED 2,944 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:

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Murabaha term deposit	**1,421,200**	2,628,985
Qard-E-Hassan - current accounts	**1,848,767**	1,761,684
Wakala deposits	**1,651,812**	824,985
Mudaraba - current accounts	**470,001**	439,107
Mudaraba - saving accounts	**357,883**	304,136
Mudaraba - call deposits	**12,806**	10,473
Mudaraba term investment deposits	**6,882**	6,483
	5,769,351	5,975,853

11. Debt securities issued and other long-term borrowings

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
AED 370 million bilateral borrowing (a)	**-**	370,000
USD 50 million bilateral borrowing (b)	**-**	183,650
AED 370 million Islamic bilateral borrowing (c)	**-**	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)	**2,200,249**	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	**(13,250)**	(13,044)
Fair value adjustment on hedged medium-term note	**(1,611)**	11,601
	6,172,838	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.

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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Reinsurance contract assets		
Incurred claims for contracts under Premium Allocation Approach (PAA)		
Present value of future cashflows	**394,035**	358,213
Risk adjustment for non-financial risk	**11,056**	10,347
	405,091	368,560
Remaining coverage excluding loss-recovery component	**(99,663)**	(49,466)
Remaining coverage loss recovery component	**-**	-
	305,428	319,094
Insurance contract liabilities		
Liabilities for Incurred Claims (LIC) under Premium Allocation Approach (PAA)		
Present value of future cashflows	**424,503**	430,137
Risk adjustment for non-financial risk	**16,377**	15,656
	440,880	445,793
Liabilities for Remaining Coverage (LRC)		
Excluding loss component	**154,993**	165,649
Loss component	**443**	177
	155,436	165,826
	596,316	611,619

13. Other liabilities

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Interest payable	**458,297**	429,443
Profit distributable on Islamic deposits	**20,628**	17,699
Accrued expenses	**787,392**	751,043
Provision for staff end-of-service benefits	**155,095**	154,054
Foreign exchange and other derivatives contracts (Note 18)	**447,416**	352,775
Credit card payables and liabilities	**165,123**	85,286
Managers cheques issued	**476,700**	378,007
Insurance related payables	**6,090**	6,068
Reinsurance contract liabilities	**42,309**	30,931
Provision for Corporate Tax (Note 26)	**431,932**	265,940
Others	**490,092**	543,931
	3,481,074	3,015,177

14. Subordinated notes

	30 June 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	**(2,135)**	(2,470)
Fair value adjustment on hedged medium-term note	**(5,183)**	1,132
	910,932	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 five 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 30 June 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 dividends of 63% of the issued and paid-up capital amounting to AED 1,267 million (2025: 50% of the issued and paid-up capital amounting to AED 1,006 million for the year ended 31 December 2024) for the year ended 31 December 2025 was paid after the shareholder's approval in the annual general meeting held on 2 March 2026.

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

	30 June 2026 AED'000 (un-audited)	31 December 2025 AED'000 (audited)
Irrevocable commitments to extend credit	**4,451,693**	6,171,880
Letters of guarantee - Financial	**2,517,905**	2,204,354
Letters of guarantee – Non-financial	**2,283,077**	2,292,550
Letters of credit	**911,638**	397,521
Capital commitments and other contingencies	**584,741**	110,561
	10,749,054	11,176,866

The Group is holding AED 44.3 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 12,165 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 30 June 2026 and 31 December 2025 are as follows:

	Fair Values		
	Assets AED'000	**Liability AED'000**	**Notional AED'000**
30 June 2026			
Foreign exchange contracts	**270,661**	**246,940**	**68,771,294**
Interest rate swaps	**192,148**	**136,067**	**12,300,839**
Other derivative contracts	**30,854**	**64,409**	**5,118,432**
	493,663	**447,416**	**86,190,565**
31 December 2025			
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

19. Interest income and expense

	Three months period ended 30 June		Six months period ended 30 June	
	2026	2025	**2026**	2025
	(un-audited)	(un-audited)	**(un-audited)**	(un-audited)
	AED'000	AED'000	**AED'000**	AED'000
Interest income				
Personal loans	**65,220**	62,799	**130,559**	125,697
Mortgage loans	**107,324**	92,404	**212,328**	186,672
Credit cards	**88,657**	75,850	**172,294**	153,978
Auto loans	**6,323**	6,981	**13,370**	13,706
RAK Business loans	**120,874**	137,373	**247,991**	263,124
Wholesale banking loans	**284,336**	257,201	**553,067**	483,862
Other Business banking loans	**143,718**	131,336	**281,762**	258,109
Other retail banking loans	**31,168**	35,429	**65,031**	71,725
Investment securities	**207,445**	187,170	**414,885**	357,989
Deposits with the U.A.E. Central Bank	**27,715**	29,870	**55,531**	57,371
Other banks	**165,775**	158,172	**331,689**	319,735
	1,248,555	1,174,585	**2,478,507**	2,291,968
Interest expense				
Due to customers	**314,917**	229,353	**596,857**	453,931
Debt securities issued and other borrowings	**30,252**	31,534	**60,209**	63,024
Borrowings from other banks	**107,220**	124,250	**205,338**	224,780
Subordinated note	**13,872**	13,650	**27,761**	27,300
	466,261	398,787	**890,165**	769,035

20. Income from Islamic financing and distribution to depositors

	Three months period ended 30 June		Six months period ended 30 June	
	2026	2025	**2026**	2025
	(un-audited)	(un-audited)	**(un-audited)**	(un-audited)
	AED'000	AED'000	**AED'000**	AED'000
Income from Islamic financing				
Islamic Salam personal finance	**48,224**	46,297	**96,633**	89,632
Islamic Auto Murabaha	**800**	831	**1,723**	1,580
Islamic Business banking finance	**61,440**	79,503	**134,171**	158,086
Islamic Wholesale banking finance	**35,320**	26,469	**67,291**	45,957
Islamic Ijara property finance	**13,673**	12,827	**26,524**	26,063
Islamic Investment income	**39,346**	31,298	**71,138**	59,860
	198,803	197,225	**397,480**	381,178
Distribution to depositors				
Distribution of profit on Islamic term investment deposits	**32,227**	41,899	**64,904**	89,587
Bilateral long-term borrowings	**19,840**	21,825	**42,637**	38,087
Distribution of profit on Islamic demand deposits	**9,771**	320	**12,498**	569
	61,838	64,044	**120,039**	128,243

21. Net fees and commission income

	Three months period ended 30 June		Six months period ended 30 June	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000	**2026 (un-audited) AED'000**	2025 (un-audited) AED'000
Personal loans	**4,901**	5,578	**10,825**	11,379
Mortgage loans	**2,674**	3,890	**3,957**	8,748
Credit cards	**37,165**	57,444	**94,298**	107,983
Auto loans	**411**	1,020	**1,109**	2,089
Wholesale banking loans	**38,064**	29,405	**76,191**	58,713
Business banking loans	**70,315**	59,233	**145,563**	126,493
Fiduciary income	**18,202**	16,064	**38,247**	33,471
Bancassurance	**5,724**	4,778	**10,707**	8,199
Others	**35,384**	52,863	**55,818**	77,689
	212,840	230,275	**436,715**	434,764

22. Investment income

	Three months period ended 30 June		Six months period ended 30 June	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000	**2026 (un-audited) AED'000**	2025 (un-audited) AED'000
Dividend income	**11,564**	5,416	**27,019**	25,032
Net gain on disposal of investments	**15,900**	13,304	**64,926**	119,608
Fair value income	**16,368**	10,967	**5,524**	11,498
	43,832	29,687	**97,469**	156,138

23. Other operating income

	Three months period ended 30 June		Six months period ended 30 June	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000	**2026 (un-audited) AED'000**	2025 (un-audited) AED'000
Net insurance income	**3**	1,052	**(14)**	2,055
Other income*	**13,011**	1,784	**490,368**	8,545
	13,014	2,836	**490,354**	10,600

*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.

24. General and administrative expenses

	Three months period ended 30 June		Six months period ended 30 June	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000 Restated	**2026 (un-audited) AED'000**	2025 (un-audited) AED'000 Restated
Staff costs	**249,721**	257,652	**514,457**	494,060
Outsourced staff costs	**37,306**	29,303	**71,852**	54,276
Occupancy costs	**10,323**	15,719	**21,370**	29,701
Marketing expenses	**7,895**	10,188	**19,563**	20,399
Depreciation and amortisation	**37,431**	30,224	**72,945**	58,268
Communication costs	**13,667**	12,368	**32,160**	26,648
Credit card expenses	**11,654**	12,971	**34,185**	29,204
Information and technology expenses	**51,229**	44,859	**108,063**	98,718
Others	**20,878**	43,087	**41,572**	79,472
	440,104	456,371	**916,167**	890,746

25. Net impairment charge

	Six months period ended 30 June	
	2026 (un-audited) AED'000	2025 (un-audited) AED'000
Net impairment charge on loans and advances	**339,485**	110,126
Net impairment (release)/charge on due from other banks	**(15,791)**	40,865
Net impairment charge/(release) on debt securities measured at FVOCI	**5,376**	(2,127)
Net impairment charge/(release) on debt securities measured at amortised cost	**439**	(3,133)
Net impairment (release)/charge on other receivables and acceptances	**(4,979)**	3,810
Net impairment charge on off balance sheet items	**4,960**	23,588
Total net impairment charge	**329,490**	173,129

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/ (release)** AED'000	**Other movement** AED'000	**At 30 June 2026** AED'000
Due from other banks	92,151	(15,791)	-	**76,360**
Loans and advances	2,697,580	384,675	(316,122)	**2,766,133**
Debt investment securities – FVOCI	64,788	5,376	(145)	**70,019**
Debt Investment securities – amortised cost	30,369	439	-	**30,808**
Other receivables	44,673	(4,523)	352	**40,502**
Customer acceptances	3,313	(402)	-	**2,911**
Off balance sheet items	39,301	4,960	-	**44,261**
Total	2,972,175	**374,734**	**(315,915)**	**3,030,994**

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:

	Six months period ended 30 June	
	2026	2025
	(un-audited)	(un-audited)
	AED'000	AED'000
Current tax recognized in profit or loss for the period		
Current tax expense on profits for the period	**166,836**	133,355
Current tax recognized in Other comprehensive income for the period		
Current tax expense/(income) for the period recognized on items that will not be reclassified subsequently to profit or loss	**(819)**	8,466

	30 June 2026	31 December 2025
	AED'000	AED'000
	(un-audited)	(audited)
Deferred income tax liability		
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	**(14,317)**	15,202
	9,806	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 8.88% (30 June 2025: 8.85%). The provision for corporate tax held as of 30 June 2026 was AED 432 million (31 December 2025: AED 266 million) (Note 13).

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 30 June		Six months period ended 30 June	
	2026 (Un-audited) AED'000	2025 (Un-audited) AED'000	**2026 (Un-audited) AED'000**	2025 (Un-audited) AED'000
Profit for the period (attributed to owners of the Bank)	**702,347**	666,594	**1,706,636**	1,368,809
Weighted average number of shares in issue (in thousands)	**2,011,495**	2,011,495	**2,011,495**	2,011,495
Basic and diluted earnings per share (AED)	**0.35**	0.33	**0.85**	0.68

28. Fiduciary activities

The Group holds assets in a fiduciary capacity for its customers without recourse. At 30 June 2026, market value of such assets amounted to AED 6,811 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

	30 June 2026 (un-audited) AED'000	30 June 2025 (un-audited) AED'000
Cash in hand and balances with UAE Central Bank	**7,123,936**	8,758,657
Due from other banks	**16,587,092**	16,416,623
	23,711,028	25,175,280
Less: Due from other banks original maturity of three months or more	**(13,249,518)**	(14,315,285)
Cash and cash equivalents	**10,461,510**	10,859,995

30. Operating segments

Following the management approach of IFRS 8 *Operating Segments* ('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.

30. Operating segments (continued)

The segment information provided to the management for the reportable segments for the periods ended 30 June 2026 and 30 June 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
30 June 2026					
Net external interest income	416,999	928,040	462,165	(218,862)	1,588,342
Income from Islamic financing net of distribution to depositors	108,100	86,481	130,985	(48,125)	277,441
Internal revenue	44,896	(453,750)	314,084	94,770	-
Net interest income and net income from Islamic financing	569,995	560,771	907,234	(172,217)	1,865,783
Non-interest income	255,363	332,099	176,511	495,319	1,259,292
Operating income	825,358	892,870	1,083,745	323,102	3,125,075
General and administrative expenses	(436,789)	(157,592)	(324,383)	2,597	(916,167)
Operating profit before net impairment charge and tax	388,569	735,278	759,362	325,699	2,208,908
Net impairment charge	(14,118)	80,854	(113,153)	(283,073)	(329,490)
Profit for the period before tax	374,451	816,132	646,209	42,626	1,879,418
Income tax expense	-	-	-	(166,836)	(166,836)
Profit for the period after tax	374,451	816,132	646,209	(124,210)	1,712,582
As at 30 June 2026					
Segment assets	26,564,600	69,700,895	10,461,835	1,884,093	108,611,423
Segment liabilities	25,308,218	27,746,278	27,665,119	12,873,110	93,592,725

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
30 June 2025					
Net external interest income	436,759	771,642	465,069	(150,537)	1,522,933
Income from Islamic financing net of distribution to depositors	106,951	27,948	156,730	(38,694)	252,935
Internal revenue	(18,264)	(339,263)	275,012	82,515	-
Net interest income and net income from Islamic financing	525,446	460,327	896,811	(106,716)	1,775,868
Non-interest income	277,470	350,394	157,683	9,627	795,174
Operating income	802,916	810,721	1,054,494	(97,089)	2,571,042
General and administrative expenses	(422,920)	(141,868)	(324,249)	(1,709)	(890,746)
Operating profit before net impairment charge and tax	379,996	668,853	730,245	(98,798)	1,680,296
Net impairment charge	(58,946)	(75,107)	(40,279)	1,203	(173,129)
Profit for the period before tax	321,050	593,746	689,966	(97,595)	1,507,167
Income tax expense	-	-	-	(133,355)	(133,355)
Profit for the period after tax	321,050	593,746	689,966	(230,950)	1,373,812
As at 31 December 2025					
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 4.5 million (2025: AED 9.4 million).

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

	Six month period ended 30 June	
	2026 (Un-audited) AED'000	2025 (Un-audited) AED'000
Transactions during the period		
Interest income	**61,839**	55,620
Insurance income	**73,480**	57,784
Commission income	**11,027**	3,005
Other income	**2,962**	4,854
Interest expense	**105,197**	74,049
Insurance expense	**29,300**	33,648
Other expenses	**134**	200
Directors' and key management personnel's remuneration and sitting fees	**62,564**	61,713

31. Related parties (continued)

	30 June 2026 (un-audited)	31 December 2025 (audited)
Balances		
Loans and advances:		
- Shareholders and their related companies	**2,492,906**	2,236,855
- Directors and their related companies	**808**	653
- Key management personnel	**10,933**	11,527
	2,504,647	2,249,035
Deposits		
- Shareholders and their related companies	**7,392,121**	5,430,312
- Directors and their related companies	**20,899**	38,004
- Key management personnel	**29,966**	24,778
	7,442,986	5,493,094
Other assets		
- Shareholders and their related companies	**41,788**	23,984
- Key management personnel	**136**	600
	41,924	24,584
Other liabilities		
- Shareholders and their related companies	**9,772**	5,976
- Key management personnel	**12,206**	9,421
	21,978	15,397
Commitments, contingent liabilities and derivative contracts		
- Shareholders and their related companies	**3,711,565**	10,510,234
- Directors and their related companies	**778**	575
- Key management personnel	**1,497**	1,186
	3,713,840	10,511,995

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

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 30 June 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**	
	30 June 2026 (un-audited) AED'000	31 December 2025 (Audited) AED'000	**30 June 2026 (un-audited) AED'000**	31 December 2025 (audited) AED'000
Assets				
Loans and advances	**57,337,667**	52,963,934	**58,081,542**	53,246,026
Investment securities measured at fair value	**12,235,058**	10,341,339	**12,235,057**	10,341,339
Investment securities measured at amortised cost	**10,450,763**	9,294,616	**10,404,246**	9,133,446
Cash and balances with the UAE central Bank	**7,123,936**	11,625,579	**7,123,936**	11,625,579
Due from other banks	**16,379,230**	16,238,068	**16,510,732**	16,411,627
Total financial assets	**103,526,654**	100,463,536	**104,355,513**	100,758,017
Liabilities				
Due to other banks	**7,049,677**	8,526,017	**6,962,367**	8,246,015
Deposits from customers	**75,143,621**	70,452,988	**75,146,597**	70,459,532
Debt securities issued and other long-term borrowings	**6,500,156**	6,922,653	**6,172,838**	6,558,307
Subordinated note	**925,963**	925,265	**910,932**	916,912
Total financial liabilities	**89,619,417**	86,826,923	**89,192,734**	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.

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
30 June 2026 (un-audited)				
Assets at fair value				
Through other comprehensive income				
Investment securities – debt	**10,853,159**	**-**	**4,141**	**10,857,300**
Investment securities – equity	**638,888**	**-**	**1,891**	**640,779**
Through profit and loss				
Investment market fund	**70,494**	**-**	**53,148**	**123,642**
Investment securities – debt	**572,437**	**-**	**-**	**572,437**
Investment securities – equity	**40,899**	**-**	**-**	**40,899**
Derivative financial instruments	**-**	**493,663**	**-**	**493,663**
	12,175,877	**493,663**	**59,180**	**12,728,720**
Liabilities at fair value				
Through profit and loss				
Derivative financial instruments	**-**	**447,416**	**-**	**447,416**

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)				
Asset at fair value				
Through other comprehensive income:				
Investment securities - debt	9,168,697	91,948	-	9,260,645
Investment securities - equity	642,033	-	758	642,791
Through profit and loss:				
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
Liabilities at fair value				
Through profit and loss				
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 27 million (30 June 2025: AED 25 million) of seasonal nature was recorded in the condensed consolidated interim financial information for the period.

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 45.0 million as of 30 June 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:

	30 June 2026 (un-audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Grand Total**
	AED'000	**AED'000**	**AED'000**	**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	(1,378,720)	1,378,720	-	-
Stage 2 to Stage 3 transfer	-	(505,295)	505,295	-
Stage 2 to Stage 1 transfer	775,513	(775,513)	-	-
Stage 3 to Stage 2 transfer	-	30,665	(30,665)	-
Change in exposures during the period	(11,765,258)	(421,346)	(105,802)	(12,292,406)
New financial assets originated and other transfers	17,451,313	61,284	-	17,512,597
Write-offs	-	-	(316,122)	(316,122)
Closing balance 30 June 2026	57,923,637	1,828,828	1,095,210	60,847,675

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:

	30 June 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	**(4,422,361)**	-	-	**(4,422,361)**
New financial assets originated	**4,505,674**	-	-	**4,505,674**
Closing balance 30 June 2026	**16,587,091**	**-**	**-**	**16,587,091**

	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

36. Risk management (continued)

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

	30 June 2026 (un-audited)			
	Stage 1 AED'000	**Stage 2** AED'000	**Stage 3** AED'000	**Grand Total** AED'000
Opening balance 1 January 2026	**9,136,237**	**130,155**	**59,041**	**9,325,433**
Change in Exposures during the period	(1,981,469)	(35,836)	(2,476)	(2,019,781)
New Financial Assets Originated	3,621,667	-	-	3,621,667
Closing balance 30 June 2026	10,776,435	94,319	56,565	10,927,319

	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	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:

	30 June 2026 (un-audited)			
	Stage 1 AED'000	**Stage 2** AED'000	**Stage 3** AED'000	**Grand Total** 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	(2,015,322)	(29,309)	76	(2,044,555)
New financial assets originated	3,315,794	-	-	3,315,794
Closing balance 30 June 2026	**10,223,329**	**204,444**	**7,281**	**10,435,054**

	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	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

36. Risk management (continued)

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

	30 June 2026 (un-audited)			
	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Grand Total AED'000**
As at 1 January 2026	**1,297,964**	**424,428**	**975,188**	**2,697,580**
Stage 1 to Stage 2 transfer	**(76,173)**	**76,173**	**-**	**-**
Stage 2 to Stage 3 transfer	**-**	**(115,105)**	**115,105**	**-**
Stage 2 to Stage 1 transfer	**74,847**	**(74,847)**	**-**	**-**
Stage 3 to Stage 2 transfer	**-**	**20,492**	**(20,492)**	**-**
Changes in PD's/ LGD's/ EAD	**(110,917)**	**144,931**	**187,049**	**221,063**
New financial assets originated and other transfers	**145,154**	**18,458**	**-**	**163,612**
Write offs	**-**	**-**	**(316,122)**	**(316,122)**
As at 30 June 2026	**1,330,875**	**494,530**	**940,728**	**2,766,133**

	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:

	30 June 2026 (un-audited)			
	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Grand Total 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	**(24,305)**	-	-	**(24,305)**
New financial assets originated	**8,514**	-	-	**8,514**
As at 30 June 2026	**76,360**	-	-	**76,360**

	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

36. Risk management (continued)

Provision for expected credit loss for investment securities – FVOCI:

	30 June 2026 (un-audited)			
	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Grand Total AED'000**
As at 1 January 2026	**14,196**	**6,995**	**43,597**	**64,788**
Changes in PD's/ LGD's/ EAD	**(520)**	**(598)**	**(578)**	**(1,696)**
New financial assets originated	**6,927**	**-**	**-**	**6,927**
As at 30 June 2026	**20,603**	**6,397**	**43,019**	**70,019**

	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:

	30 June 2026 (un-audited)			
	Stage 1 AED'000	**Stage 2 AED'000**	**Stage 3 AED'000**	**Grand Total 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	**(1,662)**	**485**	**76**	**(1,101)**
New financial assets originated	**1,540**	**-**	**-**	**1,540**
As at 30 June 2026	**9,452**	**14,075**	**7,281**	**30,808**

	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

36. Risk management (continued)

During the six-month period ended 30 June 2026, the Middle East experienced heightened geopolitical tensions and military developments, including regional conflict escalation and associated disruptions to trade, logistics and financial markets. Although a ceasefire and diplomatic initiatives have contributed to a reduction in immediate military activity in certain areas, the overall geopolitical environment remains uncertain and continues to be characterised by elevated security risks, volatility in energy markets and potential disruption to regional trade routes and economic activity.

The Group continues to closely monitor developments across the region through its established risk management, business continuity and crisis management frameworks. The Group has assessed the resilience of its operations, funding profile, liquidity position and customer portfolios under a range of stress scenarios and remains satisfied that it is well positioned to manage potential adverse developments arising from the evolving geopolitical environment.

During the period, the Central Bank of the UAE ("CBUAE") introduced a Financial Institution Resilience Package (FIRP) aimed at supporting the stability and resilience of the UAE banking sector. 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 Group utilised AED 1.8 billion of the eligible reserve balance drawdown available for the last reserve maintenance period under the Reserve Balance Measure to enhance liquidity management flexibility and support normal banking operations. The utilisation was temporary in nature and did not indicate any liquidity stress. The Group did not utilise any of the collateralised term liquidity facilities or capital relief measures available under the package.

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.

In line with the customer support measures under the FIRP, the Group has continued to provide financial assistance to eligible customers affected by prevailing economic conditions. As at 30 June 2026, the financial loan relief provided by the Group under these measures amounted to AED 641 million.

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 30 June 2026.

38. Comparative amounts

Certain prior year/period comparatives have been reclassified wherever necessary to conform to the presentation adopted in the current year/period.

39. Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was approved on 23 July 2026.