# INVEST BANK P.S.C.

**Review Report and condensed consolidated interim financial information for the six-month period ended 30 June 2026**

**Registered office**
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P O Box 1885 - Sharjah
United Arab Emirates

# INVEST BANK P.S.C.

**Condensed consolidated interim financial information for the six-month period ended 30 June 2026**

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# INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INVEST BANK P.S.C.

*Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Invest Bank P.S.C. (the "Bank") and its subsidiaries (together referred to as "the Group") as of 30 June 2026, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and material accounting policy information and other explanatory notes. Management is 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 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

*Other Matter*

The Group's consolidated financial statements for the year ended 31 December 2025 and condensed consolidated interim financial information for the six-month period ended 30 June 2025 were audited and reviewed respectively by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements and that information on 23 February 2026 and 13 August 2025 respectively.

Deloitte & Touche (M.E.)

Obada AlKowatly
Registration No. 1056
06 August 2026
Abu Dhabi
United Arab Emirates

## INVEST BANK P.S.C.

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

| | *Note* | **30 June 2026 Unaudited AED'000** | 31 December 2025 Audited AED'000 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and balances with central banks, net | *4* | **2,547,425** | 2,092,121 |
| Due from banks, net | *5* | **1,062,906** | 838,822 |
| Investment securities, net | *6* | **1,696,430** | 1,468,471 |
| Loans and advances to customers, net | *7* | **8,782,174** | 7,194,902 |
| Reimbursement asset | *3* | **1,261,559** | 1,506,690 |
| Other assets, net | *8* | **781,679** | 1,068,268 |
| **Total assets** | | **16,132,173** | 14,169,274 |
| **LIABILITIES** | | | |
| Due to banks | *9* | **125,069** | 214,735 |
| Deposits from customers | *10* | **13,284,383** | 11,332,763 |
| Other liabilities | *11* | **1,004,806** | 978,690 |
| **Total liabilities** | | **14,414,258** | 12,526,188 |
| **EQUITY** | | | |
| Share capital | *12* | **3,202,493** | 3,202,493 |
| Statutory reserve | | **14,147** | 14,147 |
| Fair value reserve | | **(39,702)** | (39,930) |
| Foreign currency translation reserve | | **21,665** | 21,665 |
| Accumulated losses | | **(1,480,076)** | (1,555,383) |
| Equity attributable to equity holder of the Bank | | **1,718,527** | 1,642,992 |
| Non-controlling interest | | **(612)** | 94 |
| **Total equity** | | **1,717,915** | 1,643,086 |
| **Total liabilities and equity** | | **16,132,173** | 14,169,274 |

The accompanying notes 1 to 30 form an integral part of this condensed consolidated interim financial information.

This condensed consolidated interim financial information was approved and authorized for issued by the Board of Directors on 06 August 2026 and signed on their behalf by:

Chief Executive Officer

Director

## INVEST BANK P.S.C.

### Condensed consolidated interim statement of profit or loss
### for the six-month period ended 30 June 2026

| | Note | Six month period ended 30 June 2026 Unaudited AED'000 | Six month period ended 30 June 2025 Unaudited AED'000 | Three-month period ended 30 June 2026 Unaudited AED'000 | Three-month period ended 30 June 2025 Unaudited AED'000 |
|---|---|---|---|---|---|
| Interest income | *13* | **353,282** | 248,618 | **198,368** | 132,788 |
| Interest expense | *14* | **(189,270)** | (170,932) | **(98,233)** | (87,384) |
| **Net interest income** | | **164,012** | 77,686 | **100,135** | 45,404 |
| Income from Islamic financing and investing products | | **46** | - | **46** | - |
| **Total net interest income and income from Islamic financing and investing** | | **164,058** | 77,686 | **100,181** | 45,404 |
| Net fees and commission income | *15* | **45,879** | 42,528 | **25,729** | 20,959 |
| Net income from foreign currencies | | **14,954** | 3,522 | **9,201** | 1,530 |
| Other operating income - net | *16* | **33,909** | 21,837 | **11,646** | 15,334 |
| **Total operating income** | | **258,800** | 145,573 | **146,757** | 83,227 |
| **Operating expenses:** | | | | | |
| Staff cost | | **(127,169)** | (87,123) | **(66,898)** | (46,670) |
| Depreciation and amortization | | **(5,074)** | (5,513) | **(2,687)** | (2,756) |
| Other operating expenses | *17* | **(70,493)** | (43,190) | **(35,834)** | (24,487) |
| **Total operating expenses** | | **(202,736)** | (135,826) | **(105,419)** | (73,913) |
| **Operating profit before impairment charge and tax** | | **56,064** | 9,747 | **41,338** | 9,314 |
| Net reversal of impairment provision | *18* | **24,448** | 40,314 | **16,750** | 29,379 |
| **Profit before taxation** | | **80,512** | 50,061 | **58,088** | 38,693 |
| Tax expense | *19* | **(5,911)** | (1,140) | **(5,261)** | (900) |
| **Net profit for the period** | | **74,601** | 48,921 | **52,827** | 37,793 |
| **Attributable to:** | | | | | |
| Equity holders of the Bank | | **75,307** | 48,921 | **53,181** | 37,793 |
| Non-controlling interest | | **(706)** | - | **(354)** | - |
| **Net profit for the period** | | **74,601** | 48,921 | **52,827** | 37,793 |
| **Earnings per share (AED)** | *20* | **0.0003** | 0.0002 | **0.0002** | 0.0001 |

The accompanying notes 1 to 30 form an integral part of this condensed consolidated interim financial information.

## INVEST BANK P.S.C.

### Condensed consolidated interim statement of comprehensive income
### for the six-month period ended 30 June 2026

| | Note | Six month period ended | | Three-month period ended | |
|---|---|---|---|---|---|
| | | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| **Profit for the period** | | **74,601** | 48,921 | **52,827** | 37,793 |
| **Other comprehensive income:** | | | | | |
| **Items that may be re-classified subsequently to the condensed consolidated interim statement of profit or loss:** | | | | | |
| Change in fair value of debt securities measured at fair value through other comprehensive income | | **(914)** | - | **(492)** | (769) |
| **Items that will not be reclassified subsequently to condensed consolidated interim statement of profit or loss:** | | | | | |
| Net change in fair value of equity instruments measured at fair value through other comprehensive income | | **1,142** | 968 | **5** | 968 |
| **Other comprehensive income for the period** | | **228** | 968 | **(487)** | 199 |
| **Total comprehensive income for the period** | | **74,829** | 49,889 | **52,340** | 37,992 |
| Attributable to: | | | | | |
| Equity holders of the Bank | | **75,535** | 49,889 | **52,694** | 37,992 |
| Non-controlling interest | | **(706)** | - | **(354)** | - |
| Total comprehensive income for the period | | **74,829** | 49,889 | **52,340** | 37,992 |

The accompanying notes 1 to 30 form an integral part of this condensed consolidated interim financial information.

## INVEST BANK P.S.C.

### Condensed consolidated interim statement of changes in equity
### for the six-month period ended 30 June 2026

| | Share capital AED'000 | Statutory reserve AED'000 | Foreign currency translation reserve AED'000 | Fair value reserve AED'000 | Accumulated losses AED'000 | Total AED'000 | Non-controlling interest AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2026** | **3,202,493** | **14,147** | **21,665** | **(39,930)** | **(1,555,383)** | **1,642,992** | **94** | **1,643,086** |
| Profit for the period | - | - | - | - | **75,307** | **75,307** | **(706)** | **74,601** |
| Other comprehensive income for the period | - | - | - | **228** | - | **228** | - | **228** |
| **Total comprehensive income for the period** | - | - | - | **228** | **75,307** | **75,535** | **(706)** | **74,829** |
| **Balance at 30 June 2026 (Unaudited)** | **3,202,493** | **14,147** | **21,665** | **(39,702)** | **(1,480,076)** | **1,718,527** | **(612)** | **1,717,915** |
| Balance at 1 January 2025 | 3,202,493 | - | 21,665 | (43,722) | (1,701,718) | 1,478,718 | - | 1,478,718 |
| Profit for the period | - | - | - | - | 48,921 | 48,921 | - | 48,921 |
| Other comprehensive income for the period | - | - | - | 968 | - | 968 | - | 968 |
| Total comprehensive income for the period | - | - | - | 968 | 48,921 | 49,889 | - | 49,889 |
| Balance at 30 June 2025 (Unaudited) | 3,202,493 | - | 21,665 | (42,754) | (1,652,797) | 1,528,607 | - | 1,528,607 |

The accompanying notes 1 to 30 form an integral part of this condensed consolidated interim financial information.

# INVEST BANK P.S.C.

## Condensed consolidated interim statement of cash flows
## for the six-month period ended 30 June 2026

| | Note | For the six-month period ended 30 June 2026 Unaudited AED'000 | 30 June 2025 Unaudited AED'000 |
|---|---|---|---|
| **OPERATING ACTIVITIES:** | | | |
| Profit before taxation | | **80,512** | 50,061 |
| **Adjustments for:** | | | |
| Depreciation and amortization | | **5,074** | 5,513 |
| Net (gain) / loss on investment securities | | **(1,243)** | 81 |
| Net (gain) on repossessed properties | | **(1,406)** | (8,972) |
| Loss on sale of property and equipment | | **31** | - |
| Net reversal of impairment charge | *18* | **(14,597)** | (40,234) |
| **Cash flows from operating activities before changes in operating assets and liabilities** | | **68,371** | **6,449** |
| Net movement in: | | | |
| Balances with central banks (with original maturity over three months) | | **-** | 104,069 |
| Due from banks with original maturity of over three months) | | **49,013** | 98,125 |
| Loans and advances to customers | | **(1,581,938)** | (1,125,441) |
| Reimbursement asset | *3* | **245,131** | 308,336 |
| Other assets | | **298,468** | 28,973 |
| Due to banks (with original maturity of over three months) | | **76,000** | 48,742 |
| Deposits from customers | | **1,951,620** | 1,472,041 |
| Other liabilities | | **40,881** | (42,963) |
| **Net cash from operating activities** | | **1,147,546** | 898,331 |
| **INVESTING ACTIVITIES:** | | | |
| Purchase of property and equipment | | **(30,902)** | (13,483) |
| Purchase of investment securities | | **(794,957)** | (454,540) |
| Proceeds from sale / maturity of investment securities | | **562,163** | 275,711 |
| Dividend income | | **961** | - |
| Proceeds from sale of repossessed properties | | **8,978** | 23,249 |
| **Net cash used in investing activities** | | **(253,757)** | (169,063) |
| **FINANCING ACTIVITIES:** | | | |
| Repayment of repo financing | | **(165,318)** | - |
| **Net cash from financing activity** | | **(165,318)** | **-** |
| **Net increase in cash and cash equivalents** | | **728,471** | 729,268 |
| Cash and cash equivalents at the beginning of the period | | **2,249,171** | 1,129,870 |
| **Cash and cash equivalents at the end of the period** | *21* | **2,977,642** | 1,859,138 |

The accompanying notes 1 to 30 form an integral part of this condensed consolidated interim financial information.

## 1. Legal status and activities

Invest Bank P.S.C. ("Invest Bank" or "the Bank") is a public shareholding company with limited liability incorporated in 1975 in the Emirates of Sharjah, United Arab Emirates (UAE) by an Emiri Decree issued by His Highness Dr. Sheikh Sultan Bin Mohammed Al Qassimi, Ruler of Sharjah. The registered address of the Bank is at Al Zahra Street, P. O. Box 1885, Sharjah, United Arab Emirates ("UAE").

The Bank is licensed by the Central Bank of the UAE (the "CBUAE") to carry out banking activities and is principally engaged in the business of corporate and retail banking through its network of branches located in the Emirate of Sharjah, Dubai and Abu Dhabi. During 2025, the Bank received a license from the CBUAE to carry Islamic Banking related activities in compliance with the Shariah principles and is in the process of launching shariah compliance products.

The Group also carries out banking activities through its branch ("the Branch") in Beirut, Lebanon licensed by the Central Bank of Lebanon (the "CB Lebanon"). As a result of the prevailing financial and economic conditions in Lebanon, management has assessed the situation and is in the process of liquidating the branch after having received the CB Lebanon approval to liquidate the branch.

The Bank's Islamic banking activities are conducted in accordance with principles of Islamic Shariah as interpreted by Internal Shariah Supervision Committee ("ISSC") as well as the standards and resolutions issued by the higher Shariah authority of CBUAE.

The Bank's shares are listed on the Abu Dhabi Securities Exchange ("ADX"). At 30 June 2026, the Government of Sharjah (GoS) owns 70.06% (31 December 2025: 70.06%) and 18.05% through its investment arm Sharjah Social Security Fund of the issued and paid-up share capital of the Bank. The consolidated financial statements of the Group as at and for the year ended 31 December 2025 are available at website (http://www.investbank.ae).

## 2. Summary of material accounting policies

### a. Basis of preparation

The condensed consolidated interim financial information incorporates the condensed consolidated interim financial information of Invest Bank P.S.C. and its subsidiaries (collectively referred to as "Group").

The condensed consolidated interim financial information has been prepared on a going concern basis and in accordance with IAS 34 - Interim Financial Reporting. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2025, which were prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The same accounting policies, presentation and methods of computation have been followed in this condensed consolidated interim financial information as were applied in the preparation and presentation of the Group's consolidated financial statements for the year ended 31 December 2025.

**2. Summary of material accounting policies** *(continued)*

**a. Basis of preparation** *(continued)*

Certain disclosure notes / numbers have been reclassified and rearranged from the Group's prior period condensed consolidated interim financial information to conform to the current period's presentation.

The 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.

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

The main areas of judgements, estimates and assumptions applied in this condensed consolidated interim financial information, including the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements of the Group for the year ended 31 December 2025.

These condensed consolidated interim financial information are prepared under the historical cost basis except for 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 |
| Non-financial assets acquired in settlement of loans and advances | Lower of cost or net realizable value (NRV), where NRV is the estimated selling price as at reporting date. |

**b. Basis of consolidation**

The condensed consolidated interim financial information incorporates the condensed consolidated interim financial information of Invest Bank P.S.C. and its subsidiaries (collectively referred to as "Group").

*i. Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the condensed consolidated interim financial information from the date that control commences until the date that control ceases.

## 2. Summary of material accounting policies *(continued)*

### b. Basis of consolidation *(continued)*

The following is the list of subsidiaries of the Bank as at 30 June 2026:

| Name of subsidiary | Ownership Interest | Incorporation Year | Incorporation Country | Principal activities |
|---|---|---|---|---|
| Sharjah Expo Hotel LLC SP | 100% | 2014 | UAE | Hotel Business |
| Gulf Real Estate Structured Equity I, Ltd | 100% | 2006 | BVI | Special purpose vehicle |
| Ruba Real Estate LLC | 60% | 2025 | UAE | Real Estate Consulting |

The Group does not have any subsidiary with material non-controlling interests.

*ii. Loss of control*

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in condensed consolidated interim statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value when control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

*iii. 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. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### c. Application of new and revised IFRS

**New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

*Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments*

*Annual improvements to IFRS Accounting Standards — Volume 11*

**2. Summary of material accounting policies** *(continued)*

**c. Application of new and revised IFRS** *(continued)*

**New and revised IFRSs in issue but not yet effective**

| New and revised IFRSs | Effective for annual periods beginning on or after |
|---|---|
| IFRS 18: Presentation and disclosures in financial statements | 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendment to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture. | Effective date deferred indefinitely, available for early adoption. |
| Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) | 1 January 2027 |
| IFRS Sustainability Disclosure Standards IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information | Effective date not yet decided by the regulator in the United Arab Emirates |
| IFRS S2 Climate-related Disclosures | Effective date not yet decided by the regulator in the United Arab Emirates |

The Group has not early adopted any new and revised IFRS Accounting Standards that have been issued but are not yet effective. Management anticipates that these amendments will be adopted in the consolidated financial statements in the initial period when they become mandatorily effective. The Group is currently assessing the impact of these new standards, interpretations and amendments on the future consolidated financial statements.

**d. Functional and presentation currency**

The condensed consolidated interim financial information is prepared in United Arab Emirates Dirham (AED), which is the Group's functional and presentation currency. Items included in this condensed consolidated interim financial information of the Group's branch are measured using the currency of the primary economic environment viz. Lebanese Pound and translated to the presentation currency.

The condensed consolidated interim financial information is presented in the AED and has been rounded off to the nearest thousand unless otherwise indicated.

**3. Guarantee agreement with GoS**

On 10 May 2023 ("the effective date"), the Bank entered into a guarantee agreement ("the Guarantee Agreement") with the Government of Sharjah (the "Guarantor" or "GoS"), which is also the ultimate controlling shareholder of the Bank. Pursuant to the terms of the Guarantee Agreement, the GoS has undertaken to guarantee the Bank against losses of AED 3 billion in the net-book value of specified financial and non-financial assets.

**3. Guarantee agreement with GoS** *(continued)*

The Government of Sharjah subscribed for 230 billion shares and an amount of AED 2.3 billion became payable to the Bank for GoS's participation in the rights issue. The rights issue increased the shareholding of the Government of Sharjah from 50.07% to 88.11%. The Guarantor executed the Guarantee Agreement as a private act and for commercial purposes at an agreed fee of AED 2.6 billion. The Bank settled the agreed fees payable of AED 2.6 billion by offsetting an amount of AED 2.3 billion against the receivable from the Guarantor arising from the issuance of shares and the remaining amount of AED 0.3 billion was settled through cash payment to Government of Sharjah. The fee payable of AED 2.6 billion in consideration for the Guarantee was accounted for as a reimbursement asset.

As per the agreement, the Government of Sharjah shall compensate the Bank for all Defaulted Amounts which are caused by a Credit Event under the guaranteed portfolio. The Credit event is defined as an event that occurs when, the guaranteed asset is written off in accordance with the Bank's policies or the Bank sells the guarantee obligation at a price below the initial net book value, or balances related to the Lebanon operations are realized at an amount below the initial net book value. Further, the Government shall compensate the Bank for all value losses arising from the non-financial assets when the non-financial asset is disposed or impaired.

The Guarantee Agreement is for a period of 5 years from the effective date. The maximum amount that could be claimed over the term of the guarantee is AED 3 billion with a maximum cap of AED 800 million per calendar year. However, in the final year, there is no cap on the maximum amount that can be claimed. If and to the extent the maximum compensation under the guarantee has not been exhausted at the end of the term of the guarantee, the Bank and the guarantor shall determine the final cash payment by the guarantor to the Bank. Subsequent to any payment notice under the agreement, the guarantor has the right of review to ensure payment notices are in line with the internal policies in all materials respects.

Below table shows the movement in reimbursement asset during the period:

| | **30 June 2026 Unaudited AED'000** | 31 December 2025 Audited AED'000 |
|---|---|---|
| As at 1 January | **1,506,690** | 2,068,501 |
| Payment received during the period / year | **(245,131)** | (561,811) |
| As at 30 June / 31 December | **1,261,559** | 1,506,690 |

## 4. Cash and balances with central banks, net

| | 30 June 2026 AED'000 (Unaudited) | 31 December 2025 AED'000 (Audited) |
|---|---|---|
| Cash in hand | **80,116** | 57,734 |
| Balances with central banks [4.1] | **1,879,577** | 1,391,879 |
| Reserve requirements with the central banks [4.2] | **738,941** | 793,717 |
| | **2,698,634** | 2,243,330 |
| Less: expected credit loss [4.2] | **(151,209)** | (151,209) |
| | **2,547,425** | 2,092,121 |

[4.1] Includes overnight deposit amounting to AED 1,650 million (31 December 2025: AED 1,355 million) placed with CBUAE at 3.65% p.a. (31 December 2025: 3.65% p.a.).

[4.2] Statutory reserve requirement with the central banks are required to be maintained as per regulations of the CBUAE and the CB Lebanon. Reserves maintained with central banks represent deposits with central banks at stipulated percentages of its' demand, savings, time, and other deposits. As per CBUAE regulations, subject to meeting reserve requirements over 14 days' period, the Bank is allowed to draw its balances held in reserve account maintained with CBUAE. These reserves are available for day-to-day operations. Therefore, the balances have been included in cash and cash equivalents (Note 21).

## 5. Due from banks, net

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| Money market placements | **254,449** | 42,390 |
| Term loans | **633,593** | 658,864 |
| Nostro, margin and other balances | **175,838** | 138,820 |
| | **1,063,880** | 840,074 |
| Less: expected credit loss | **(974)** | (1,252) |
| | **1,062,906** | 838,822 |

| | | |
|---|---|---|
| The geographical concentration is as follows: | | |
| -Within the U.A.E. | **286,450** | 22,473 |
| -Outside the U.A.E. | **777,430** | 817,601 |
| | **1,063,880** | 840,074 |
| Less: expected credit loss | **(974)** | (1,252) |
| | **1,062,906** | 838,822 |

## 6. Investment securities, net

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| **Financial assets measured at fair value through profit or loss (FVTPL)** | | |
| Investments in quoted equity [6.1] | **10,072** | - |
| | | |
| **Financial assets measured at fair value through other comprehensive income (FVTOCI)** | | |
| Investments in fund and quoted equity | **13,632** | 11,216 |
| Perpetual notes | **56,700** | 82,009 |
| Investments in quoted debt securities | **38,117** | 51,173 |
| | | |
| **Financial assets at amortized cost:** | | |
| Investments in debt securities [6.2] | **1,587,667** | 1,328,714 |
| | **1,706,188** | 1,473,112 |
| Less: allowance for impairment | **(9,758)** | (4,641) |
| | **1,696,430** | 1,468,471 |

6.1 The Group purchased equity shares of a company listed in the Dubai Financial Market amounting to AED 10,072 thousand during the six-month period ended 30 June 2026 (Year ended 31 December 2025: Nil).

6.2 As at 30 June 2026, no securities were pledged under repo agreements (31 December 2025: 192,990 thousands).

## 7. Loans and advances to customers, net

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| Overdrafts | **4,185,715** | 4,772,590 |
| Bills discounted | **2,044,288** | 648,654 |
| Trust receipts | **591,397** | 537,696 |
| Term loans | **7,508,188** | 7,928,933 |
| | **14,329,588** | 13,887,873 |
| **Allowances for impairment:** | | |
| Interest in suspense | **(2,106,320)** | (2,293,370) |
| Expected credit loss | **(3,441,094)** | (4,399,601) |
| Net loans and advances to customers | **8,782,174** | 7,194,902 |
| | | |
| Islamic financing assets included in the above table are as follows: | | |
| Ijara financing | **6,711** | - |
| Less: Expected credit loss | **(491)** | - |
| | **6,220** | - |

**7. Loans and advances to customers, net** *(continued)*

Below table shows the movement in the impairment provision:

| | **Provision AED'000** | **Interest in suspense AED'000** | **Total AED'000** |
|---|---|---|---|
| At 1 January 2026 | **4,399,601** | **2,293,370** | **6,692,971** |
| Net impairment charge/(reversal) (Note 18) | **(5,334)** | **-** | **(5,334)** |
| Net movement in interest in suspense | **-** | **161,453** | **161,453** |
| Amounts written off | **(953,173)** | **(348,503)** | **(1,301,676)** |
| At 30 June 2026 (Unaudited) | **3,441,094** | **2,106,320** | **5,547,414** |

| | Provision AED'000 | Interest in suspense AED'000 | Total AED'000 |
|---|---|---|---|
| At 1 January 2025 | 5,129,902 | 2,458,571 | 7,588,473 |
| Net impairment reversal | (31,801) | - | (31,801) |
| Net movement in interest in suspense | - | 366,316 | 366,316 |
| Amounts written off | (698,500) | (531,517) | (1,230,017) |
| At 31 December 2025 (Audited) | 4,399,601 | 2,293,370 | 6,692,971 |

Stage wise loans and advances to customers at amortized cost and associated impairment allowance is as follows:

| | **Gross Loans and advances** | | **Allowance for Impairment** | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED’000** | 31 December 2025 Audited AED’000 | **30 June 2026 Unaudited AED’000** | 31 December 2025 Audited AED’000 |
| Stage 1 | **8,655,173** | 6,459,415 | **96,668** | 43,359 |
| Stage 2 | **158,122** | 749,156 | **32,019** | 92,695 |
| Stage 3 | **5,513,996** | 6,679,302 | **3,311,994** | 4,263,547 |
| Purchased or originated credit-impaired | **2,297** | - | **413** | - |
| | **14,329,588** | 13,887,873 | **3,441,094** | 4,399,601 |

**7. Loans and advances to customers, net** *(continued)*

**Impact of geopolitical developments**

During the period, the wider Middle East region continued to experience heightened geopolitical tensions, which have contributed to increased uncertainty in the global and regional macroeconomic environment. In response to these developments, the Central Bank of the UAE ("CBUAE") introduced a Financial Institution Resilience Package effective from 17 March 2026, providing temporary liquidity and capital flexibility measures to eligible banks. Subsequently, the CBUAE issued FIRP version 2.0, extending certain relief measures and introducing amendments to the applicable terms and conditions for banks operating in the UAE. The revised requirements became effective from July 1, 2026.

The Group has not utilized the liquidity relief measures available under this package during the six-month period ended 30 June 2026.

The Group's expected credit loss (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 determining ECL for the period, management considered the potential impact of prevailing geopolitical conditions and made forward looking adjustments, applying stressed scenario weightings, and performing sector specific impact assessments for portfolios assessed to be more sensitive to geopolitical related economic shocks. 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. This overlay is included within the net impairment for the six month period ended 30 June 2026.

The Group continues to monitor geopolitical developments, macroeconomic conditions and regulatory responses closely and will reflect any material impacts, if and when they arise, in future reporting periods.

**7. Loans and advances to customers, net** *(continued)*

**Staging movement:** Below table shows the movement in the gross loans and advances shown between the beginning and the end of period/year:

| | 30 June 2026 (Unaudited) | | | | 31 December 2025 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Stage 1 AED'000** | **Stage 2 AED'000** | **Stage 3 AED'000** | **Total AED'000** | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
| **Loans and advances** | | | | | | | | |
| As at 1 January | **6,459,415** | **749,156** | **6,679,302** | **13,887,873** | 4,329,140 | 302,332 | 7,734,142 | 12,365,614 |
| Transfer from Stage 1 to Stage 2 | **(45,166)** | **45,166** | **-** | **-** | (351,712) | 351,712 | - | - |
| Transfer from Stage 1 to Stage 3 | **(279)** | **-** | **279** | **-** | (909) | - | 909 | - |
| Transfer from Stage 2 to Stage 1 | **400,681** | **(400,681)** | **-** | **-** | 23,115 | (23,115) | - | - |
| Transfer from Stage 2 to Stage 3 | **-** | **(34,591)** | **34,591** | **-** | - | (7,277) | 7,277 | - |
| Transfer from Stage 3 to Stage 1 | **-** | **-** | **-** | **-** | 115 | - | (115) | - |
| Transfer from Stage 3 to Stage 2 | **-** | **10** | **(10)** | **-** | - | 112 | (112) | - |
| Other movement in EADs | **1,840,522** | **(198,641)** | **(1,200,166)** | **441,715** | 2,459,666 | 125,392 | (1,062,799) | 1,522,259 |
| As at 30 June / 31 December | **8,655,173** | **160,419** | **5,513,996** | **14,329,588** | 6,459,415 | 749,156 | 6,679,302 | 13,887,873 |

**Staging movement:** Below table shows the movement in the expected credit loss on loans and advances between the beginning and the end of period / year:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| As at 1 January | **43,359** | **92,695** | **4,263,547** | **4,399,601** | 42,417 | 85,230 | 5,002,255 | 5,129,902 |
| Transfer from Stage 1 to Stage 2 | **(483)** | **483** | **-** | **-** | (2,803) | 2,803 | - | - |
| Transfer from Stage 1 to Stage 3 | **(85)** | **-** | **85** | **-** | (94) | - | 94 | - |
| Transfer from Stage 2 to Stage 1 | **501** | **(501)** | **-** | **-** | 1,665 | (1,665) | - | - |
| Transfer from Stage 2 to Stage 3 | **-** | **(32,855)** | **32,855** | **-** | - | (576) | 576 | - |
| Transfer from Stage 3 to Stage 1 | **-** | **-** | **-** | **-** | 38 | - | (38) | - |
| Transfer from Stage 3 to Stage 2 | **-** | **2** | **(2)** | **-** | - | 53 | (53) | - |
| Other movement in ECL | **53,376** | **(27,392)** | **(984,491)** | **(958,507)** | 2,136 | 6,850 | (739,287) | (730,301) |
| As at 30 June / 31 December | **96,668** | **32,432** | **3,311,994** | **3,441,094** | 43,359 | 92,695 | 4,263,547 | 4,399,601 |

**7. Loans and advances to customers, net** *(continued)*

**Concentration of credit risk - industry segment**

Below table provides analysis of gross loans and advances by industry segment:

| | **30 June 2026 (Unaudited)** | | | | 31 December 2025 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Stage 1 AED'000** | **Stage 2 AED'000** | **Stage 3 AED'000** | **Total AED'000** | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
| Manufacturing | **698,943** | **3,215** | **1,483,833** | **2,185,991** | 219,484 | 6 | 2,232,550 | 2,452,040 |
| Construction | **401,462** | **44,405** | **3,034,969** | **3,480,836** | 399,615 | 67,805 | 3,002,858 | 3,470,278 |
| Real estate | **2,347,752** | **55,293** | **378,025** | **2,781,070** | 1,350,031 | 56,141 | 373,881 | 1,780,053 |
| Trade | **525,930** | **10,280** | **333,410** | **869,620** | 297,849 | 13,556 | 800,001 | 1,111,406 |
| Transport, storage and communication | **60,683** | **4** | **49,144** | **109,831** | 57,596 | 1,392 | 47,955 | 106,943 |
| Financial institutions | **1,890,582** | **39,856** | **20,737** | **1,951,175** | 1,064,403 | 595,323 | 57 | 1,659,783 |
| Other services | **559,724** | **92** | **113,325** | **673,141** | 481,388 | 13,245 | 73,367 | 568,000 |
| Government | **1,074,922** | **-** | **-** | **1,074,922** | 1,112,827 | - | - | 1,112,827 |
| Individuals | **414,515** | **5,030** | **7,327** | **426,872** | 264,846 | 1,673 | 6,608 | 273,127 |
| High net worth individuals | **680,660** | **2,244** | **93,056** | **775,960** | 1,179,877 | - | 114,451 | 1,294,328 |
| Others | **-** | **-** | **170** | **170** | 31,499 | 15 | 27,574 | 59,088 |
| Gross loans and advances | **8,655,173** | **160,419** | **5,513,996** | **14,329,588** | 6,459,415 | 749,156 | 6,679,302 | 13,887,873 |

## 7. Loans and advances to customers, net *(continued)*

### Concentration of credit risk - industry segment

Below table provides analysis of expected credit loss by industry segment:

| | **30 June 2026 (Unaudited)** | | | | 31 December 2025 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | **Stage 1 AED'000** | **Stage 2 AED'000** | **Stage 3 AED'000** | **Total AED'000** | Stage 1 AED'000 | Stage 2 AED'000 | Stage 3 AED'000 | Total AED'000 |
| Manufacturing | **6,227** | **1,099** | **912,930** | **920,256** | 1,881 | - | 1,496,432 | 1,498,313 |
| Construction | **2,835** | **3,929** | **1,913,555** | **1,920,319** | 1,695 | 24,910 | 1,941,130 | 1,967,735 |
| Real Estate | **36,815** | **23,066** | **162,090** | **221,971** | 8,731 | 23,876 | 159,715 | 192,322 |
| Trade | **6,223** | **3,606** | **183,702** | **193,531** | 2,229 | 5,667 | 545,771 | 553,667 |
| Transport, storage and communication | **1,509** | **-** | **29,037** | **30,546** | 673 | 548 | 29,055 | 30,276 |
| Financial institutions | **12,282** | **205** | **19,796** | **32,283** | 3,834 | 17,371 | 4 | 21,209 |
| Other services | **6,220** | **3** | **58,266** | **64,489** | 7,380 | 13,199 | 40,467 | 61,046 |
| Government | **8,514** | **-** | **-** | **8,514** | 3,601 | - | - | 3,601 |
| Individuals | **5,427** | **504** | **5,731** | **11,662** | 3,422 | 260 | 5,400 | 9,082 |
| High net worth individuals | **10,616** | **20** | **26,869** | **37,505** | 9,913 | 6,541 | 39,848 | 56,302 |
| All others | **-** | **-** | **18** | **18** | - | 323 | 5,725 | 6,048 |
| Expected credit loss | **96,668** | **32,432** | **3,311,994** | **3,441,094** | 43,359 | 92,695 | 4,263,547 | 4,399,601 |

### 8. Other assets, net

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| Interest receivable | **29,847** | 24,286 |
| Advances, prepayments and other assets | **185,217** | 501,115 |
| Repossessed properties | **334,714** | 342,286 |
| Customer acceptances | **119,983** | 108,114 |
| Property and equipment | **111,918** | 92,467 |
| | **781,679** | 1,068,268 |

### 9. Due to banks

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| Current and call accounts | **69** | 417 |
| Term deposits | **125,000** | 49,000 |
| Repo against fixed income securities | **-** | 165,318 |
| | **125,069** | 214,735 |

### 10. Deposits from customers

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| Time deposits | **9,031,956** | 7,959,307 |
| Savings accounts | **100,236** | 114,713 |
| Current and other accounts | **4,152,191** | 3,258,743 |
| | **13,284,383** | 11,332,763 |

## 11. Other liabilities

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| Interest payable | **100,438** | 162,537 |
| Impairment allowance on unfunded exposure | **217,001** | 233,536 |
| Customer acceptances | **119,983** | 108,114 |
| Deferred income | **21,466** | 35,596 |
| Staff benefits payable | **59,644** | 55,416 |
| Accrued expenses | **169,723** | 221,388 |
| Tax liabilities | **22,600** | 29,441 |
| Manager's cheques | **75,978** | 35,915 |
| Others | **217,973** | 96,747 |
| | **1,004,806** | 978,690 |

Movement in impairment allowance on unfunded exposure:

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| At 1 January | **233,536** | 285,676 |
| Net release | **(16,535)** | (52,140) |
| At 30 June / 31 December | **217,001** | 233,536 |

## 12. Share capital

| | 30 June 2026 (Unaudited) | 31 December 2025 (Audited) |
|---|---|---|
| **Issued and paid-up capital** | | |
| Issued and paid-up share capital (AED'000) | **3,202,493** | 3,202,493 |
| Number of shares (thousands) | **263,180,982** | 263,180,982 |
| Face value of the share (AED) | **0.0122** | 0.0122 |

## 13. Interest income

| | Six-month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Loans and advances to banks | **35,982** | 22,509 | **20,266** | 11,433 |
| Investment securities | **49,728** | 44,608 | **25,235** | 25,287 |
| Loans and advances to customers | **267,572** | 181,501 | **152,867** | 96,068 |
| | **353,282** | 248,618 | **198,368** | 132,788 |

## 14. Interest expense

| | Six-month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Due to banks | **5,095** | 311 | **4,380** | 170 |
| Time deposits | **179,925** | 166,788 | **92,038** | 86,071 |
| Savings, call and other accounts | **4,250** | 3,833 | **1,815** | 1,143 |
| | **189,270** | 170,932 | **98,233** | 87,384 |

## 15. Net fees and commission income

| | Six-month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| **Fees and commission income:** | | | | |
| Lending Fee income | **23,295** | 13,913 | **9,782** | 2,256 |
| Trade finance | **17,334** | 26,969 | **8,913** | 17,771 |
| Branch operations | **11,240** | 2,290 | **8,634** | 937 |
| Commission and others | **1,486** | - | **1,486** | - |
| | **53,355** | 43,172 | **28,815** | 20,964 |
| **Fees and commission expenses**: | | | | |
| Service charges and other expense | **(7,476)** | (644) | **(3,086)** | (5) |
| **Net fee and commission income** | **45,879** | 42,528 | **25,729** | 20,959 |

## 16. Other operating income - net

| | Six-month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Dividend on investment securities | **961** | 15 | **961** | 15 |
| Net rental income from repossessed properties | **14,653** | 12,884 | **6,596** | 6,991 |
| Profit/(loss) on sale of repossessed properties | **1,406** | 8,972 | **(31)** | 8,307 |
| Net fair value gain on investments | **282** | 81 | **282** | 81 |
| Other operating income / (loss) | **16,607** | (115) | **3,838** | (60) |
| | **33,909** | 21,837 | **11,646** | 15,334 |

## 17. Other operating expenses

| | Six-month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Premises and related cost | **7,591** | 4,399 | **3,819** | 1,937 |
| Professional expenses | **14,843** | 9,710 | **7,691** | 5,878 |
| IT related expenses | **11,422** | 9,935 | **6,426** | 4,935 |
| Communication | **3,030** | 2,513 | **1,412** | 1,250 |
| Other expenses | **33,607** | 16,633 | **16,486** | 10,487 |
| | **70,493** | 43,190 | **35,834** | 24,487 |

## 18. Net impairment (release) / charge

| | Six-month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| **Net impairment (release) / charge on:** | | | | |
| - loans and advances | **(5,334)** | (34,394) | **(16,992)** | (19,238) |
| - due from banks | **(278)** | (211) | **(240)** | (211) |
| - debt securities | **5,117** | 3,905 | **(741)** | 3,789 |
| - others | **(14,102)** | (9,535) | **364** | (13,779) |
| (Recoveries)/Reversals from loans previously written off | **(9,851)** | (79) | **859** | 60 |
| | **(24,448)** | (40,314) | **(16,750)** | (29,379) |

## 19. Taxation

The corporate tax rate applicable in the UAE is 9% (2025: 9%) for taxable profits exceeding AED 375,000. The overall effective tax rate for the Group is approximately 9% (2025: 9%). The difference between the applicable tax rate and the Group's effective tax rate arises due to various adjustments being made in accordance with the corporate tax law as shown below:

A summary of total income tax expense recognized in condensed consolidated interim profit or loss account is provided below:

| | **Six month period ended** | | **Three-month period ended** | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Profit before taxation | **80,511** | 50,061 | **58,088** | 38,693 |
| Prima facie tax expense at 9% | **7,246** | 4,505 | **5,228** | 3,515 |
| **Tax effect of difference:** | | | | |
| Non-deductible expenses | **932** | 124 | **354** | (225) |
| Tax effect of item included in OCI | **102** | 69 | **102** | 69 |
| Movement in unrecognized deferred tax | **(2,369)** | (3,558) | **(423)** | (2,459) |
| **Income tax expense** | **5,911** | 1,140 | **5,261** | 900 |

The Organization of Economic Cooperation and Development (OECD) has published Global Anti-Base Erosion ("GloBE") Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules.

The Group has conducted an assessment of the potential exposure to Pillar Two income taxes and concluded that the Group is not subject to the Pillar Two Model rules as per the OECD GloBE proposal as the Group's revenue is below the threshold revenue specified for the applicability of pillar two.

## 20. Earnings per share

Basic earnings per share is based on the profit / (loss) attributable to ordinary shareholders of the Bank and weighted average number of ordinary shares.

| | **Six month period ended** | | **Three-month period ended** | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Profit attributable to ordinary shareholders (AED'000) | **75,307** | 48,921 | **53,181** | 37,793 |
| Weighted average number of shares outstanding at 30 June (thousands) | **263,180,982** | 263,180,982 | **263,180,982** | 263,180,982 |
| Basic and diluted earnings per share (UAE Dirhams) | **0.0003** | 0.0002 | **0.0002** | 0.0001 |

At 30 June 2026 and 30 June 2025, the Bank does not have any instrument resulting in dilution of basic earnings per share.

## 21. Cash and cash equivalents

| | 30 June 2026 (Unaudited) AED'000 | 30 June 2025 (Unaudited) AED'000 |
|---|---|---|
| Cash and deposits with central banks | **2,547,425** | 1,629,905 |
| Due from banks | **1,062,906** | 865,421 |
| Due to banks | **(125,069)** | (50,637) |
| | **3,485,262** | 2,444,689 |
| **Less: Original maturity over three months** | | |
| Due from banks | **(507,620)** | (634,551) |
| Repo financing | **-** | 49,000 |
| | **2,977,642** | 1,859,138 |

## 22. Commitments and contingent liabilities

| | 30 June 2026 (Unaudited) AED'000 | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| **Commitments:** | | |
| Irrevocable commitments to extend credit | **884,834** | 748,605 |
| **Contingent liabilities:** | | |
| Letters of credit | **198,873** | 128,391 |
| Letters of guarantee | **3,122,440** | 3,277,784 |
| **Others** | | |
| Capital commitments | **12,580** | 1,250 |
| | **4,218,727** | 4,156,030 |

## 23. Derivative financial instruments

The table below shows the positive (assets) and negative (liabilities) fair values of derivative financial instruments:

| | Fair value | | |
|---|---|---|---|
| | Assets AED'000 | liabilities AED'000 | Notional AED'000 |
| **30 June 2026 (Unaudited)** | | | |
| **Held as fair value hedges** | | | |
| Currency swaps | - | - | - |
| **31 December 2025 (Audited)** | | | |
| Currency swaps | - | 551 | 146,910 |

The notional amounts indicate the volume of transactions and are neither indicative of the market risk nor credit risk.

## 24. Related party transactions

In the normal course of business, the Group enters into transactions with 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 Management committee members (“MEMCO”) 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.

Transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

**Parent and ultimate controlling party**

The Government of Sharjah holds 70.06% of the Bank’s issued and fully paid-up share capital and another 18.05% through its investment arm Sharjah Social Security Fund so the Ultimate Controlling party of the Group is government of Sharjah.

Related party balances and transactions of the Group included in the condensed statement of financial position and condensed statement of profit or loss accounts are as follows:

| | Government of Sharjah AED’000 | Government of Sharjah related entities AED’000 | Board of directors AED'000 | Other related parties AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **Balances as at 30 June 2026 (Unaudited)** | | | | | |
| Loans and advances to customers | **797,167** | **879,730** | **-** | **350,000** | **2,026,897** |
| Reimbursement asset | **1,261,559** | **-** | **-** | **-** | **1,261,559** |
| Investment securities | **699,984** | **-** | **-** | **-** | **699,984** |
| Deposits from customers | **306** | **1,279,680** | **17,424** | **84,671** | **1,382,081** |
| Commitments and contingent liabilities | **-** | **44,859** | **50,000** | **-** | **94,859** |
| Other assets | **8,954** | **1,051** | **-** | **16,522** | **26,527** |
| Other liabilities | **-** | **15,229** | **233** | **181** | **15,643** |
| **Balances as at 31 December 2025 (Audited)** | | | | | |
| Loans and advances to customers | 819,333 | 897,294 | - | 250,000 | 1,966,627 |
| Reimbursement asset | 1,506,690 | - | - | - | 1,506,690 |
| Investment securities | 699,976 | - | - | - | 699,976 |
| Deposits from customers | 70,960 | 1,127,543 | 14,589 | 62,256 | 1,275,348 |
| Commitments and contingent liabilities | - | 45,154 | 50,000 | 8,185 | 103,339 |
| Other assets | 9,408 | 1,264 | - | 7,486 | 18,158 |
| Other liabilities | 5 | 62,422 | 144 | 104 | 62,675 |

## 24. Related party transactions *(continued)*

| | Government of Sharjah AED'000 | Government of Sharjah related entities AED'000 | Board of directors AED'000 | Other related parties AED'000 | Total AED'000 |
|---|---|---|---|---|---|
| **Transactions for the six-month period ended 30 June 2026 (unaudited)** | | | | | |
| Interest income | **35,592** | **24,202** | **-** | **11,752** | **71,546** |
| Interest expense | **176** | **23,807** | **89** | **268** | **24,340** |
| **Transactions for the six-month period ended 30 June 2025 (unaudited)** | | | | | |
| Interest income | 42,786 | 25,767 | - | 9,596 | 78,149 |
| Interest expense | 9,345 | 18,239 | - | 443 | 28,027 |

None of the loans granted to related parties are classified as impaired as at 30 June 2026 (31 December 2025: Nil).

The loans extended to related parties during the year are repayable over 1 year and earn interest at rates ranging from 5.18% to 9.48% per annum (2025: 6% to 10% per annum). As at 30 June 2026, outstanding loans and advances to related parties are secured by deposits under lien amounting to AED 59 million (31 December 2025: AED 66.9 million).

Deposits from related parties bear interest at the rates ranging upto 4.46% (31 December 2025: Upto 4.83% per annum).

**Key management personnel remuneration**

Remuneration of key management personnel and Board of Directors' fees and expenses during the period are as follows:

| | Six month period ended | | Three-month period ended | |
|---|---|---|---|---|
| | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 | **30 June 2026 Unaudited AED'000** | 30 June 2025 Unaudited AED'000 |
| Salaries and other short-term benefits | **27,144** | 10,048 | **7,923** | 5,483 |
| Termination benefits | **572** | 202 | **286** | 102 |
| Board of directors' fees and expenses | **10,670** | 3,900 | **3,100** | 1,950 |
| | **38,386** | 14,150 | **11,309** | 7,535 |

### 25. Segmental analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the type of business activities undertaken as a Group. For operating purposes, the Group is organized into two major business segments:

**Commercial Banking**, which principally provides loans and other credit facilities, deposits and current accounts for corporate, government, institutional and individual customers.

**Investment and treasury Banking**, which involves the management of the Group's investment portfolio and interest rate, currency and derivative portfolio. Investment and treasury undertake the Group’s funding, investing and centralized financial risk management activities through borrowings and use of derivatives for risk management. It also undertakes trading and corporate finance activities and invests in liquid assets such as short-term placements, corporate and government debt securities.

Revenue reported under each of the segments represents revenue generated from external customers. There was no inter-segment revenue during the period. Transactions between segments, inter-segment cost of funds and allocation of expenses are not determined by management for the purpose of resource allocation. For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments except for reimbursement assets and certain amounts included in other assets are shown in Treasury and Investments; and
- All liabilities are allocated to reportable segments except for certain amounts included in other liabilities are shown in Treasury and Investments.

**Geographic segments**

The Group operates principally in two geographic areas i.e. domestic and international. The United Arab Emirates is designated as domestic area which represents the operations of the Group that originates from the UAE branches and subsidiaries. International area represents the operations of the Group that originates from its Branch outside UAE.

## 25 Segmental analysis *(continued)*

Below table presents information regarding the Group's operating segments and geographical location as follows:

| | For the six-month period ended 30 June 2026 (Unaudited) | | | | | For the six-month period ended 30 June 2025 (Unaudited) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Commercial banking AED'000 | Treasury & investments AED'000 | Total AED'000 | Domestic AED'000 | Inter national AED'000 | Commercial banking AED'000 | Treasury & investments AED'000 | Total AED'000 | Domestic AED'000 | Inter-national AED'000 |
| Net interest and other income | 158,544 | 100,256 | 258,800 | 258,801 | (1) | 75,485 | 70,088 | 145,573 | 145,573 | - |
| Net writeback / (impairment loss) | 29,565 | (5,117) | 24,448 | 24,448 | - | 44,008 | (3,694) | 40,314 | 40,314 | - |
| Depreciation | (4,995) | (79) | (5074) | (5,074) | - | (5,447) | (66) | (5,513) | (5,513) | - |
| Net profit / (loss) for the year | (17,665) | 92,265 | 74,600 | 74,734 | (134) | (14,821) | 63,742 | 48,921 | 48,921 | - |
| Segment capital expenditure | 11,983 | - | 11,983 | 11,983 | - | 4,316 | - | 4,316 | 4,316 | - |

| | 30 June 2026 (Unaudited) | | | | | 31 December 2025 (Audited) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Commercial banking AED'000 | Treasury & investments AED'000 | Total AED'000 | Domestic AED'000 | Inter national AED'000 | Commercial banking AED'000 | Treasury & investments AED'000 | Total AED'000 | Domestic AED'000 | Inter-national AED'000 |
| Segment total assets | 11,498,220 | 4,633,953 | 16,132,173 | 15,923,151 | 209,022 | 10,492,307 | 3,676,967 | 14,169,274 | 13,955,490 | 213,784 |
| Segment total liabilities | 14,414,257 | 1 | 14,414,258 | 14,371,985 | 42,273 | 12,360,538 | 165,650 | 12,526,188 | 12,479,287 | 46,901 |

## 26. Accounting classification of financial assets and financial liabilities

The table below shows the classification of the Group's financial assets and financial liabilities and their carrying amounts in accordance with categories of financial instruments specified in IFRS 9.

| | FVTPL Unaudited AED'000 | FVTOCI Unaudited AED'000 | Amortized cost Unaudited AED'000 | carrying amount Unaudited AED'000 |
|---|---|---|---|---|
| **At 30 June 2026** | | | | |
| **Financial assets** | | | | |
| Cash and deposits with central banks | - | - | 2,547,425 | 2,547,425 |
| Due from banks | - | - | 1,062,906 | 1,062,906 |
| Investment securities | 10,072 | 108,449 | 1,577,909 | 1,696,430 |
| Loans and advances to customers | - | - | 8,782,174 | 8,782,174 |
| Customers acceptances | - | - | 119,983 | 119,983 |
| Other financial assets | - | - | 168,619 | 168,619 |
| | 10,072 | 108,449 | 14,259,016 | 14,377,537 |
| **Financial liabilities** | | | | |
| Due to banks | - | - | 125,069 | 125,069 |
| Deposits from customers | - | - | 13,284,383 | 13,284,383 |
| Acceptances | - | - | 119,983 | 119,983 |
| Other financial liabilities | - | - | 725,855 | 725,855 |
| | - | - | 14,255,290 | 14,255,290 |

| | FVTPL Audited AED'000 | FVTOCI Audited AED'000 | Amortized cost Audited AED'000 | carrying amount Audited AED'000 |
|---|---|---|---|---|
| **At 31 December 2025** | | | | |
| **Financial assets** | | | | |
| Cash and deposits with central banks | - | - | 2,092,121 | 2,092,121 |
| Due from banks | - | - | 838,822 | 838,822 |
| Investment securities | - | 144,398 | 1,324,073 | 1,468,471 |
| Loans and advances to customers | - | - | 7,194,902 | 7,194,902 |
| Customers acceptances | - | - | 108,114 | 108,114 |
| Other financial assets | - | - | 515,406 | 515,406 |
| | - | 144,398 | 12,073,438 | 12,217,836 |
| **Financial liabilities** | | | | |
| Due to banks | - | - | 214,735 | 214,735 |
| Deposits from customers | - | - | 11,332,763 | 11,332,763 |
| Acceptances | - | - | 108,114 | 108,114 |
| Other financial liabilities | - | 551 | 847,046 | 847,597 |
| | - | 551 | 12,502,658 | 12,503,209 |

## 27. Fair value of assets and liabilities

*(a) Fair value hierarchy of assets/liabilities measured at fair value*

The fair values of assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other assets/liabilities, the Group determines fair values using other valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

**Valuation of investment securities**

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table analyses assets at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the condensed consolidated interim statement of financial position.

| | Level 1 AED'000 | Level 2 AED'000 | Level 3 AED'000 | Total AED'000 | Carrying value AED'000 |
|---|---|---|---|---|---|
| **At 30 June 2026 (Unaudited)** | | | | | |
| FVTPL | **10,072** | **-** | **-** | **10,072** | **10,072** |
| FVTOCI | | | | | |
| - equity | **13,632** | **-** | **-** | **13,632** | **13,632** |
| - perpetual notes | **56,700** | **-** | **-** | **56,700** | **56,700** |
| - debt securities | **38,117** | **-** | **-** | **38,117** | **38,117** |
| | **118,521** | **-** | **-** | **118,521** | **118,521** |

## 27. Fair value of assets and liabilities *(continued)*

*(a) Fair value hierarchy of assets/liabilities measured at fair value (continued)*

| | Level 1 AED'000 | Level 2 AED'000 | Level 3 AED'000 | Total AED'000 | Carrying value AED'000 |
|---|---|---|---|---|---|
| **At 31 December 2025 (Audited)** | | | | | |
| FVTOCI | | | | | |
| - equity | 11,216 | - | - | 11,216 | 11,216 |
| - perpetual notes | 82,009 | - | - | 82,009 | 82,009 |
| - debt securities | 51,173 | - | - | 51,173 | 51,173 |
| Net fair value of derivatives | - | (551) | - | (551) | (551) |
| | 144,398 | (551) | - | 143,847 | 143,847 |

During the period ended 30 June 2026, there is no movement in financial instruments from level 1 to level 2 of vice versa (Year ended 31 December 2025: Nil).

Although the Group believes that its estimates to fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

*(b) Financial instruments not measured at fair value*

The fair values of financial instruments not measured at fair value are not materially different from the respective carrying value and disclosed in the relevant, if applicable.

## 28. Capital adequacy ratio

As per the CBUAE regulation for Basel III, the capital requirement as at 30 June 2026 and 31 December 2025 is 13%.

The bank must comply with the following minimum requirements:

i. CET1 must be at least 7% of risk weighted assets (RWA);
ii. Tier 1 capital must be at least 8.5% of RWA; and
iii. Total capital, excluding the capital conservation buffer, is calculated as sum of Tier 1 capital and Tier 2 capital must be at least 10.5% of RWA.

### 28. Capital adequacy ratio *(continued)*

Below table shows the capital adequacy ratio computed based on circulars issued by the CBUAE as per Basel III taking into consideration the effect of the guarantee by the Government of Sharjah.

| | **30 June 2026 (Unaudited) AED'000** | 31 December 2025 (Audited) AED'000 |
|---|---|---|
| **TIER 1 Capital** | | |
| Share capital | **3,202,493** | 3,202,493 |
| Statutory reserve | **14,147** | 14,147 |
| Foreign currency translation | **21,665** | 21,665 |
| Fair value reserve | **(39,702)** | (39,930) |
| Accumulated losses | **(1,480,076)** | (1,555,383) |
| Minority interest | **(612)** | 94 |
| **Regulatory deductions and adjustments:** | | |
| Intangible assets | **(18,984)** | (17,585) |
| **Total tier 1 capital** | **1,698,931** | 1,625,501 |
| **TIER 2 Capital** | | |
| Eligible general provisions | **116,433** | 99,572 |
| **Total tier 2 capital** | **116,433** | 99,572 |
| **Total regulatory capital** | **1,815,364** | 1,725,073 |
| **RISK WEIGHTED ASSETS** | | |
| Credit risk | **9,314,669** | 7,965,722 |
| Market risk | **51,806** | 10,664 |
| Operational risk | **620,635** | 552,549 |
| Total risk weighted assets (RWA) | **9,987,110** | 8,528,935 |
| CET 1 ratio | **17.01%** | 19.06% |
| Tier 1 ratio | **17.01%** | 19.06% |
| Tier 2 ratio | **1.17%** | 1.17% |
| Capital adequacy ratio | **18.18%** | 20.23% |

## 29. Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated interim statement of profit or loss for the six-month period ended 30 June 2026 (30 June 2025: Nil).

## 30. Subsequent events

There have been no events subsequent to the statement of condensed consolidated interim financial information date that would significantly affect the amounts reported in the condensed consolidated interim financial information as at and for the six-month period ended 30 June 2026.