SHARJAH ISLAMIC BANK PJSC

DIRECTORS' REPORT AND CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026

SHARJAH ISLAMIC BANK PJSC

Directors' Report

The Directors are pleased to present their report together with the condensed consolidated interim financial statements of SHARJAH ISLAMIC BANK PJSC ("the Bank") and its subsidiaries (together referred to as the "Group") for the six month period ended 30 June 2026.

Financial highlights

As of 30 June 2026, the total assets of the Group amounted to AED 94.5 billion, showing an increase of 4.7% compared to AED 90.3 billion as at 31 December 2025. Investments in Islamic financing showed a growth of 9.4% or an increase of AED 4.3 billion, taking the total outstanding amount to AED 49.9 billion as at 30 June 2026, in comparison to AED 45.6 billion as at 31 December 2025. The investment securities (carried at amortised cost and fair value) increased by 2.2% during the six month period ended 30 June 2026, reaching AED 18.3 billion compared to AED 17.9 billion as of 31 December 2025. Customer deposits increased by 6.6% to reach AED 59.4 billion as compared to AED 55.7 billion as at 31 December 2025, demonstrating overall strengthening of the Group's liquidity position. Shareholders' equity increased by AED 2.7 billion during the six month period ended 30 June 2026 reaching AED 12.2 billion. The increase was primarily driven by the successful rights issue of 1,078,559,212 shares at an issue price of AED 2.4 per share, further strengthening the Bank's capital base.

Operating profit before impairment for the Group increased by AED 168.6 million for the six month period ended 30 June 2026 as compared to the six month period ended 30 June 2025. Provision for impairment of financial assets amounted to AED 79.2 million, while recoveries reached AED 37.9 million for the six month period ended 30 June 2026, compared to impairment provisions of AED 60.8 million and recoveries of AED 70.1 million for the six month period ended 30 June 2025. As a result, profit before tax increased by AED 118.1 million to reach AED 884.5 million for the six month period ended 30 June 2026 as compared to AED 766.5 million for the six month period ended 30 June 2025. Taxation expense for the six month period ended 30 June 2026 was AED 80.6 million in compliance of the UAE Corporate Tax Law. As a result, profit for the period (after tax) of AED 803.9 million was recorded for the six month period ended 30 June 2026, compared to AED 697.2 million for the six month period ended 30 June 2025, reflecting a 15.3% increase.

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Abdul Rahman Mohamed Nasser Al Owais
Chairman
13 July 2026

SHARJAH ISLAMIC BANK PJSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

(Currency: Thousands of U.A.E Dirhams)

	Notes	As at 30 June 2026 Un-audited	As at 31 December 2025 Audited
Assets			
Cash and balances with banks and financial institutions	*6*	**3,210,360**	5,444,512
Murabaha and wakalah with financial institutions	*7*	**16,531,011**	14,734,297
Investment securities measured at fair value	*8*	**5,752,145**	5,002,896
Investment securities measured at amortised cost	*9*	**12,588,812**	12,944,543
Investments in Islamic financing	*10*	**49,873,452**	45,550,062
Acceptances		**373,309**	306,754
Properties held-for-sale		**2,202,808**	2,124,796
Investment properties	*25*	**1,760,931**	1,844,950
Other assets	*11*	**1,291,257**	1,405,187
Property and equipment	*12.1*	**888,698**	883,686
Intangible assets	*12.2*	**72,311**	71,416
Total assets		**94,545,094**	**90,313,099**
Liabilities and shareholders' equity			
Liabilities			
Customer deposits	*13*	**59,367,812**	55,672,922
Due to banks		**13,890,926**	16,309,374
Acceptances		**373,657**	307,065
Sukuk payable	*14*	**5,481,580**	5,488,719
Other liabilities	*15*	**3,245,730**	2,899,422
Zakat payable		**8,021**	105,521
Total liabilities		**82,367,726**	**80,783,023**
Shareholders' equity			
Share capital	*16*	**4,314,237**	3,235,678
Share premium	*18 (a)*	**99,576**	99,576
Tier 1 sukuk	*17*	**1,836,500**	1,836,500
Fair value reserve		**(34,481)**	(27,504)
Other reserves and treasury shares	*19*	**3,474,880**	1,900,656
Retained earnings		**2,486,656**	2,485,170
Total shareholders' equity		**12,177,368**	**9,530,076**
Total liabilities and shareholders' equity		**94,545,094**	**90,313,099**

The condensed consolidated financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Group as of, and for the periods presented therein.

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 13 July 2026.

Abdul Rahman Mohammed Nasser Al Owais
Chairman

Mohamed Ahmed Abdalla
Chief Executive Officer

The independent auditors' review report is set on pages 2 and 3 of these condensed consolidated interim financial statements. The accompanying notes from pages 11 to 39 form an integral part of these condensed consolidated interim financial statements.

SHARJAH ISLAMIC BANK PJSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026
(Currency: Thousands of U.A.E Dirhams)

		For the three month period ended 30 June		For the six month period ended 30 June	
	Notes	**2026 Un-audited**	**2025 Un-audited**	**2026 Un-audited**	**2025 Un-audited**
Income from investments in Islamic financing and sukuks		**1,063,984**	**968,202**	**2,110,094**	1,882,463
Distribution to depositors and sukuk holders		**(573,119)**	**(585,482)**	**(1,154,798)**	(1,132,379)
Net income from financing and investment products		**490,865**	**382,720**	**955,296**	**750,084**
Fee and commission income	*21*	**174,106**	196,739	**342,831**	332,763
Fee and commission expense	*21*	**(37,772)**	(28,324)	**(71,398)**	(56,740)
Net fee and commission income		**136,334**	**168,415**	**271,433**	**276,023**
Investment income		**75,391**	21,154	**55,714**	22,741
Foreign exchange income		**29,320**	31,951	**51,787**	57,640
Other income	*22*	**25,038**	26,558	**66,802**	56,036
Total operating income		**756,948**	**630,798**	**1,401,032**	**1,162,524**
General and administrative expenses		**(241,459)**	(207,060)	**(475,225)**	(405,370)
Net operating income before impairment		**515,489**	**423,738**	**925,807**	**757,154**
(Impairment) / reversal of impairment on financial assets including recoveries - net		**(50,043)**	(7,905)	**(41,260)**	9,302
Profit before tax		**465,446**	**415,833**	**884,547**	**766,456**
Taxation	*29*	**(42,214)**	(37,565)	**(80,648)**	(69,258)
Profit for the period		**423,232**	**378,268**	**803,899**	**697,198**
(Attributable to the shareholders of the Bank)					
Basic and diluted earnings per share - restated (UAE Dirhams)	*31*	**0.10**	**0.10**	**0.21**	**0.19**

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SHARJAH ISLAMIC BANK PJSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026
(Currency: Thousands of U.A.E Dirhams)

	Note	For the three month period ended 30 June		For the six month period ended 30 June	
		2026 Un-audited	**2025 Un-audited**	**2026 Un-audited**	**2025 Un-audited**
Profit for the period (Attributable to the shareholders of the Bank)		**423,232**	378,268	**803,899**	697,198
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
- Change in fair value reserve on sukuk investments classified at FVTOCI		54,005	24,813	**(38,729)**	43,233
- Effective portion of changes in fair value of Islamic derivatives classified as cash flow hedges		(23,348)	11,195	**(47,135)**	62,836
- Related tax		(2,760)	(3,236)	**7,727**	(9,546)
Items that will not be reclassified to profit or loss					
- Change in fair value reserve on equity investment classified at FVTOCI		13,698	5,142	**31,063**	3,476
- Related tax	*29*	(1,233)	(463)	**(2,796)**	(313)
Total comprehensive income for the period - net of tax (Attributable to the shareholders of the Bank)		**463,594**	**415,719**	**754,029**	**796,884**

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SHARJAH ISLAMIC BANK PJSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026
(Currency: Thousands of U.A.E Dirhams)

	For the six month period ended 30 June	
	2026	**2025**
	Un-audited	**Un-audited**
Cash flows from operating activities		
Profit for the period	**803,899**	697,198
Adjustments for:		
- Amortisation and depreciation	**33,097**	32,834
- Amortisation of sukuk issuance costs	**3,667**	1,487
- Impairment / (reversal of impairment) on investments in Islamic financing - net	**34,993**	(26,628)
- Impairment on investment securities measured at fair value	**3,438**	3,414
- (Reversal of impairment) / impairment on investment securities measured at amortised cost	**(1,476)**	14,849
- Provision / (reversal) of provision on other financial assets	**4,305**	(937)
- Gain on disposal of properties held for sale	**(12,712)**	(1,831)
- Loss / (gain) on disposal of investment securities measured at fair value	**17,728**	(7,504)
- Revaluation on investment securities measured at fair value through profit and loss	**(46,653)**	15,250
- Foreign exchange loss / (gain) on properties	**2,296**	(11,903)
- Taxation	**80,648**	69,258
- Gain on disposal of property and equipment	**-**	(13)
Operating cash flows before changes in operating assets and liabilities	**923,230**	**785,474**
Changes in:		
- Restricted cash balances	**(12,972)**	(16,138)
- Murabaha and wakalah with financial institutions	**(4,801,680)**	589,193
- Investments in Islamic financing	**(4,358,383)**	(4,877,173)
- Acceptances assets	**(66,592)**	(7,992)
- Other assets	**76,448**	295,869
- Properties held for sale	**22,515**	(106,002)
- Customer deposits	**3,694,890**	962,745
- Due to banks	**(2,433,699)**	2,298,386
- Acceptances liabilities	**66,592**	7,992
- Other liabilities	**256,669**	(16,775)
Net cash used in operating activities	**(6,632,982)**	**(84,421)**

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SHARJAH ISLAMIC BANK PJSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026
(Currency: Thousands of U.A.E Dirhams)

	For the six month period ended 30 June	
	2026 Un-audited	**2025 Un-audited**
Cash flows from investing activities		
Acquisition of property and equipment	**(37,597)**	(36,071)
Proceeds from disposal of property and equipment	**5,919**	147
Acquisition of intangible assets	**(7,326)**	(6,491)
Acquisition of investment properties	**(6,092)**	(16,672)
Acquisition of investment securities measured at fair value	**(1,748,945)**	(144,355)
Proceeds from disposal / maturity of investment securities measured at fair value	**1,017,828**	411,996
Acquisition of investment securities measured at amortised cost	**(2,574)**	(757,478)
Proceeds from disposal / maturity investment securities measured at amortised cost	**359,781**	527,773
Net cash used in investing activities	**(419,006)**	**(21,151)**
Cash flows from financing activities		
Issuance of sukuk	**-**	1,828,617
Repayment of sukuk	**-**	(1,835,949)
Issuance of tier 1 sukuk	**-**	1,836,500
Sukuk issuance cost	**(10,806)**	-
Proceed from rights issue	**2,583,542**	-
Treasury shares	**12,322**	10,185
Profit paid on tier 1 sukuk	**(56,245)**	(45,912)
Tier 1 sukuk issuance cost	**(26)**	(3,041)
Zakat paid	**(97,500)**	(75,001)
Cash dividend	**(646,640)**	(458,725)
Net cash generated from financing activities	**1,784,647**	**1,256,674**
Net (decrease) / increase in cash and cash equivalents	**(5,267,341)**	1,151,102
Cash and cash equivalents at the beginning of the period	**13,255,127**	12,486,345
Cash and cash equivalents at the end of the period	**7,987,786**	**13,637,447**

	As at 30 June 2026 Un-audited	**As at 30 June 2025 Un-audited**
Cash and cash equivalents		
Cash and balances with banks and financial institutions	**2,933,186**	5,251,203
Murabaha and wakalah with financial institutions	**5,089,352**	8,555,906
Due to banks	**(34,752)**	(169,662)
Cash and cash equivalents at the end of the period	**7,987,786**	**13,637,447**

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SHARJAH ISLAMIC BANK PJSC

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026
(Currency: Thousands of U.A.E Dirhams)

	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK						
	Share capital	**Share premium**	**Tier 1 sukuk**	**Fair value reserve**	**Other reserves and treasury shares**	**Retained earnings**	**Total shareholders' equity**
As at 1 January 2026 (Audited)	**3,235,678**	**99,576**	**1,836,500**	**(27,504)**	**1,900,656**	**2,485,170**	**9,530,076**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	**803,899**	**803,899**
Other comprehensive income							
Cash flow hedge - effective portion of changes in fair value - net of tax	-	-	-	-	**(42,893)**	-	**(42,893)**
Net change in fair value reserve - net of tax	-	-	-	**(6,667)**	-	-	**(6,667)**
Total comprehensive income for the period	-		-	**(6,667)**	**(42,893)**	**803,899**	**754,339**
Transactions recorded directly in equity							
Cash dividend (note 27)	-	-	-	-	-	**(646,640)**	**(646,640)**
Rights issue (note 16)	**1,078,559**	-	-	-	**1,504,983**	-	**2,583,542**
Tier 1 sukuk issuance cost	-	-	-	-	-	**(26)**	**(26)**
Profit paid on tier 1 sukuk	-	-	-	-	-	**(56,245)**	**(56,245)**
Shares held by liquidity provider *(note 18(b))*	-	-	-	-	**12,322**	-	**12,322**
Realized gain on equity instruments measured at FVTOCI transferred to retained earnings	-	-	-	**(310)**	-	**310**	-
Transfer to general impairment reserve	-	-	-	-	**99,812**	**(99,812)**	-
Total	**1,078,559**	-	-	**(310)**	**1,617,117**	**(802,413)**	**1,892,953**
As at 30 June 2026 (Un-audited)	**4,314,237**	**99,576**	**1,836,500**	**(34,481)**	**3,474,880**	**2,486,656**	**12,177,368**

The independent auditors' review report is set on pages 2 and 3 of these condensed consolidated interim financial statements. The accompanying notes from pages 11 to 39 form an integral part of these condensed consolidated interim financial statements.

SHARJAH ISLAMIC BANK PJSC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(Currency: Thousands of U.A.E Dirhams)

	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK					
	Share capital	**Tier 1 sukuk**	**Fair value reserve**	**Other reserves and treasury shares**	**Retained earnings**	**Total shareholders' equity**
As at 1 January 2025 (Audited)	**3,235,678**	**1,836,500**	**(109,003)**	**1,468,006**	**1,872,118**	**8,303,299**
Total comprehensive income for the period						
Profit for the period	-	-	-	-	697,198	**697,198**
Other comprehensive income						
Cash flow hedge - effective portion of changes in fair value - net of tax	-	-	-	57,180	-	**57,180**
Net change in fair value reserve - net of tax	-	-	42,506	-	-	**42,506**
Total comprehensive income for the period	**-**	**-**	**42,506**	**57,180**	**697,198**	**796,884**
Transactions recorded directly in equity						
Cash dividend *(note 27)*	-	-	-	-	(458,725)	**(458,725)**
Tier 1 sukuk issuance (note 17)	-	1,836,500	-	-	-	**1,836,500**
Tier 1 sukuk issuance cost	-	-	-	-	(3,041)	**(3,041)**
Shares held by liquidity provider	-	-	-	10,185	-	**10,185**
Transfer to general impairment reserve	-	-	-	46,213	(46,213)	-
Profit paid on tier 1 sukuk	-	-	-	-	(45,912)	**(45,912)**
Total	**-**	**1,836,500**	**-**	**56,398**	**(553,891)**	**1,339,007**
As at 30 June 2025 (Un-audited)	**3,235,678**	**3,673,000**	**(66,497)**	**1,581,584**	**2,015,425**	**10,439,190**

The independent auditors' review report is set on pages 2 and 3 of these condensed consolidated interim financial statements. The accompanying notes from pages 11 to 39 form an integral part of these condensed consolidated interim financial statements.

1. Legal status and activities

SHARJAH ISLAMIC BANK PJSC (the "Bank") was incorporated in 1975 as a public joint stock company by Emiri Decree issued by His Highness the Ruler of Sharjah, United Arab Emirates ("UAE") and is listed on the Abu Dhabi Securities Exchange. The Bank is engaged in banking, financing and investing activities in accordance with its articles of incorporation, Islamic Shari'a principles and regulations of Central Bank of the UAE ("CBUAE"), which are carried out through its 35 branches *(As at 31 December 2025: 34 branches)* established in the UAE.

At an extraordinary shareholder's meeting held on 18 March 2001, a resolution was passed to transform the Bank's activities to be in full compliance with Islamic Shari'a rules and principles. The entire process was completed on 31 March 2002 ("the transformation date"). As a result the Bank transformed its conventional banking products into Islamic banking products during the six month period ended 30 June 2002 after negotiation and agreement with its customers.

These condensed consolidated interim financial statements of the Group comprise the Bank and its fully owned subsidiaries incorporated in the UAE, Sharjah National Hotels ("SNH"), Sharjah Islamic Securities LLC SP ("SIBS") and ASAS Real Estate LLC SP ("ASAS") as well as special purpose vehicles established in the Cayman Islands, SIB Sukuk Company III Limited and SIB Tier 1 Sukuk IIND Limited, (all together referred to as the "Group"). SNH through its divisions is engaged in operating hotels and resorts, catering and related services, whereas SIBS is involved in conducting intermediation in dealing in local market Shari'a compliant shares. ASAS is involved in the business of real estate. SIB Sukuk Company III Limited and SIB Tier 1 Sukuk IIND Limited were established for the Bank's Sukuk program.

The registered office of the Bank is Post Box No.4, Sharjah, UAE.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Selected explanatory notes, are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2025. These condensed consolidated interim financial statements do not include all of the information required for a full set of annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group as at and for the year ended 31 December 2025, including the UAE Federal Law No. 32 of 2021 as amended, on Commercial Companies.

On 15 September 2025, the Federal Decree-Law No. (6) of 2025 (the "Federal Law") was issued and came into effect on 16 September 2025. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the Federal Law came into effect.

2. Basis of preparation (continued)

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for, provision for employees' end of service benefits which is measured using the projected credit unit method under IAS 19, and the following material items in the condensed consolidated interim statement of financial position which are measured at fair value:

i) financial assets at fair value through profit or loss (FVTPL);
ii) financial assets at fair value through other comprehensive income (FVTOCI);
iii) investment properties at fair value; and
iv) Islamic financial derivatives

3. Material accounting policies

The accounting policies applied by the Group in preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its annual consolidated financial statements as at and for the year ended 31 December 2025.

a) New and revised IFRS adopted in the condensed consolidated interim financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts or disclosures reported for the current and prior periods.

New standards and significant amendments to standards applicable to the Group	Effective date
Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments	1 January 2026

The amendments include:
- Recognition and derecognition, including accounting for settlement of financial liabilities using an electronic payments system; and
- Assessing contractual cash flow characteristics of financial assets, including those with sustainability linked features.

3. Material accounting policies (continued)

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

New standards and significant amendments to standards applicable to the Group	Effective date
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

IFRS 18 will replace IAS 1 - 'Presentation of Financial Statements' and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following new key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements/
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit sub total as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of the above amendments on the future financial statements and intends to adopt these, if applicable, when they become effective.

4. Key accounting estimates and judgments

The preparation of condensed consolidated interim financial statements 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.

In preparing these condensed consolidated interim financial statements, significant judgement is exercised by management in applying the Group's accounting policies. The key sources of estimation uncertainty are consistent with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2025.

4. Key accounting estimates and judgments (continued)

i) Use of estimates and judgements

The IFRS 9 Committee has reviewed the inputs and assumptions for IFRS 9 ECL measurement in light of available information which are in line with the inputs and assumptions used by the Group during the year ended 31 December 2025.

Following both regulatory mandates and industry standards, TTC PDs are adjusted based on internal rating grades that reflect historical default rates. The Group has integrated LGD models for its various portfolios, such as secured and unsecured corporate and retail portfolios. These models are based on the actual recovery rates as observed over the period of more than ten years.

Judgement is also required in estimating EAD, particularly for Islamic financing commitments, including letters of credit and financial guarantee, and financing facilities such as covered cards, where deterioration in the macro-economic environment is generally accompanied by an increase in the volumes and duration of the drawdowns. Credit conversion factor used by the Bank for unutilized limits has been computed at 20% in case of retail exposures as well as corporate exposures with remaining maturity of less than one year or 50% in case of corporate exposures with remaining maturity of more than one year.

The Group considers a range of possible outcomes and their respective probabilities, and to apply judgement in determining what constitutes reasonable and forward looking information. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including the recent regional military escalations that have increased uncertainty across the Gulf region and may impact the Group's operating environment as detailed below:

Regional Geopolitical Developments

During the six month period ended 30 June 2026, evolving regional geopolitical landscape in parts of the Middle East increased uncertainty in the economic environment. The situation continues to evolve and has had secondary impacts in several countries across the Middle East including UAE, causing disruption to some business and economic activities. This has brought about additional uncertainties in the economic environment.

Management has closely monitored these requirements and performed a preliminary assessment of the potential impact of the above on key sectors and counterparties, including a review of exposures in potentially affected industries such as real estate for the Group. As part of this assessment, the management has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL measurement.

For the purpose of ECL determination as of 30 June 2026, the Bank applied probability weightings of 50% to the downside and 50% to the base scenario. This resulted in additional impairment provisions which have been included in the net impairment charge of AED 41.2 million for the six month period ended 30 June 2026.

The Bank's business continuity planning framework and other risk management practices remain in place to respond to any potential operational or business disruption arising from the evolving regional situation.

The Group has also considered relevant regulatory guidance, including support measures made available by the CBUAE effective from 17 March 2026 and applicable initially until 30 June 2026 and subsequently extended till 30 September 2026 under the Financial Institution Resilience Package providing temporary liquidity and capital flexibility measures to eligible banks. As part of the Package, Banks may benefit from the Reserve Balance Measure allowing penalty-free drawdown of up to 30% of minimum reserve requirements, enhancing liquidity management flexibility, if required. Additionally, the CBUAE has granted banks access to collateralized term liquidity facilities in Dirhams – Contingent Liquidity Insurance Facility ("CLIF") and US Dollar – USD Dollar Liquidity Facility ("USDLF") under Pillar III of the DMF regulation CBUAE/MMD/2022/333 (January 2022) to manage potential liquidity stress. As at 30 June 2026, the Group has utilized these relief measures on a case-to-case basis, noting minimal usage and having no significant impact from a credit risk perspective as of 30 June 2026.

5. Financial risk management

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2025.

i) Fair value measurement of financial instruments

The Bank's existing policy on fair value measurement of financial instruments is disclosed in note 3 (b) to the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2025.

ii) Concentration analysis

Please refer to note 10.1 (a) and (b) to the condensed consolidated interim financial statements, which discloses the product and sector wise categorization of Investment in Islamic financing as at 30 June 2026. The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2025.

iii) Profit rate risk

The principal risk to which non-trading portfolios are exposed, is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market profit rates. Profit rate risk primarily comprises of market and valuation risk, are managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value. Overall pricing or profit rate risk positions are managed by the Asset and Liability Committee ("ALCO").

The sensitivity of the condensed consolidated statement of profit or loss is the effect of the assumed changes in profit rates on the net income.

	Six month period ended 30 June 2026 Un-audited	**Six month period ended 30 June 2025 Un-audited**
Net profit rate sensitivity on financial assets and liabilities	**6,314**	12,349

	Three month period ended 30 June 2026 Un-audited	**Three month period ended 30 June 2025 Un-audited**
Net profit rate sensitivity on financial assets and liabilities	**3,157**	6,175

5. Financial risk management (continued)

iv) Maximum exposure to credit risk*

The table below is the maximum exposure to credit risk for the Group and is shown gross, before any mitigation of collateral.

	As at 30 June 2026 (Un-audited)			
	ECL Staging			
	Stage 1 12 month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Cash and balances with banks and financial institutions	**2,348,487**	**480**	**-**	**2,348,967**
Loss allowance	**-**	**-**	**-**	**-**
Carrying amount	**2,348,487**	**480**	**-**	**2,348,967**
Murabaha and wakalah with financial institutions	**16,537,840**	**-**	**-**	**16,537,840**
Loss allowance	**(6,829)**	**-**	**-**	**(6,829)**
Carrying amount	**16,531,011**	**-**	**-**	**16,531,011**
Investment securities measured at amortised cost	**12,608,018**	**-**	**23,579**	**12,631,597**
Loss allowance	**(19,206)**	**-**	**(23,579)**	**(42,785)**
Carrying amount	**12,588,812**	**-**	**-**	**12,588,812**
Investments in Islamic financing	**47,441,294**	**2,281,385**	**1,845,985**	**51,568,664**
Loss allowance	**(277,005)**	**(257,203)**	**(1,161,004)**	**(1,695,212)**
Carrying amount	**47,164,289**	**2,024,182**	**684,981**	**49,873,452**
Other financial assets	**1,366,187**	**20,832**	**-**	**1,387,019**
Loss allowance	**(21,398)**	**(16)**	**(13,702)**	**(35,116)**
Carrying amount	**1,344,789**	**20,816**	**(13,702)**	**1,351,903**
Net credit risk exposures relating to on-balance sheet assets	**79,977,388**	**2,045,478**	**671,279**	**82,694,145**
Letter of credit and guarantee	**1,818,974**	**50,149**	**18,740**	**1,887,863**
Loss allowance	**(9,810)**	**(772)**	**(9,327)**	**(19,909)**
Net credit risk exposures off-balance sheet assets	**1,809,164**	**49,377**	**9,413**	**1,867,954**
Net credit risk exposures	**81,786,552**	**2,094,855**	**680,692**	**84,562,099**
Gross credit risk exposure	**82,120,800**	**2,352,846**	**1,888,304**	**86,361,950**
Total loss allowance **	**(334,248)**	**(257,991)**	**(1,207,612)**	**(1,799,851)**
	81,786,552	**2,094,855**	**680,692**	**84,562,099**

5. Financial risk management (continued)

iv) Maximum exposure to credit risk* (continued)

	As at 31 December 2025 (Audited)			
	ECL Staging			
	Stage 1 12 month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Cash and balances with banks and financial institutions	4,661,827	265	-	4,662,092
Loss allowance	(19)	-	-	(19)
Carrying amount	**4,661,808**	**265**	**-**	**4,662,073**
Murabaha and wakalah with financial institutions	14,740,836	-	-	14,740,836
Loss allowance	(6,539)	-	-	(6,539)
Carrying amount	**14,734,297**	**-**	**-**	**14,734,297**
Investment securities measured at amortised cost	12,954,223	11,002	23,579	12,988,804
Loss allowance	(20,504)	(178)	(23,579)	(44,261)
Carrying amount	**12,933,719**	**10,824**	**-**	**12,944,543**
Investments in Islamic financing	43,267,346	2,237,830	1,779,249	47,284,425
Loss allowance	(256,020)	(303,388)	(1,174,955)	(1,734,363)
Carrying amount	**43,011,326**	**1,934,442**	**604,294**	**45,550,062**
Other financial assets	1,227,703	16,736	12,826	1,257,265
Loss allowance	(15,789)	(13)	(12,826)	(28,628)
Carrying amount	**1,211,914**	**16,723**	**-**	**1,228,637**
Net credit risk exposures relating to on-balance sheet assets	**76,553,064**	**1,962,254**	**604,294**	**79,119,612**
Letter of credit and guarantee	1,658,041	39,759	18,715	1,716,515
Loss allowance	(6,009)	(959)	(9,327)	(16,295)
Net credit risk exposures off-balance sheet assets	**1,652,032**	**38,800**	**9,388**	**1,700,220**
Net credit risk exposures	**78,205,096**	**2,001,054**	**613,682**	**80,819,832**
Gross credit risk exposure	**78,509,976**	**2,305,592**	**1,834,369**	**82,649,937**
Total loss allowance**	**(304,880)**	**(304,538)**	**(1,220,687)**	**(1,830,105)**
	78,205,096	**2,001,054**	**613,682**	**80,819,832**

* Financial assets classified as fair value through profit and loss and equity instruments classified as fair value through other comprehensive income are not subject to any impairment under IFRS 9.

** In addition to the above, the Group has also recognised a provision for expected credit losses on its sukuk investments measured at FVTOCI amounting to AED 14.7 million as at 30 June 2026 *(As at 31 December 2025: AED 11.2 million)* .

5. Financial risk management (continued)

v) Capital adequacy

	As at 30 June 2026 Un-audited	**As at 31 December 2025 Audited**
Capital base		
Common equity tier 1	**9,913,801**	6,800,382
Additional tier 1 capital	**1,836,500**	1,836,500
Total tier 1 capital base	**11,750,301**	**8,636,882**
Total tier 2 capital base	**606,900**	620,640
Total capital base	**12,357,201**	**9,257,522**
Risk weighted assets		
Credit risk	**58,654,514**	52,916,517
Market risk	**167,483**	175,690
Operational risk	**4,619,693**	4,151,309
Total risk weighted assets	**63,441,690**	**57,243,516**
Capital ratios		
Common equity tier 1 ratio	**15.63%**	11.88%
Tier 1 capital ratio	**18.52%**	15.09%
Capital adequacy ratio	**19.48%**	16.17%

6. Cash and balances with banks and financial institutions

Cash	**861,393**	782,439
Balances with the CBUAE	**2,148,182**	4,374,508
Due from banks and financial institutions	**200,785**	287,565
	3,210,360	**5,444,512**

As at 30 June 2026 and 31 December 2025, balances with CBUAE includes 14 days average statutory deposit requirement of CBUAE, which is also available to fund daily operations under specified conditions.

As at 30 June 2026, due from banks include cash margin amounting to AED 42.1 million *(As at 31 December 2025: AED 4.1 million)* against collateralised murabaha.

7. Murabaha and wakalah with financial institutions

Murabaha	**2,161,319**	3,445,798
Wakalah arrangements	**14,369,692**	11,288,499
	16,531,011	**14,734,297**

As at 30 June 2026, Murabaha and Wakala arrangements with financial institutions includes Islamic certificates of deposit with CBUAE amounting to AED 8.5 billion *(As at 31 December 2025: AED 5.9 billion)* .

As at 30 June 2026, Murabaha and wakalah with financial institutions carry profit rates ranging from 2.00% to 6.37% per annum *(As at 31 December 2025: 1.75% to 7.75% per annum)* .

As at 30 June 2026 and 31 December 2025, balances due from banks and financial institutions *(refer note 6)* and Murabaha and wakala with financial institutions are pre-dominantly rated between P-1 to P-3 by reputable credit rating agencies.

8. Investment securities measured at fair value

The Group has designated certain investments in equity instruments, funds and sukuks as FVTOCI as these are investments that the Group plans to hold in the long term for strategic reasons.

By category	**Fair value**		**Dividend income**	
	As at 30 June	**As at 31 December**	**For the six month period ended 30 June**	
	2026 Un-audited	**2025 Audited**	**2026 Un-audited**	**2025 Un-audited**
Financial assets at fair value through profit or loss				
- Equity and funds	**320,428**	341,673	**12,354**	16,070
- Sukuks	**375,904**	381,448	**-**	-
	696,332	**723,121**	**12,354**	**16,070**
Financial assets at fair value through other comprehensive income				
- Equity and funds	**710,881**	576,626	**8,952**	10,042
- Sukuks	**4,344,932**	3,703,149	**-**	-
	5,055,813	**4,279,775**	**8,952**	**10,042**
Total investment securities measured at fair value	**5,752,145**	**5,002,896**	**21,306**	**26,112**

By quoted / unquoted	**As at 30 June 2026 Un-audited**	**As at 31 December 2025 Audited**
Financial assets at fair value through profit or loss		
- Quoted	**474,417**	501,206
- Unquoted	**221,915**	221,915
	696,332	**723,121**
Financial assets at fair value through other comprehensive income		
- Quoted	**4,638,160**	3,916,715
- Unquoted	**417,653**	363,060
	5,055,813	**4,279,775**
Total investment securities measured at fair value	**5,752,145**	**5,002,896**

During the six month period ended 30 June 2026 and the year ended 31 December 2025, no investment securities measured at fair value through other comprehensive income were downgraded to stage 3 under the ECL model.

During the six month period ended 30 June 2026, the Group has purchased equity securities amounting to AED 34.9 million *(year ended 31 December 2025: AED 9.0 million)* .

8. Investment securities measured at fair value (continued)

As at 30 June 2026, sukuks held at fair value through other comprehensive income includes AED 2,209.3 million *(As at 31 December 2025: AED 1,926.7 million)* that have been pledged against a collateralized commodity murabaha arrangement.

As at 30 June 2026 and 31 December 2025, investment securities measured at fair value predominantly comprise securities issued in the UAE and the Gulf Cooperation Council ("GCC").

9. Investment securities measured at amortised cost

	As at 30 June 2026 Un-audited	As at 31 December 2025 Audited
By category		
- Sukuks	**12,631,597**	12,988,804
Less: loss allowance on financial assets measured at amortised cost	**(42,785)**	(44,261)
	12,588,812	**12,944,543**
By quoted / unquoted		
- Quoted	**9,771,518**	10,128,725
- Unquoted	**2,860,079**	2,860,079
Less: loss allowance on financial assets measured at amortised cost	**(42,785)**	(44,261)
	12,588,812	**12,944,543**

During the six month period ended 30 June 2026 and the year ended 31 December 2025, no investment securities measured at amortised cost were downgraded to stage 3 under the ECL model.

As at 30 June 2026, sukuks held at amortised cost includes AED 6,566.0 million *(As at 31 December 2025: AED 8,587.8 million)* that have been pledged against a collateralized commodity murabaha arrangement.

During the six month period ended 30 June 2026, the Group has not sold any investment securities measured at amortised cost *(year ended 31 December 2025, the Group has sold investment securities measured at amortised cost amounting to AED 253.4 million)* .

As at 30 June 2026 and 31 December 2025, investment securities measured at amortised cost predominantly comprise securities issued in the UAE and the Gulf Cooperation Council ("GCC").

The fair value of investment securities measured at amortised cost has been disclosed in note 25 of these condensed consolidated interim financial statements.

10. Investments in Islamic financing

10.1 Investments in Islamic financing are secured by acceptable forms of collateral to mitigate the related credit risk. Investments in Islamic financing comprise the following:

	As at 30 June 2026 Un-audited	As at 31 December 2025 Audited
a) By product		
Vehicle murabaha	**1,036,741**	1,018,580
Goods murabaha	**25,067,084**	21,860,920
Other murabaha receivable	**1,193,993**	1,304,639
Gross murabaha financing	**27,297,818**	**24,184,139**
Deferred profit	**(2,818,550)**	(2,371,998)
Net murabaha financing	**24,479,268**	**21,812,141**
Ijarah financing	**20,756,238**	19,766,185
Syndicate financing	**4,571,194**	4,029,220
Qard Hasan	**425,365**	502,906
Covered cards	**125,617**	117,100
Istisna'a	**1,210,982**	1,056,873
Total investments in Islamic financing	**51,568,664**	**47,284,425**
Less: loss allowance for investments in Islamic financing	**(1,695,212)**	(1,734,363)
Net investments in Islamic financing	**49,873,452**	**45,550,062**
b) By sector		
Government departments and authorities	**22,182,513**	19,775,629
Construction and contracting	**1,903,450**	1,535,229
Manufacturing	**948,664**	973,808
Transportation	**423,691**	597,588
Real estate	**13,275,733**	12,028,182
Retail business	**385,753**	372,047
Trade	**1,594,939**	1,087,828
Financial institutions	**1,548,875**	1,392,827
Services and others	**3,010,123**	3,689,294
Individuals	**3,820,534**	3,775,512
Consumer home finance	**1,911,270**	1,598,788
High net worth individuals	**3,381,669**	2,829,691
Deferred profit	**(2,818,550)**	(2,371,998)
Less: loss allowance for investments in Islamic financing	**(1,695,212)**	(1,734,363)
Net investments in Islamic financing	**49,873,452**	**45,550,062**

10. Investments in Islamic financing (continued)

10.2 Reconciliations from the opening to the closing balance of the gross carrying value ("GCV") and loss allowance ("ECL") for retail and corporate banking segments can be seen below:

	30 June 2026							
	Stage 1		Stage 2		Stage 3		Total	
	GCV	ECL	GCV	ECL	GCV	ECL	GCV	ECL
Balance at 1 January 2026 (Audited)	**43,267,346**	**256,020**	**2,237,830**	**303,388**	**1,779,249**	**1,174,955**	**47,284,425**	**1,734,363**
Retail banking								
Transfer to stage 1	6,966	137	(6,966)	(137)	-	-	-	-
Transfer to stage 2	(13,694)	(148)	13,694	148	-	-	-	-
Transfer to stage 3	(11,091)	(115)	(6,399)	(232)	17,490	347	-	-
Net movement in GCV	438,390	-	82	-	(210)	-	438,262	-
Net re-measurement of loss allowance	-	6,893	-	(3,006)	-	21,165	-	25,052
Recoveries	-	-	-	-	(4,601)	(4,018)	(4,601)	(4,018)
Write-offs	-	-	-	-	(15,622)	(15,632)	(15,622)	(15,632)
Corporate banking								
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(187,129)	(4,776)	187,129	4,776	-	-	-	-
Transfer to stage 3	(45,358)	(629)	(166,870)	(50,754)	212,228	51,383	-	-
Net movement in GCV	3,985,864	-	22,885	-	(39,119)	-	3,969,630	-
Net re-measurement of loss allowance	-	19,623	-	3,020	-	32,837	-	55,480
Recoveries	-	-	-	-	(48,218)	(44,821)	(48,218)	(44,821)
Write-offs	-	-	-	-	(55,212)	(55,212)	(55,212)	(55,212)
Balance at 30 June 2026 (Un-audited)	**47,441,294**	**277,005**	**2,281,385**	**257,203**	**1,845,985**	**1,161,004**	**51,568,664**	**1,695,212**

10. Investments in Islamic financing (continued)

10.2 Reconciliations from the opening to the closing balance of the gross carrying value ("GCV") and loss allowance ("ECL") for retail and corporate banking segments can be seen below:

	31 December 2025							
	Stage 1		Stage 2		Stage 3		Total	
	GCV	ECL	GCV	ECL	GCV	ECL	GCV	ECL
Balance at 1 January 2025 (Audited)	**35,791,621**	**202,107**	**2,103,098**	**269,208**	**1,933,405**	**1,273,990**	**39,828,124**	**1,745,305**
Retail banking								
Transfer to stage 1	4,596	127	(4,571)	(127)	(25)	-	-	-
Transfer to stage 2	(41,760)	(592)	41,760	592	-	-	-	-
Transfer to stage 3	(41,375)	(1,230)	(13,994)	(1,765)	55,369	2,995	-	-
Net movement in GCV	493,093	-	(3,232)	-	5,380	-	**495,241**	-
Net re-measurement of loss allowance	-	569	-	3,950	-	41,193	-	**45,712**
Recoveries	-	-	-	-	(30,763)	(16,191)	**(30,763)**	**(16,191)**
Write-offs	-	-	-	-	(31,975)	(31,975)	**(31,975)**	**(31,975)**
Corporate banking								
Transfer to stage 1	237,824	13,333	(237,824)	(13,333)	-	-	-	-
Transfer to stage 2	(542,407)	(4,970)	546,680	5,949	(4,273)	(979)	-	-
Transfer to stage 3	(9,962)	(43)	(83,295)	(16,887)	93,257	16,930	-	-
Net movement in GCV	7,375,716	-	(110,792)	-	35,094	-	**7,300,018**	-
Net re-measurement of loss allowance	-	46,719	-	55,801	-	113,576	-	**216,096**
Recoveries	-	-	-	-	(98,167)	(46,531)	**(98,167)**	**(46,531)**
Write-offs	-	-	-	-	(178,053)	(178,053)	**(178,053)**	**(178,053)**
Balance at 31 December 2025 (Audited)	**43,267,346**	**256,020**	**2,237,830**	**303,388**	**1,779,249**	**1,174,955**	**47,284,425**	**1,734,363**

10. Investments in Islamic financing (continued)

10.3 Portfolio wise analysis of ECL movement during the period

	30 June 2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as of 1 January 2026 (Audited)	**256,020**	**303,388**	**1,174,955**	**1,734,363**
Retail banking				
Covered cards	**345**	**4**	**633**	**982**
Housing finance	**6,596**	**(336)**	**1,054**	**7,314**
Personal finance	**(3,563)**	**(2,921)**	**(2,756)**	**(9,240)**
Auto finance	**3,389**	**26**	**2,931**	**6,346**
Corporate banking				
Government and related exposures	**12,533**	**-**	**-**	**12,533**
Other corporates	**(8,249)**	**(9,150)**	**(43,340)**	**(60,739)**
High net worth individuals	**11,496**	**(32,795)**	**48,328**	**27,029**
Small and medium enterprises ("SMEs")	**(1,562)**	**(1,013)**	**(20,801)**	**(23,376)**
ECL allowance as of 30 June 2026 (Un-audited)	**277,005**	**257,203**	**1,161,004**	**1,695,212**

	31 December 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
ECL allowance as of 1 January 2025 (Audited)	**202,107**	**269,208**	**1,273,990**	**1,745,305**
Retail banking				
Covered cards	(598)	(111)	373	**(336)**
Housing finance	(5,821)	313	(6,067)	**(11,575)**
Personal finance	2,338	2,471	3,287	**8,096**
Auto finance	2,955	(23)	(1,571)	**1,361**
Corporate banking				
Government and related exposures	29,212	(1,541)	-	**27,671**
Other corporates	9,075	(22,186)	(143,542)	**(156,653)**
High net worth individuals	16,647	40,412	8,741	**65,800**
Small and medium enterprises ("SMEs")	105	14,845	39,744	**54,694**
ECL allowance as of 31 December 2025 (Audited)	**256,020**	**303,388**	**1,174,955**	**1,734,363**

11. Other assets

	As at 30 June 2026 Un-audited	As at 31 December 2025 Audited
Prepaid expenses and other advances	**85,176**	82,036
Profit receivable	**597,252**	566,776
Sundry debtors	**351,778**	293,065
Assets purchased against Investment in Islamic financing	**245,100**	417,563
Positive fair value of Islamic derivatives *(note 20)*	**2,296**	35,473
Others	**64,332**	54,886
Less: loss allowance under IFRS 9 on other financial assets	**(54,677)**	(44,612)
	1,291,257	**1,405,187**

During the six month period ended 30 June 2026 and the year ended 31 December 2025, no significant financial assets included within 'Other assets' were downgraded to stage 3 under the ECL model.

12. Property and equipment and intangible assets

12.1 Property and equipment

Land and buildings	**768,843**	775,673
Equipment, furniture and fittings	**16,819**	22,899
Computer equipment	**31,694**	30,138
Motor vehicles	**1,262**	1,510
Right of use assets	**22,668**	30,525
Capital - work in progress	**47,412**	22,941
	888,698	**883,686**

12.2 Intangible assets

Software	**57,909**	59,844
Capital work in progress	**14,402**	11,572
	72,311	**71,416**

The above balances are presented net off accumulated depreciation or amortisation and accumulated impairment, if any.

13. Customer deposits

Current accounts	**14,837,265**	14,346,960
Saving accounts	**4,298,757**	4,254,668
Watani / call accounts	**2,482,535**	1,595,575
Escrow accounts	**3,548,631**	2,899,237
Time deposits	**2,250,755**	4,671,406
Wakala deposits	**31,170,107**	27,214,161
Margins	**779,762**	690,915
	59,367,812	**55,672,922**

14. Sukuk payable

Name of instrument	Maturity date	Profit rate	As at 30 June 2026 Un-audited	As at 31 December 2025 Audited
SIB Sukuk 2029	3 July 2029	5.25%	**1,827,850**	1,826,657
SIB Sukuk 2030	26 February 2030	5.20%	**1,826,117**	1,829,522
SIB Sukuk 2030	12 November 2030	4.60%	**1,827,613**	1,832,540
Total			**5,481,580**	**5,488,719**

15. Other liabilities

Profit payable	**641,281**	877,733
Accrual and provision	**186,757**	146,142
Accounts payable	**667,928**	610,521
Provision for staff end of service benefits	**141,591**	131,946
Managers' cheques	**500,120**	252,422
Sundry creditors*	**722,579**	638,130
Corporate tax payable	**215,690**	132,246
Deferred tax liability *(note 30)*	**6,543**	14,270
Payables against assets purchased	**99,255**	45,327
Profit equalisation reserve *(note 15.1)*	**29,496**	28,835
Negative fair value of Islamic derivatives *(note 20)*	**13,959**	-
Lease obligation *(note 15.2)*	**20,531**	21,850
	3,245,730	**2,899,422**

15.1 Profit equalisation reserve

Balance at the beginning of the period / year	**28,835**	24,665
Additions during the period / year	**2,096**	7,894
Utilisation during the period / year	**(1,435)**	(2,961)
Zakat allocation during the year	**-**	(763)
Balance at the end of the period / year	**29,496**	**28,835**

Profit equalisation reserve relates to amounts appropriated out of the Bank's common pool's income for Mudaraba depositors, before allocating the Mudarib's share of profit, in order to maintain a certain level of return on investments for all Mudarabah Investment Account Holders ("IAHs") and other investors in the common pool.

15.2 Lease obligation

Balance at the beginning of the period / year	**21,850**	25,361
Additions during the period / year	**-**	15,870
Payment made during the period / year	**(1,833)**	(15,347)
Amortisation during the period / year	**514**	(4,034)
Balance at the end of the period / year	**20,531**	**21,850**

* Sundry creditors include an amount of AED 200 million *(As at 31 December 2025: AED 212 million)* which relates to client money balances. In accordance with the regulations issued by the Capital Market Authority ("CMA"), the Group separately maintains moneys received from its customers ("client money") and presents the client money as part of the consolidated financial statements under 'Cash and balances with banks and financial institutions' with the corresponding liability in 'Other liabilities'. The client money is not available to the Group other than to settle transactions executed in the trading accounts of the customers.

16. Share capital

	As at 30 June 2026 (Un-audited)		As at 31 December 2025 (Audited)	
	No. of shares	Value	No. of shares	Value
Issued and fully paid up share capital	**4,314,236,850**	**4,314,237**	**3,235,677,638**	**3,235,678**

On 9 March 2026, the Bank's shareholders approved rights issue to raise AED 2,589 million by way of issuing 1,078,559,212 new shares at an issue price of AED 2.4 per share, representing the nominal value of AED 1 per share and a share premium of AED 1.4 per share. The share premium has been recorded under legal reserve as per article 198 of Federal Decree-Law No. (32) of 2021 as amended (refer note 19).

17. Tier 1 sukuk

On 4 June 2025, the Bank issued Shari'a compliant Additional Tier 1 sukuk through a SPV, SIB Tier 1 Sukuk IIND Ltd, ("the issuer") amounting to USD 500 million (AED 1,836.5 million) at par.

Additional Tier 1 sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. These sukuk are expected to pay expected profit semi-annually of 6.125 per cent each year, commencing from 4 June 2025 with periodic distribution due on 4 December and 4 June every year. The expected profit rate will be reset to a new expected rate on the basis of the then prevailing reoffer spread of 195.6 bps on 4 June 2031 ("the first reset date") and every 6 years thereafter. These sukuk are listed on Euronext Dublin and Nasdaq Dubai and are callable by the Bank on 4 December 2030 ("the first call date") or any profit payment date / periodic distribution date thereafter subject to certain redemption conditions.

The net proceeds of Additional Tier 1 Sukuk are invested by the Bank in its Shari'ah permissible activities on a co-mingling basis. At the Issuer's sole discretion, it may elect not to make any Mudaraba profit distributions expected and the event is not considered an event of default. In such an event, the Mudaraba profit will not be accumulated but forfeited to the issuer. If the issuer makes a non-payment election or a non-payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or make any other payment, and will procure that no distribution or dividend or other payment is made on ordinary shares issued by the Bank, or (b) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire ordinary shares issued by the Bank.

On 2 July 2025, the Bank exercised its call options and redeemed Additional Tier 1 Capital Certificates (the "Certificates") amounting to USD 500 million (AED 1,836.5 million) originally issued on 2 July 2019 via SIB Tier 1 Sukuk Company Limited. The Certificates have been delisted on Euronext Dublin and Nasdaq Dubai as well. SIB Tier 1 Sukuk Company Limited was subsequently liquidated on 9 January 2026.

18. Treasury shares

a) Disposal of treasury shares

During the year ended 31 December 2024, the Bank repurchased 167.7 million of its own shares, representing 5.18% of its total issued and paid up share capital of the Bank (the "treasury shares"), from Kuwait Finance House, subsequent to approval from the Central Bank of the UAE on 16 September 2024 and the Bank's shareholders' on 16 October 2024 respectively, in accordance with Article 221 of the UAE Federal Law No. 32 of 2021 as amended.

During the year ended 31 December 2025, the Bank sold the treasury shares at a premium of AED 99.6 million which is classified under shareholders' equity as share premium.

18. Treasury shares (continued)

b) Appointment of liquidity provider

The Bank has engaged a third party licensed liquidity provider for its shares listed on the Abu Dhabi Securities Exchange ("ADX"). Under this agreement, the liquidity provider will provide enhanced liquidity for the shares of the Bank listed on ADX by offering bid-ask quotes in line with the guidelines set by ADX and the UAE Capital Market Authority ("CMA"). This agreement is intended to boost liquidity and build stronger confidence among investors in the Bank's publicly traded shares.

As at 30 June 2026, the liquidity provider held 3.5 million of the Bank's shares on behalf of the Bank *(As at 31 December 2025: 7.3 million shares)*, which are classified under shareholders' equity as treasury shares at the price at which the shares were bought by the liquidity provider. As at 30 June 2026, the liquidity provider also holds unutilised amount of AED 34.6 million *(As at 31 December 2025: 22.3 million)* which has been included in 'Cash and balances with banks and financial institutions'.

At the end of the term of the agreement with the liquidity provider, the Bank will have the option to either transfer the outstanding shares under its name or dispose of its shares in the market.

19. Other reserves and treasury shares

	Legal reserve	Statutory reserve	Impairment reserve - General	Cash flow hedge reserve	Treasury shares *(note 18b)*	Total
Balance at 1 January 2026 (Audited)	**1,629,008**	**89,008**	**173,107**	**32,280**	**(22,747)**	**1,900,656**
Transfer to reserves	-	-	**99,812**	-	-	**99,812**
Rights issue (note 16)	**1,504,983**	-	-	-	-	**1,504,983**
Cash flow hedge - effective portion of changes in fair value of Islamic derivative - net of tax	-	-	-	**(42,893)**	-	**(42,893)**
Shares held by liquidity provider	-	-	-	-	**12,322**	**12,322**
Balance at 30 June 2026 (Un-audited)	**3,133,991**	**89,008**	**272,919**	**(10,613)**	**(10,425)**	**3,474,880**
Balance at 1 January 2025 (Audited)	1,626,880	89,008	183,587	(38,228)	(393,241)	**1,468,006**
Transfer to reserves	2,128	-	(10,480)	-	-	**(8,352)**
Cash flow hedge - effective portion of changes in fair value of Islamic derivative - net of tax	-	-	-	70,508	-	**70,508**
Disposal of treasury shares	-	-	-	-	368,991	**368,991**
Shares held by liquidity provider	-	-	-	-	1,503	**1,503**
Balance at 31 December 2025 (Audited)	**1,629,008**	**89,008**	**173,107**	**32,280**	**(22,747)**	**1,900,656**

20. Islamic derivative financial instruments

The Group uses Islamic profit rate swaps to hedge against the cash flow risks arising on certain variable rate financial assets and fixed rated financial liabilities. These are designated by the Group as cash flow hedges, and, as such, the Group applies cash flow hedge accounting to hedge the variability in highly probable forecast future cash flows attributable to profit rate risk on financial assets and liabilities. The table below shows the positive and negative fair values of Islamic derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturity.

20. Islamic derivative financial instruments (continued)

The notional amount is the amount of an Islamic derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of Islamic derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year end and are neither indicative of the market risk nor credit risk.

Islamic derivative financial instruments - held as cash flow hedge	Statement of financial position - line item	Positive fair value	Negative fair value	Notional amount
As at 30 June 2026 (Un-audited)				
Profit rate swaps	Other assets / other liabilities	**2,296**	**13,959**	**2,461,025**
As at 31 December 2025 (Audited)				
Profit rate swaps	Other assets	35,473	-	2,461,025

21. Net fee and commission income

	For the three month period ended 30 June		For the six month period ended 30 June	
	2026 Un-audited	2025 Un-audited	2026 Un-audited	2025 Un-audited
Fee and commission income				
Commission income	**116,719**	149,369	**240,604**	235,279
Fees and charges on banking services	**21,290**	24,069	**42,323**	47,689
Card related fees	**34,792**	20,561	**57,128**	42,976
Takaful commission	**1,305**	2,740	**2,776**	6,819
	174,106	**196,739**	**342,831**	**332,763**
Fee and commission expense				
Commission expense	**7,742**	6,342	**15,837**	12,473
Card related expense	**28,865**	19,093	**53,524**	38,430
Takaful expense	**1,165**	2,889	**2,037**	5,837
	37,772	**28,324**	**71,398**	**56,740**

22. Other income

Income from hospitality	**2,581**	5,252	**11,156**	13,605
Rental income	**21,309**	19,789	**42,660**	39,789
Income from disposal of properties	**962**	818	**12,712**	1,831
Gain on disposal of property and equipment	**-**	-	**-**	13
Other income	**186**	699	**274**	798
	25,038	**26,558**	**66,802**	**56,036**

23. Segment reporting

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which has been identified as the Board of Directors of the Bank and members of its executive committees who assess the financial performance and position of the Group and makes strategic decisions. The Group's activities comprise the following main business segments:

a) Government and corporate
Within this business segment the Bank provides companies, institutions and government and government departments with a range of Islamic financial products and services. This includes exposure to high net worth individuals.

b) Retail
The retail segment provides a wide range of Islamic financial services to individuals.

c) Investment and treasury
This segment mainly includes wakalah deals with other financial institutions, investments securities, investment properties and other money market activities.

d) Hospitality, brokerage and real estate
The Bank on its own and through its subsidiary ASAS provides real estate services, whereas SNH and SIBS provide hospitality and brokerage services respectively.

23. Segment reporting (continued)

	Government and Corporate	Retail	Investment and treasury	Hospitality, brokerage and real estate	Total
Condensed consolidated interim statement of profit or loss:					
For the six month period ended 30 June 2026 (Un-audited)					
Income from investments in Islamic financing and sukuks	1,004,820	192,512	889,686	23,076	2,110,094
Distribution to depositors and sukuk holders	(635,666)	(82,391)	(436,741)	-	(1,154,798)
Net income from financing and investment products	369,154	110,121	452,945	23,076	955,296
Fee and commission income	131,255	30,749	49,842	130,985	342,831
Fee and commission expense	(32,060)	(7,757)	(31,581)	-	(71,398)
Net fee and commission income	99,195	22,992	18,261	130,985	271,433
Investment income	-	-	55,698	16	55,714
Foreign exchange income	47,421	5,801	861	(2,296)	51,787
Other income	-	31	243	66,528	66,802
Total operating income	515,770	138,945	528,008	218,309	1,401,032
General and administrative expenses	-	-	-	(32,609)	(32,609)
General and administrative expenses - unallocated	-	-	-	-	(442,616)
Net operating income before impairment	515,770	138,945	528,008	185,700	925,807
(Impairment) / reversal of impairment on financial assets - net	1,897	(45,366)	2,535	(326)	(41,260)
Profit before tax	517,667	93,579	530,543	185,374	884,547
Taxation - unallocated	-	-	-	-	(80,648)
Profit for the period	517,667	93,579	530,543	185,374	803,899
Condensed consolidated interim statement of financial position:					
As at 30 June 2026 (Un-audited)					
Assets					
Segment assets	42,968,614	5,675,637	39,696,500	4,794,638	93,135,389
Unallocated assets	-	-	-	-	1,409,705
Total assets	42,968,614	5,675,637	39,696,500	4,794,638	94,545,094
Liabilities					
Segment liabilities	49,538,461	9,837,565	20,968,853	811,409	81,156,288
Unallocated liabilities	-	-	-	-	1,211,439
Total liabilities	49,538,461	9,837,565	20,968,853	811,409	82,367,727

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23. Segment reporting (continued)

	Government and Corporate	Retail	Investment and treasury	Hospitality, brokerage and real estate	Total
Condensed consolidated statement of profit or loss:					
For the six month period ended 30 June 2025 (Un-audited):					
Income from investments in Islamic financing and sukuks	849,451	185,608	829,196	18,208	**1,882,463**
Distribution to depositors and sukuk holders	(651,524)	(79,571)	(401,284)	-	**(1,132,379)**
Net income from financing and investment products	**197,927**	**106,037**	**427,912**	**18,208**	**750,084**
Fee and commission income	119,991	33,725	48,487	130,560	**332,763**
Fee and commission expense	(22,852)	(11,432)	(22,456)	-	**(56,740)**
Net fee and commission income	**97,139**	**22,293**	**26,031**	**130,560**	**276,023**
Investment income	-	-	22,693	48	**22,741**
Foreign exchange income	36,422	2,704	16,057	2,457	**57,640**
Other income	-	-	812	55,224	**56,036**
Total operating income	**331,488**	**131,034**	**493,505**	**206,497**	**1,162,524**
General and administrative expenses	-	-	-	(34,686)	**(34,686)**
General and administrative expenses - unallocated	-	-	-	-	**(370,684)**
Net operating income before impairment	**331,488**	**131,034**	**493,505**	**171,811**	**757,154**
Reversal / (impairment) on financial assets - net	67,826	(29,516)	(28,258)	(750)	**9,302**
Profit before tax	**399,314**	**101,518**	**465,247**	**171,061**	**766,456**
Taxation - unallocated	-	-	-	-	**(69,258)**
Profit for the period	**399,314**	**101,518**	**465,247**	**171,061**	**697,198**
Consolidated statement of financial position:					
As at 31 December 2025 (Audited)					
Assets					
Segment assets	39,379,942	5,255,525	39,691,927	4,460,477	**88,787,871**
Unallocated assets	-	-	-	-	**1,525,228**
Total assets	**39,379,942**	**5,255,525**	**39,691,927**	**4,460,477**	**90,313,099**
Liabilities					
Segment liabilities	46,500,272	10,126,549	22,357,689	702,343	**79,686,853**
Unallocated liabilities	-	-	-	-	**1,096,170**
Total liabilities	**46,500,272**	**10,126,549**	**22,357,689**	**702,343**	**80,783,023**

24. Related parties

In the normal course of business, the Group enters into various transactions with enterprises and key management personnel which falls within the definition of related parties as defined in IAS 24. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. Other related parties includes balances due to / from entities under common control of either major shareholders or key management personnel. The related party transactions are executed at the terms agreed between the parties, which in the opinion of management, are not significantly different from those that could have been obtained from third parties. At the reporting date, such significant balances include:

	Key management personnel	Major shareholders	Other related parties	Total
Condensed consolidated interim statement of financial position as at 30 June 2026 (Un-audited)				
Investment securities measured at fair value	**-**	**629,340**	**-**	**629,340**
Investment securities measured at amortised cost	**-**	**780,329**	**-**	**780,329**
Investments in Islamic financing	**430,972**	**3,048,225**	**7,211,385**	**10,690,582**
Customer deposits	**(152,486)**	**(1,500,807)**	**(6,743,273)**	**(8,396,566)**
Contingent liabilities	**59**	**500,100**	**476,282**	**976,441**
Consolidated statement of financial position as at 31 December 2025 (Audited)				
Investment securities measured at fair value	-	671,287	-	**671,287**
Investment securities measured at amortised cost	-	780,329	-	**780,329**
Investments in Islamic financing	329,365	3,221,243	7,167,812	**10,718,420**
Customer deposits	(152,185)	(2,798,180)	(6,074,011)	**(9,024,376)**
Contingent liabilities	59	500,100	424,648	**924,807**
Condensed consolidated interim statement of profit or loss for the six month period ended 30 June 2026 (Un-audited)				
Income from Islamic financing and investment securities	**8,661**	**90,704**	**204,849**	**304,214**
Depositors' share of profit	**(1,777)**	**(47,583)**	**(66,295)**	**(115,655)**
Fee and commission income	**-**	**-**	**892**	**892**
Condensed consolidated interim statement of profit or loss for the six month period ended 30 June 2025 (Un-audited)				
Income from Islamic financing and investment securities	8,938	112,445	194,061	**315,444**
Depositors' share of profit	(2,186)	(54,466)	(48,795)	**(105,447)**
Fee and commission income	-	-	911	**911**

Key management compensation includes salaries and other short term benefits of AED 18.1 million for the six month period ended 30 June 2026 *(six month period ended 30 June 2025: AED 15.7 million)* and post-employment benefits of AED 1.7 million for the six month period ended 30 June 2026 *(six month period ended 30 June 2025: AED 1.0 million)* .

As at 30 June 2026 or 31 December 2025, the Group does not have any related party balances classified as stage 3.

As at 30 June 2026 and 31 December 2025, the Group has applied the exemption in IAS 24 'Related Party Disclosures' that allows presentation of reduced related party disclosures regarding transactions with government related parties. These transactions (mainly comprised of utility expenses, courier expenses etc) are conducted in the ordinary course of business, on terms comparable to those with other entities that are not government related and are not individually or collectively significant. The Group has established procurement policies, a pricing strategy and approval mechanism for purchases / income which are independent of whether the counterparties are government related or not.

24. Related parties (continued)

The ultimate controlling party of the Bank is the Government of Sharjah. Major shareholders of the Bank comprise of fully owned entities of the Government of Sharjah namely Sharjah Asset Management LLC and Sharjah Social Security Fund who hold 25.00% and 19.69% of the Bank's issued and fully paid up share capital respectively as at 30 June 2026 *(As at 31 December 2025: 28.46% and 16.12% respectively).*

25. Fair value measurement

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: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark profit rates, credit spreads in estimating discount rates, sukuk and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation function, which is independent of front office management and reports to the Investment Committee, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements.

Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models involving valuation function;
- calibration and back-testing of models against observed market transactions at regular intervals;
- analysis and investigation of significant valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by Investment Committee.

Significant valuation issues are reported to the Investment Committee.

25. Fair value measurement (continued)

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
At 30 June 2026 (Un-audited)				
Financial assets				
Investment securities - FVTPL	**459,922**	**14,495**	**221,915**	**696,332**
Investment securities - FVTOCI	**4,628,980**	**9,180**	**417,653**	**5,055,813**
Islamic derivative financial instruments	**-**	**2,296**	**-**	**2,296**
	5,088,902	**25,971**	**639,568**	**5,754,441**
Non-financial assets				
Investment properties at fair value	**-**	**-**	**1,760,931**	**1,760,931**

	Level 1	Level 2	Level 3	Total
At 31 December 2025 (Audited)				
Financial assets				
Investment securities - FVTPL	486,481	14,725	221,915	723,121
Investment securities - FVTOCI	3,668,588	248,127	363,060	4,279,775
Islamic derivative financial instruments	-	35,473	-	35,473
	4,155,069	**298,325**	**584,975**	**5,038,369**
Non-financial assets				
Investment properties at fair value	-	-	1,844,950	1,844,950

Management considers that the carrying amounts of financial assets and financial liabilities, measured at amortised cost, recognised in the condensed consolidated interim financial statements approximate their fair values, other than investments measured at amortised cost for which the fair value is calculated using Level 1 inputs. As at 30 June 2026, fair value for investments measured at amortised cost amounts to AED 12,586.2 million *(As at 31 December 2025: AED 13,156.3 million)* against carrying value of AED 12,588.8 million *(As at 31 December 2025: AED 12,944.5 million)* .

There were no transfers of any financial instruments between any of the levels in the fair value hierarchy during the six month period ended 30 June 2026 or during the year ended 31 December 2025.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the hierarchy for investment securities and investment properties:

	For the six month period ended 30 June 2026 (Un-audited)		For the year ended 31 December 2025 (Audited)	
	FVTPL	FVTOCI	FVTPL	FVTOCI
Financial assets				
Balance as at the beginning of the period / year	**221,915**	**363,060**	371,985	428,095
Fair value movement during the period / year	**-**	**21,740**	(159,069)	16,862
Additions during the period / year	**-**	**32,853**	8,999	-
Disposals during the period / year	**-**	**-**	-	(81,897)
Balance at the end of the period / year	**221,915**	**417,653**	**221,915**	**363,060**

25. Fair value measurement (continued)

	30 June 2026 Un-audited	**31 December 2025 Audited**
Non-financial assets - Investment properties		
Balance at the beginning of the period / year	**1,844,950**	2,964,711
Additions during the period / year	**6,092**	38,729
Transfer to properties held for sale during the period / year	**(87,815)**	(1,167,641)
Disposals during the period / year	**-**	(64,334)
Gain on revaluation during the year	**-**	64,237
Exchange differences during the period / year	**(2,296)**	9,248
Balance at the end of the period / year	**1,760,931**	**1,844,950**

During the six month period ended 30 June 2026, the Group transferred properties amounting to AED 87.8 million from investment properties to properties held for sale *(year ended 31 December 2025, the Group transferred properties of AED 1,167.6 million from investment properties to properties held for sale)* . This has no impact on condensed consolidated interim statement of cash flows for the six month period ended 30 June 2026 or 30 June 2025.

Unobservable inputs used in measuring fair value

The investment department constantly monitors the progress of its investments by conducting its own valuation assessment along with information provided by the fund manager. Depending on the nature of the underlying asset, quantitative methods are used such as residual value, discounted cash flow / scenario analysis or comparable market valuation. Qualitative methods which involve taking into consideration the market & economic outlook are also employed. The carrying amount of the investment properties is the fair value of the properties as determined by an independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued and is reviewed by the Board of Directors on an annual basis. The valuation techniques used for fair valuation of the investment properties were disclosed in the consolidated financial statements for the year ended 31 December 2025.

The effect of unobservable input on fair value measurement

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions by 10% would have the following effects:

	Effect on profit or loss		**Effect on OCI**	
	Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
For the six month period ended 30 June 2026 (Un-audited)	**198,285**	**(198,285)**	**41,765**	**(41,765)**
For the year ended 31 December 2025 (Audited)	206,687	(206,687)	36,306	(36,306)

26. Interim measurement

The nature of the Group's business is such that income and expense are incurred in a manner, which is not impacted by any form of seasonality. These condensed consolidated interim financial statements were prepared based upon the accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

27. Dividends

During the annual general meeting of the shareholders held on 09 March 2026, a cash dividend of 20% of the paid up capital, amounting to AED 646.6 million (AED 0.2 per share - net off dividend on shares held by the liquidity provider on behalf of the Bank) was approved for the year ended 31 December 2025 *(During the annual general meeting of the shareholders held on 23 February 2025, a cash dividend of 15% of the paid up capital, amounting to AED 458.7 million (AED 0.15 per share) was approved for the year ended 31 December 2024)* .

28. Contingencies and commitments

	As at 30 June 2026 Un-audited	**As at 31 December 2025 Audited**
Letters of credit	**712,471**	584,726
Letters of guarantee	**7,558,094**	6,145,309
Commitments	**2,170,864**	2,542,632

At 30 June 2026, the Group held financial assets, on behalf of customers in a fiduciary capacity without recourse to itself, with a market value of AED 3,909.5 million *(As at 31 December 2025: AED 6,152.8 million)* . The Group act as an agent to buy and sell such financial assets. Accordingly, these financial assets are not included in the condensed consolidated interim statement of financial position.

As at 30 June 2026, the letter of guarantees issued also include financial guarantee of AED 5 million *(As at 31 December 2025: AED 5 million)* respectively to the Department of Economic Development against a real estate leasing and management license for ASAS Real Estate.

As at 30 June 2026, financial guarantees of AED 200 million which comprises of AED 100 million issued to Abu Dhabi Securities Exchange and AED 100 million issued to Dubai Financial Market against conducting brokerage operations for Sharjah Islamic Securities LLC SP *(As at 31 December 2025, financial guarantees of AED 200 million which comprises of AED 100 million issued to Abu Dhabi Securities Exchange and AED 100 million issued to Dubai Financial Market against conducting brokerage operations for Sharjah Islamic Securities LLC SP)* .

The Group receives legal claims arising in the normal course of business. As of the reporting date, the Group has assessed these claims and considers them not to be material, individually or in aggregate. Where appropriate, the Group has recognised a provision for liabilities when it was probable that an outflow of economic resources embodying economic benefits would be required and for which a reliable estimate could be made of the obligation. The Group seeks to comply with all applicable laws and regulations, but may be subject to regulatory actions and investigations from time to time, the outcome of which are generally difficult to predict and can be material.

29. Taxation

	For the three month period ended 30 June		For the six month period ended 30 June	
	2026 Un-audited	**2025 Un-audited**	**2026 Un-audited**	**2025 Un-audited**
Condensed consolidated interim statement of profit or loss				
Current tax				
Charge for the period	**42,214**	37,565	**80,648**	69,258
Deferred tax				
Charge for the period:				
- Relating to temporary differences	**-**	-	**-**	-
Tax expense for the period reported in the condensed consolidated interim statement of profit or loss	**42,214**	**37,565**	**80,648**	**69,258**
Condensed consolidated interim statement of other comprehensive income				
Current tax				
Charge for the period:				
- Unrealized gain on revaluation of FVTOCI equity investments	**1,233**	463	**2,796**	313
Deferred tax				
Charge for the period:				
- Unrealized (loss) / gain on revaluation of FVTOCI sukuk investments	**4,861**	2,233	**(3,485)**	3,891
- Unrealized (loss) / gain on effective portion of changes in fair value of cash flow hedge	**(2,101)**	1,003	**(4,242)**	5,655
Tax (income) / charge reported in the condensed consolidated interim statement of other comprehensive income	**3,993**	**3,699**	**(4,931)**	**9,859**
Reconciliation of tax expense and the accounting profit				
Accounting profit before tax	**465,446**	415,833	**884,547**	766,456
At UAE statutory corporate tax rate of 9% *(2025: 9%)*	**41,890**	37,425	**79,609**	68,981
Effect of standard exemption	**(9)**	(9)	**(17)**	(17)
Exempt income	**(495)**	-	**(495)**	-
Non-deductible expenses for tax purposes	**828**	149	**1,551**	294
At the effective income tax rate of 9.12% (2025: 9.04%)	**42,214**	**37,565**	**80,648**	**69,258**

30. Deferred tax

	As at 30 June 2026 Un-audited	As at 31 December 2025 Audited
Investment securities measured at fair value	**7,593**	11,078
Cash flow hedge - Effective portion of changes in fair value	**(1,050)**	3,192
Deferred tax liability	**6,543**	**14,270**
Recognised in profit or loss	**-**	-
Recognised in other comprehensinve income	**6,543**	14,270
Deferred tax liability	**6,543**	**14,270**

31. Basic and diluted earnings per share

	For the six month period ended 30 June 2026 (Un-audited)		For the six month period ended 30 June 2025 (Un-audited)	
	Basic	**Diluted**	**Basic**	**Diluted**
Profit for the period	**803,899**	**803,899**	697,198	697,198
less: Profit on Tier 1 sukuk	**(56,245)**	**(56,245)**	(45,912)	(45,912)
Adjusted profit for the period	**747,654**	**747,654**	**651,286**	**651,286**
Weighted average number of ordinary shares (in '000)	**3,487,439**	**3,572,502**	**3,487,439**	**3,472,502**
Basic earnings per share (U.A.E. Dirhams)	**0.21**	**0.21**	**0.19**	**0.19**

	For the three month period ended 30 June 2026 (Un-audited)		For the three month period ended 30 June 2025 (Un-audited)	
	Basic	**Diluted**	**Basic**	**Diluted**
Profit for the period	**423,232**	**423,232**	378,268	378,268
less: Profit on Tier 1 sukuk	**(56,245)**	**(56,245)**	-	-
Adjusted profit for the period	**366,987**	**366,987**	**378,268**	**378,268**
Weighted average number of ordinary shares (in '000)	**3,741,798**	**3,727,326**	**3,741,798**	**3,727,326**
Basic earnings per share (U.A.E. Dirhams)	**0.10**	**0.10**	**0.10**	**0.10**

32. Directors' remuneration

In accordance with the Article 171 of Commercial Companies Law No. 32 of 2021 as amended, the directors' remuneration for the year ended 31 December 2025 was AED 19 million.

33. 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 six month period ended 30 June 2026.

34. Approval of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of Directors on 13 July 2026.