

Ajman Bank PJSC

**Review report and condensed consolidated
interim financial information**

For the six-month period ended 30 June 2026

Ajman Bank PJSC

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors
Ajman Bank PJSC
Ajman
United Arab Emirates**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Ajman Bank PJSC** (the “Bank”) and its subsidiaries (collectively referred as the “Group”) as at 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 explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Deloitte & Touche (M.E.)



Firas Anabtawi
Registration No.: 5482
23 July 2026
Dubai
United Arab Emirates

**Condensed consolidated interim statement of financial position (unaudited)
as at 30 June 2026**

	Notes	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
ASSETS			
Cash and balances with the Central Bank	6	2,644,202	4,268,362
Islamic financing and investing assets with Banks and other financial institutions.		3,614,361	3,675,853
Islamic financing and investing assets, net	7	19,693,015	17,729,506
Islamic investment securities at fair value	8	6,024,134	5,696,890
Investment properties		672,500	401,200
Property and equipment		210,986	171,597
Other Islamic assets	9	1,006,121	920,043
Total assets		33,865,319	32,863,451
LIABILITIES AND EQUITY			
Liabilities			
Islamic customers' deposits	10	22,874,697	23,745,824
Due to banks and other financial institutions		4,634,363	2,886,261
Sukuk financing instrument	25	1,818,139	1,816,798
Other liabilities	11	1,122,576	942,317
Total liabilities		30,449,775	29,391,200
Equity			
Share capital	12	2,723,500	2,723,500
Treasury shares	13	(6,773)	(3,977)
Statutory reserve		306,927	308,441
Investment fair value reserve		(275,264)	(205,079)
Retained earnings		661,671	649,366
Equity attributable to the owners and sukuk holders of the bank		3,410,061	3,472,251
Non-controlling interest		5,483	-
Total Equity		3,415,544	3,472,251
TOTAL LIABILITIES AND EQUITY		33,865,319	32,863,451

To the best of our knowledge, the condensed consolidated interim financial information 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:

.....
H.H. Sheikh Ammar Bin Humaid Al Nuaimi
Chairman

.....
Mustafa Al Khalfawi
Chief Executive Officer

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

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

		Three-month period ended 30 June		Six-month period ended 30 June	
		2026	2025	2026	2025
	Notes	AED'000	AED'000	AED'000	AED'000
Operating income					
Income from Islamic financing and investing assets	15	317,825	280,641	638,699	534,762
Income from Islamic investment securities		71,304	47,222	130,321	86,653
Fees, commissions and other income		48,010	59,502	111,162	129,898
Total operating income before depositors' share of profits					
		437,139	387,365	880,182	751,313
Depositors' share of profits		(221,593)	(187,064)	(442,807)	(352,099)
Net operating income					
		215,546	200,301	437,375	399,214
Expenses					
Staff costs		(67,402)	(69,048)	(134,272)	(133,081)
General and administrative expenses		(36,883)	(21,811)	(70,658)	(45,402)
Depreciation of property and equipment		(6,792)	(5,273)	(14,016)	(10,794)
(Provision for)/write-back of expected credit losses on financial assets	16	(11,412)	16,313	8,784	55,643
Reversal of Impairment on non-financial assets	1	35,497	-	35,497	-
Total expenses					
		(86,992)	(79,819)	(174,665)	(133,634)
Profit before tax					
		128,554	120,482	262,710	265,580
Income tax expense	24	(11,706)	(10,066)	(16,297)	(20,485)
Profit for the period					
		116,848	110,416	246,413	245,095
Attributable to:					
Owners of the Bank		116,848	110,416	246,413	245,095
Non-controlling Interests		-	-	-	-
Profit for the period					
		116,848	110,416	246,413	245,095
Basic and diluted earnings per share (AED)					
	17	0.043	0.041	0.091	0.091

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

**Condensed consolidated interim statement of other comprehensive income (unaudited)
for the six-month period ended 30 June 2026**

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	2026	2025
	AED'000	AED'000	AED'000	AED'000
Profit for the period	116,848	110,416	246,413	245,095
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to the statement of profit or loss</i>				
Fair value gain/(loss) on equity securities at FVTOCI	7,131	14,191	8,470	9,816
Corporate income tax	(652)	(1,277)	(772)	(883)
	6,479	12,914	7,698	8,933
<i>Items that may be reclassified subsequently to the statement of profit or loss</i>				
Fair value gain/(loss) on Sukuk investment securities at FVTOCI	89,079	21,833	(69,953)	58,378
Deferred Tax (Note 24)	4,193	(1,965)	19,611	(5,254)
Reclassification to the statement of profit or loss upon disposal of investments at FVTOCI	(4,706)	(6,112)	(11,633)	(5,735)
	88,566	13,756	(61,975)	47,389
Other comprehensive (loss)/income	95,045	26,670	(54,277)	56,322
Total comprehensive income for the period	211,893	137,086	192,136	301,417
Attributable to:				
Owners of the Bank	211,893	137,086	192,136	301,417
Non-controlling Interests	-	-	-	-
Total comprehensive income for the period	211,893	137,086	192,136	301,417

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

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

	Share capital AED'000	Treasury shares AED'000	Statutory and other reserves AED'000	Investment fair value reserve AED'000	Retained earnings AED'000	Non- Controlling Interest AED'000	Total AED'000
At 1 January 2025	2,723,500	(34,478)	277,753	(218,075)	363,110	-	3,111,810
Profit for the period	-	-	-	-	245,095	-	245,095
Other comprehensive income	-	-	-	56,322	-	-	56,322
Total comprehensive income for the period	-	-	-	56,322	245,095	-	301,417
Treasury shares (Note 13)	-	4,080	4,105	-	-	-	8,185
Transfer on disposal of equity instruments at FVTOCI	-	-	-	(51,892)	51,892	-	-
Dividends (Note 12)	-	-	-	-	(197,454)	-	(197,454)
At 30 June 2025 (unaudited)	2,723,500	(30,398)	281,858	(213,645)	462,643	-	3,223,958
At 1 January 2026	2,723,500	(3,977)	308,441	(205,079)	649,366	-	3,472,251
Profit for the period	-	-	-	-	246,413	-	246,413
Other comprehensive income	-	-	-	(54,277)	-	-	(54,277)
Total comprehensive income for the period	-	-	-	(54,277)	246,413	-	192,136
Treasury shares (Note 13)	-	(2,796)	(1,514)	-	-	-	(4,310)
Transfer on disposal of equity instruments at FVTOCI	-	-	-	(15,908)	15,908	-	-
Dividends (Note 12)	-	-	-	-	(250,016)	-	(250,016)
Share of Non-Controlling Interest recognised	-	-	-	-	-	5,483	5,483
At 30 June 2026 (unaudited)	2,723,500	(6,773)	306,927	(275,264)	661,671	5,483	3,415,544

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

**Condensed consolidated interim statement of cash flows (unaudited)
for the six-month period ended 30 June 2026**

	Six-month period ended 30 June	
	2026	2025
	AED'000	AED'000
Cash flows from operating activities		
Profit before tax for the period	262,710	265,580
<i>Adjustments for:</i>		
Depreciation of property and equipment	14,016	10,794
Write-back of provision for expected credit losses on financial assets	(8,784)	(55,643)
Income from Islamic investment securities	(119,139)	(78,739)
Realized gain on disposal of Islamic investment securities	(11,181)	(7,914)
Reversal of Impairment on non-financial assets	(35,497)	-
Loss on disposal of property and equipment	-	85
Operating cash flows before changes in operating assets and liabilities	102,125	134,163
<i>Changes in operating assets and liabilities:</i>		
Statutory deposit with the Central Bank	(145,899)	5,243
International Murabaha with the Central Bank	(50,000)	-
Islamic financing and investing assets with banks and other financial institutions	(465,942)	(707,938)
Islamic financing and investing assets	(2,186,906)	(1,794,085)
Other assets	(80,896)	(170,180)
Islamic customers' deposits	(871,127)	1,915,524
Due to banks and other financial institutions	1,748,102	(165,287)
Other liabilities	179,894	75,658
Net cash used in operating activities	(1,770,649)	(706,902)
Cash flows from investing activities		
Purchase of Islamic investment securities	(1,973,503)	(1,174,941)
Proceeds from sale of Islamic investment securities	1,574,642	856,707
Purchase of property and equipment	(53,405)	(14,293)
Profit income on Islamic investment securities	130,445	84,273
Additions to investment properties	-	(1,058)
Net cash used in investing activities	(321,821)	(249,312)
Cash flows from financing activities		
Dividends paid	(250,016)	(197,454)
Sukuk financing instrument issued	1,341	1,815,466
Treasury shares	(4,310)	8,185
Net cash (used in) / generated from financing activities	(252,985)	1,626,197
Net (decrease)/ increase in cash and cash equivalents	(2,345,455)	669,983
Net cash and cash equivalents at 1 January	3,526,907	1,817,452
Cash and cash equivalents at 30 June (Note 6)	1,181,452	2,487,435

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

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026**

1. General information

Ajman Bank PJSC (the “Bank”) was incorporated as a Public Joint Stock Company listed on Dubai Financial Market (“DFM”). The registered address of the Bank is P.O. Box 7770, Ajman, United Arab Emirates (“UAE”). The Bank was legally incorporated on 17 April 2008 and was registered with the Securities and Commodities Authority (“SCA”) on 12 September 2008 and obtained a license from the Central Bank of the UAE to operate as a Head Office on 14 September 2008. On 1 December 2008, the Bank obtained a branch banking license from UAE Central Bank and commenced its operations on 22 December 2008.

In addition to its Head office in Ajman, the Bank operates through ten branches and two pay offices in the UAE.

The principal activities of the Bank are to undertake banking, financing and investing activities through various Islamic financing and investment products such as Murabaha, Ijarah, Mudaraba, Musharaka, Wakala and Sukuk. The activities of the Bank are conducted in accordance with the Islamic Shariah principles and within the provisions of its Memorandum and Articles of Association.

These condensed consolidated interim financial information combines the activities of the Bank’s head office, its branches and its subsidiaries together referred as the “Group” and the details are disclosed below:

Name of Subsidiary	Legal ownership interest		Date of incorporation and Country	Principal activities
	2026	2025		
Skyrise Properties (S.P.S - L.L.C)	100%	100%	19 January 2024 - United Arab Emirates	Real estate brokerage and property management services
*Makaseb 2 Real Estate Investment	86.6%	86.6%	17 September 2019 - United Arab Emirates	Real Estate Management

* During the period, the Group achieved control over its former associate, Makaseb 2 Real Estate Investment, and, in accordance with IFRS 10 Consolidated Financial Statements, commenced consolidation of the entity from the date on which control was achieved. Control was assessed based on the Group’s power over the investee, exposure or rights to variable returns from its involvement with the investee, and its ability to use its power to affect those returns, this control was achieved by appointing new Directors by the Group.

Furthermore, and prior to appointing the new Directors, the Group reassessed the carrying value of the associate which resulted in a reversal of impairment provision amounting to AED 35.5 million.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026**

2. Adoption of new and revised Standards

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

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

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding purchase power arrangements The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments:	1 January 2026
• IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>: Hedge accounting by a first-time adopter • IFRS 7 <i>Financial Instruments - Disclosures</i>: Gain or loss on derecognition • IFRS 7 <i>Financial Instruments - Disclosures</i>: Disclosure of deferred difference between fair value and transaction price • IFRS 7 <i>Financial Instruments - Disclosures</i>: Introduction and credit risk disclosures • IFRS 9 <i>Financial Instruments</i>: Lessee derecognition of lease liabilities • IFRS 9 <i>Financial Instruments</i>: Transaction price • IFRS 10 <i>Consolidated Financial Statements</i>: Determination of a "de facto agent" • IAS 7 <i>Statement of Cash Flows</i>: Cost method	

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

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

2. Adoption of new and revised Standards (continued)

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

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

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.	
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Translation to a Hyperinflationary Presentation Currency	1 January 2027
The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	
Amendments to IAS 28 Investments in Associates and Joint Ventures relating to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
The amendments provide clarity about which entities are eligible to measure investments using the fair value option in IAS 28	
IFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029
IFRS 20 requires an entity that is subject to a regulatory agreement to provide information about its regulatory assets, regulatory liabilities, regulatory income and regulatory expense.	

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

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

3. Summary of material accounting policies

As required by the Securities and Commodities Authority of the U.A.E. (“SCA”) Notification No. 2624/2008 dated 12 October 2008, certain required accounting policies have been disclosed in the condensed consolidated interim financial information.

3.1 Basis of preparation

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

These condensed consolidated interim financial information are prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”), issued by the International Accounting Standard Board (IASB) and also comply with the applicable requirements of the laws in the U.A.E including UAE Federal Law No. (32) of 2021; as amended and Federal Decree Law No. 6 of 2025.

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

These condensed consolidated interim financial information do not include all the information and disclosures required in full financial statements and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2025. In addition, results for the period from 1 January 2026 to 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

3.2 Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Bank and entities controlled by the Bank. Control is achieved where the Bank has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor’s returns.

The condensed consolidated interim financial statements comprise the financial statements of the Bank and its subsidiary as disclosed in Note 1 to these condensed consolidated interim financial statements. The financial statements of the subsidiary are prepared for the same reporting period as that of the Bank, using consistent accounting policies.

All significant inter-group balances, income and expense items are eliminated on consolidation.

3.3 Financial risk management

Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2025.

3.4 Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated interim income statement for the six-month period ended 30 June 2026 and 30 June 2025.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

4. Critical accounting judgments and key sources of estimation of uncertainty

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

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5. Classification of financial assets and liabilities

The tables below set out the Group's classification of each class of financial assets and liabilities:

	At fair value AED'000	Amortised cost AED'000	Total AED'000
At 30 June 2026 (unaudited)			
Financial assets			
Cash and balances with the Central Bank	-	2,644,202	2,644,202
Due from banks and other financial institutions	-	3,614,361	3,614,361
Islamic financing and investing assets, net	-	19,693,015	19,693,015
Islamic investments securities at fair value	6,024,134	-	6,024,134
Other Islamic assets	8,001	300,512	308,513
Total	6,032,135	26,252,090	32,284,225
Financial liabilities			
Islamic customers' deposits	-	22,874,697	22,874,697
Due to banks and other financial institutions	-	4,634,363	4,634,363
Sukuk financing instrument	-	1,818,139	1,818,139
Other liabilities	15,311	739,093	754,404
Total	15,311	30,066,292	30,081,603
At 31 December 2025			
Financial assets			
Cash and balances with the Central Bank	-	4,268,362	4,268,362
Islamic financing and investing assets with banks and other financial institutions	-	3,675,853	3,675,853
Islamic financing and investing assets, net	-	17,729,506	17,729,506
Islamic investment securities at fair value	5,696,890	-	5,696,890
Other Islamic assets	10,873	225,874	236,747
Total	5,707,763	25,899,595	31,607,358

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

5. Classification of financial assets and liabilities

	At fair value AED'000	Amortised cost AED'000	Total AED'000
At 31 December 2025			
Financial liabilities			
Islamic customers' deposits	-	23,745,824	23,745,824
Due to banks and other financial institutions	-	2,886,261	2,886,261
Sukuk financing instrument	-	1,816,798	1,816,798
Other Islamic liabilities	120	578,637	578,757
Total	120	29,027,520	29,027,640

6. Cash and balances with the Central Bank

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Cash on hand	182,558	168,591
<i>Balances with the Central Bank:</i>		
Balances and reserve requirements with central banks	1,561,644	1,199,771
International Murabahat with the Central Bank	900,000	2,900,000
Total	2,644,202	4,268,362

Cash and cash equivalents included in the condensed consolidated interim statement of cash flows are as follows:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)	30 June 2025 AED'000 (unaudited)
Cash and balances with the Central Bank	2,644,202	4,268,362	3,220,009
Islamic financing and investing assets with banks and other financial institutions (original maturity less than three months)	121,405	646,801	893,983
	2,765,607	4,915,163	4,113,992
Less: Balances with original maturity more than three months	(1,584,155)	(1,388,256)	(1,626,557)
Cash and cash equivalents	1,181,452	3,526,907	2,487,435

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

7. Islamic financing and investing assets, net

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
<i>Islamic financing assets</i>		
Vehicles murabahat	153,026	136,417
Commodities murabahat	7,674,244	6,793,169
Total murabahat	7,827,270	6,929,586
Ijarahs	9,484,204	9,180,940
Islamic credit cards	138,963	153,227
Istisna	9,693	4,145
	17,460,130	16,267,898
Deferred income	(744,580)	(661,017)
Total Islamic financing assets	16,715,550	15,606,881
<i>Islamic investing assets</i>		
Wakala	3,571,494	2,809,897
Total Islamic investing assets	3,571,494	2,809,897
Total Islamic financing and investing assets	20,287,044	18,416,778
Less: Impairment loss allowance (Note 16)	(594,029)	(687,272)
Total Islamic financing and investing assets, net	19,693,015	17,729,506

- (a) The significant changes in the gross carrying amount of Islamic financing and investing assets during the period that contributed to changes in the loss allowance, is provided in the table below:

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 1 January 2026 (audited)	15,684,768	1,207,724	1,524,286	18,416,778
- Transfer to stage 1	227,128	(227,128)	-	-
- Transfer to stage 2	(239,860)	245,633	(5,773)	-
- Transfer to stage 3	(14,292)	(72,487)	86,779	-
Change in exposure	691,707	(52,861)	(19,682)	619,164
New financial assets recognized	2,338,759	2,505	132	2,341,396
Financial assets derecognized	(742,395)	(10,546)	(250,530)	(1,003,471)
Write-Offs, net of recoveries	-	-	(86,823)	(86,823)
As at 30 June 2026 (unaudited)	17,945,815	1,092,840	1,248,389	20,287,044

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

7. Islamic financing and investing assets, net (continued)

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 1 January 2025 (audited)	10,553,676	1,674,538	1,577,530	13,805,744
- Transfer to stage 1	604,822	(604,822)	-	-
- Transfer to stage 2	(723,013)	769,070	(46,057)	-
- Transfer to stage 3	(147,983)	(160,121)	308,104	-
Change in exposure	(776,852)	(401,306)	(74,542)	(1,252,700)
New financial assets recognized	6,993,953	28,479	2,742	7,025,174
Financial assets derecognized	(819,835)	(98,114)	(160,992)	(1,078,941)
Recoveries/write backs, net of write-offs	-	-	(82,499)	(82,499)
As at 31 December 2025 (audited)	15,684,768	1,207,724	1,524,286	18,416,778

(b) The table below analyse the movement of the ECL allowance during the period per class of Islamic financing and investing assets.

	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Loss allowance as at 1 January 2026 (audited)	118,107	229,515	339,650	687,272
<i>Changes in the loss allowance</i>				
- Transfer to stage 1	19,026	(19,026)	-	-
- Transfer to stage 2	(1,235)	1,242	(7)	-
- Transfer to stage 3	(92)	(13,519)	13,611	-
Change in credit risk	4,565	(8,208)	(12,327)	(15,970)
New financial assets recognized	22,939	306	33	23,278
Financial assets derecognized	(6,799)	(2,177)	(4,752)	(13,728)
Write-Offs, net of recoveries	-	-	(86,823)	(86,823)
Loss allowance as at 30 June 2026 (unaudited)	156,511	188,133	249,385	594,029

	Stage 1 12-month ECL AED'000	Stage 2 Life time ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Loss allowance as at 1 January 2025 (audited)	96,137	271,903	478,303	846,343
<i>Changes in the loss allowance</i>				
- Transfer to stage 1	26,227	(26,227)	-	-
- Transfer to stage 2	(30,357)	47,530	(17,173)	-
- Transfer to stage 3	(98)	(7,025)	7,123	-
Change in credit risk	(21,967)	(51,114)	(27,981)	(101,062)
New financial assets recognized	53,661	4,059	119	57,839
Financial assets derecognized	(5,496)	(9,611)	(18,242)	(33,349)
Recoveries/write backs, net of write-offs	-	-	(82,499)	(82,499)
Loss allowance as at 31 December 2025 (audited)	118,107	229,515	339,650	687,272

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

8. Islamic investment securities at fair value

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Islamic investment securities at FVTOCI		
Sukuk instruments	5,736,954	5,462,053
Equity instruments	142,020	197,196
	5,878,974	5,659,249
Islamic investment securities at FVTPL		
Sukuk instruments	105,674	-
Equity instruments	39,486	37,641
	6,024,134	5,696,890

9. Other Islamic assets

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Accrued income on Islamic financing and investing assets	91,972	87,781
Accrued income on Islamic investment securities	67,473	53,002
Prepaid expenses	66,725	35,274
Staff advances	23,514	19,265
Acceptances (Note 11)	70,010	28,804
Assets acquired in settlement of Islamic financing and investing assets, net (*) (Note 19.3)	464,250	464,250
Rent receivable	24,907	20,198
Deferred tax asset	7,091	-
Other	224,908	244,289
	1,040,850	952,863
Less: Impairment loss allowance (Note 16)	(34,729)	(32,820)
	1,006,121	920,043

(*) Assets acquired in settlement of Islamic financing and investing assets include properties with a carrying value of AED 418 million which are beneficially held and the Group is in the process of transferring title of these properties in its name.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

10. Islamic customers' deposits

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Current accounts	5,049,501	5,102,629
<i>Mudaraba deposits:</i>		
Savings accounts	498,494	562,110
Term deposits	17,377	29,821
	5,565,372	5,694,560
Wakala deposits	15,340,099	16,932,492
Escrow accounts	1,797,912	978,201
Margin accounts	171,314	140,571
	22,874,697	23,745,824

11. Other liabilities

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Accrued profit on Islamic customers' deposits and placements by banks	327,441	302,381
Provisions for staff salaries and benefits	23,967	44,793
Managers' cheques	317,884	227,535
Acceptances (Note 9)	70,010	28,804
Lease liability	16,588	16,402
Provision for income tax	62,581	45,511
Deferred tax liabilities (Note 24)	-	12,520
Impairment loss allowance on financial commitments and financial guarantees (Note 16)	19,371	24,058
Other	284,734	240,313
	1,122,576	942,317

12. Share capital

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
<i>Issued and fully paid:</i>		
2,723,500,000 (31 December 2025: 2,723,500,000) shares of AED 1 each	2,723,500	2,723,500

The annual general meeting of the shareholders in its meeting held on 03 March 2026 approved to distribute cash dividends of AED 0.0918 per share (9.18% of paid-up capital) (AED 0.0725 per share (7.25% of paid-up capital) for the year ended 31 December 2025) amounting to AED 250.02 million (AED 197.4 million for the year ended 31 December 2025).

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

13. Treasury shares

The Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Bank's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 30 June 2026, the Market Maker held 6,773,000 of Ajman Bank's shares (31 December 2025: 3,977,000 shares) on behalf of the Bank, which are classified under equity as treasury shares at par value of AED 1 at 30 June 2026 and 31 December 2025. During the six-month period ended 30 June 2026, AED 1.5 million (year ended 31 December 2025: AED 19 million) has been utilised from share premium reserve (included under statutory reserve) to account for premium paid on acquisition of treasury shares, net of realized gains/losses on disposal of such shares. At the end of the contract term with the Market Maker, the Bank will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

14. General impairment reserve

In accordance with the requirements of the credit risk management standards (CRMS) issued by CBUAE (Credit Risk Management Regulation and accompanying Standards, Circular No. 3/2024 dated 25/7/2024), the Group must ensure that the total provision corresponding to all Stage 1 and Stage 2 exposures is not less than 1.50% of the Credit Risk weighted assets as computed under the CBUAE capital regulations. Where the collective provisions held are lower, the shortfall (if any) is held in a dedicated non-distributable balance sheet reserve called the 'impairment reserve-general'. The amount held in the impairment reserve general (if any) is deducted from the capital base (Tier 1 capital for Banks) when computing the regulatory capital. Also, this reserve is not available for payment of dividends.

15. Income from Islamic financing and investing assets

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	2026	2025
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from Ijarah	125,267	121,859	255,679	241,641
Income from Murabaha	127,775	112,925	260,731	216,511
Income from Wakala	64,642	45,857	122,053	76,610
Income from Istisna	141	-	236	-
	317,825	280,641	638,699	534,762

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

16. Impairment allowance of financial assets

The below table represents the movement between the opening and closing balance of the impairment loss and thereby the net charge in the consolidated statement of profit and loss for the three-month period:

(Unaudited)	Opening balance AED'000	Net charge/ (reversal) during the period AED'000	Write-Offs, net of recoveries AED'000	Closing balance AED'000	Net charge/ (reversal) during the period ended 30 June 2025 AED'000
Islamic financing and investing assets with banks and other financial institutions	11,079	2,038	-	13,117	6,151
Islamic financing and investing assets (Note 7)	687,272	(6,420)	(86,823)	594,029	(71,631)
Islamic investment securities at FVTOCI	13,031	(1,624)	-	11,407	2,179
Other Islamic financial assets (Note 9)	32,820	1,909	-	34,729	7,702
Financial commitments and financial guarantees (Note 11)	24,058	(4,687)	-	19,371	(44)
Total	768,260	(8,784)	(86,823)	672,653	(55,643)

17. Basic and diluted earnings per share

Earnings per share are computed by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30 June 2026 (unaudited)		Six-month period ended 30 June 2026 (unaudited)	
		2025 (unaudited)		2025 (unaudited)
Basic earnings per share				
Net profit for the period (AED'000)	116,848	110,416	246,413	245,095
Weighted average number of ordinary shares in issue	2,718,736	2,689,791	2,718,125	2,691,062
Basic and diluted earnings per share (AED)	0.043	0.041	0.091	0.091

There were no potentially dilutive shares as at 30 June 2026 and 30 June 2025.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

18. Related parties transactions

- (a) Certain “related parties” (such as directors, key management personnel and major shareholders of the Group and companies of which they are principal owners) are customers of the Group in the ordinary course of business. Transactions with such related parties are made on substantially the same terms, including profit rates and collateral, as those prevailing at the same time for comparable transactions with external customers and parties.
- (b) The Group is controlled by Ajman Government which owns 33.1% (31 December 2025: 33.1%) of the issued and paid capital.

Transactions with related parties are shown below:

	Six-month period ended					
	30 June 2026 (unaudited)			30 June 2025 (unaudited)		
	Major shareholders	Directors and other related parties	Total	Major shareholders	Directors and other related parties	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Depositors' share of profit	146,317	4,157	150,474	151,559	3,395	154,954
Income from Islamic financing and investing assets	1,691	1,761	3,452	2,297	2,250	4,547

During the period ended 30 June 2026, AED 2.5 million was approved as Directors' remuneration by the shareholders at the annual general meeting held on 03 March 2026.

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

	30 June 2026 (unaudited)			31 December 2025 (audited)		
	Major shareholders	Directors and other related parties	Total	Major shareholders	Directors and other related parties	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Islamic financing and investing assets	144,526	309,242	453,768	170,371	309,827	480,198
Customers' deposits	7,780,371	172,235	7,952,606	7,266,943	256,267	7,523,210

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

18. Related parties transactions (continued)

Compensation of key management personnel

Key management compensation is as shown below:

	Six-month period ended 30 June	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Short term employment benefits	17,050	12,775
Terminal benefits	469	266
	17,519	13,041

19. Contingencies and commitments

19.1 Capital commitments

At 30 June 2026, the Group had outstanding capital commitments of AED 138 million (31 December 2025: AED 104 million), which will be funded within the next twelve months.

19.2 Credit related commitments and contingencies

Credit-related commitments include commitments to extend credit, which are designed to meet the requirements of the Group's customers.

The Group had the following credit-related commitments and contingent liabilities:

	30 June 2026	31 December 2025
	AED'000	AED'000
	(unaudited)	(audited)
Commitments to extend credit	975,125	708,497
Letters of credit	252,342	123,006
Letters of guarantee	1,645,200	1,477,398
	2,872,667	2,308,901

19.3 Legal claims

Litigation is a common occurrence in the banking industry due to the nature of the business. The Group has an established protocol for dealing with such claims, many of which are beyond its control. At the reporting date, the Group has several unresolved legal claims and based on the advice from legal counsel, management believes that these claims will not result in any material financial loss to the Group, other than what has been already provided for in these condensed consolidated interim financial statements.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)****19. Contingencies and commitments (continued)***19.3 Legal claims (continued)*

During previous years, the Group signed settlement agreements with a customer wherein both parties agreed that the Group acquires the assets of the customer in settlement of the financial obligation. The carrying value of the properties recorded under “Assets acquired in settlement of Islamic financing and investing assets” was AED 418 million. Accordingly, the Group had a first-degree mortgage over the properties; however, the transfer of the title deed of the mortgaged properties in the Group’s name in accordance with provisions of the settlement agreements with the Group’s customer could not be completed due to some attachments and claims on such properties enforced by Dubai Courts in different cases filed by third parties against the Group and the Group’s customer.

The Dubai Court of First Instance judgement indicated that the third party shall have a claim to the properties under dispute in the limit of AED 250 million, in addition to interest and legal charges. On 20 July 2023, the Dubai Court of Appeal confirmed the judgment of the Dubai Court of First Instance. The Group has filed an appeal before the Dubai Court of Cassation demanding revocation of the previous judgments. The Dubai Court of Cassation issued its judgment on 22 April 2024 rejecting the appeal filed by the Group. During 2024, a Judicial committee has been formed by Amiri Decree, who issued its judgment on 7 October 2024 in favor of the Group whereby it cancelled all the judgments issued against the Group and issued a new judgment whereby it dismissed the case filed by the third party against the Group. During the period ended 30 June 2026, the court has issued its judgement in favor of the Group in substantive cases at all the stages and the validity of the lease agreements of the buildings became a judicial fact and all the attachments became null and should be removed to enable the bank to register and issue title deeds of certain buildings under its name, and the remaining under its subsidiary. The Group is in the process of transferring the title of these properties in its name.

20. Segment analysis

Operating segments are reported in accordance with the internal reporting provided to the Executive Committee (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance.

For operating purposes, the Group is organised into the following business segments:

- (i) Consumer banking – comprising personal banking and priority banking where various products are offered like private customer current accounts, savings accounts, deposits, credit and debit cards, personal finance and house mortgage;
- (ii) Wholesale banking - incorporating transactions with corporate bodies including government and public bodies and comprising of Islamic financing and investing assets, deposits, trade finance transactions, investment solutions, wealth management, leasing of commercial and residential properties; and
- (iii) Treasury - incorporating activities of the dealing room, related money market, foreign exchange transactions with other banks and financial institutions including the Central Bank of the UAE.

As the Group’s segment operations are all financial with a majority of revenues deriving income from Islamic financing and investing assets and the Executive Committee relies primarily on net income to assess the performance of the segment, the total income and expense for all reportable segments is presented on a net basis.

The Group’s management reporting is based on a measure of operating profit comprising income from Islamic financing and investing assets and securities, impairment charges, net fee and commission income, other income and expenses.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet items.

**Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 31 March 2026 (continued)**

20. Segment analysis (continued)

Segment results of operations

The segment information provided to the Board for the reportable segments are as follows:

	Consumer banking AED'000	Wholesale banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
Six-month period ended 30 June 2026 (unaudited)					
Net income/(loss) from Islamic financing and investing assets	131,329	174,345	(109,782)	-	195,892
Income from Islamic investment securities	-	-	130,321	-	130,321
(Provision for)/write back of provision of expected credit loss on financial and non-financial assets	(6,113)	13,944	36,450	-	44,281
Fees, commissions and other income	19,770	59,931	27,837	3,624	111,162
Staff costs	(71,472)	(40,524)	(19,628)	(2,648)	(134,272)
General and administrative expenses and depreciation of property and equipment	(57,936)	(17,995)	(8,190)	(553)	(84,674)
Income tax expense	(821)	(14,145)	(1,317)	(14)	(16,297)
Operating profit/(loss) (unaudited)	14,757	175,556	55,691	409	246,413
Six-month period ended 30 June 2025 (unaudited)					
Net income/(loss) from Islamic financing and investing assets	111,933	110,777	(40,047)	-	182,663
Income from Islamic investment securities	-	-	86,653	-	86,653
(Provision for)/write back of provision of expected credit loss on financial and non-financial assets	16,840	40,981	(2,178)	-	55,643
Fees, commissions and other income	26,357	42,224	57,369	3,948	129,898
Staff costs	(78,897)	(44,807)	(6,571)	(2,806)	(133,081)
General and administrative expenses and depreciation of property and equipment	(34,832)	(17,463)	(2,749)	(1,152)	(56,196)
Income tax expense	(1,618)	(11,728)	(7,139)	-	(20,485)
Operating profit/(loss) (unaudited)	39,783	119,984	85,338	(10)	245,095

**Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 31 March 2026 (continued)**

20. Segment analysis (continued)

	Consumer banking AED'000	Wholesale banking AED'000	Treasury AED'000	Others AED'000	Total AED'000
<i>As at 30 June 2026</i>					
Segment assets (unaudited)	4,981,452	17,412,289	7,448,196	4,023,382	33,865,319
Segment liabilities (unaudited)	12,662,851	11,403,190	5,272,112	1,111,622	30,449,775
<i>As at 31 December 2025</i>					
Segment assets (audited)	5,826,430	15,466,396	9,431,323	2,139,302	32,863,451
Segment liabilities (audited)	13,614,846	10,998,474	2,019,919	2,757,961	29,391,200

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

21. Capital management

The Group's capital management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2025.

Regulatory capital

The Group calculates its Capital Adequacy Ratio in line with guidelines issued by the Central Bank of the U.A.E. The Group's regulatory capital position at the end of reporting period under Basel III is as follows:

		30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
<i>Tier 1 capital</i>			
Share capital		2,723,500	2,723,500
Reserves		661,913	433,081
		3,385,413	3,156,581
<i>Tier 2 capital</i>			
General provision and fair value reserve		301,500	286,049
Total regulatory capital		3,686,913	3,442,630
<i>Risk weighted assets</i>			
Credit risk		24,119,989	22,883,921
Market risk		511,199	126,879
Operational risk		1,490,358	1,488,600
Total risk weighted assets		26,121,546	24,499,400
Capital adequacy ratio on regulatory capital		14.11%	14.05%
Capital adequacy ratio on Tier 1 capital		12.96%	12.88%
	Minimum requirement	Capital ratios 30 June 2026 (unaudited)	Capital ratios 31 December 2025 (audited)
<i>Capital element</i>			
Common equity tier 1 (CET 1) ratio	7%	12.96%	12.88%
Tier 1 capital ratio	8.5%	12.96%	12.88%
Capital adequacy ratio	10.5%	14.11%	14.05%
CET1 available for the buffer requirement	2.5%	3.61%	3.55%

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

22. Risk Management

Summarised information of the Group's maximum exposure to credit risk before collateral held per class of financial asset (subject to impairment) is provided in following table:

30 June 2026	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Balances with the Central Bank	2,461,644	-	-	2,461,644
Islamic financing and investing assets with banks and other financial institutions	3,627,479	-	-	3,627,479
Islamic financing and investing assets	17,945,814	1,092,840	1,248,390	20,287,044
Islamic investment securities at FVTOCI*	5,729,716	18,646	-	5,748,362
Other Islamic financial assets	290,639	15,433	37,170	343,242
Financial commitments and financial guarantees (off balance sheet exposures)	2,820,849	51,562	256	2,872,667
Total maximum exposure	32,876,141	1,178,481	1,285,816	35,340,438
Expected credit loss allowance (Note 16)	(197,490)	(193,178)	(281,985)	(672,653)
Total	32,678,651	985,303	1,003,831	34,667,785

31 December 2025	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Balances with the Central Bank	4,099,771	-	-	4,099,771
Islamic financing and investing assets with banks and other financial institutions	3,686,932	-	-	3,686,932
Islamic financing and investing assets	15,684,768	1,207,724	1,524,286	18,416,778
Islamic investment securities at FVTOCI*	5,450,017	25,067	-	5,475,084
Other Islamic financial assets	218,287	7,497	43,783	269,567
Financial commitments and financial guarantees (off balance sheet exposures)	2,230,256	78,645	-	2,308,901
Total maximum exposure	31,370,031	1,318,933	1,568,069	34,257,033
Expected credit loss allowance	(157,576)	(239,178)	(371,506)	(768,260)
Total	31,212,455	1,079,755	1,196,563	33,488,773

(*) Impairment allowance is recognised under "Revaluation reserve of investments designated at FVTOCI".

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)****22. Risk Management (continued)***Regional Geopolitical Developments*

The increased geopolitical tension has led to uncertainty in the economic environment, with disruptions and reduced activity in some sectors of the regional and UAE economies. The Group has taken note of related regulatory guidance, notably Financial Institution Resilience Package that was announced by the Central Bank of the UAE on 17 March 2026 and allows temporary capital and liquidity flexibility to eligible banks till 30 June 2026.

Under the Package, Banks in the United Arab Emirates have enhanced liquidity management flexibility through the penalty-free drawdown of up to 30% of minimum reserve requirements. The CBUAE has also granted banks in the United Arab Emirates access to collateralized term liquidity facilities in both Dirhams and USD through Contingent Liquidity Insurance Facility (“CLIF”) and USD Dollar Liquidity Facility (“USDLF”) respectively to manage any liquidity stress that may emerge. During the period, the Group did not utilize the AED and USD contingent liquidity facilities.

Bank’s ECL methodology, governance framework and key modelling approaches remain consistent with those applied in the annual financial statements for the year ended 31 December 2025. Management continues to monitor the evolving situation closely. During the period ended 30 June 2026, the Bank carried out an assessment of the possible implications of the regional escalation on key sectors and counterparties with a focus on exposures to more vulnerable industries such as real estate, tourism, hospitality and logistics sectors. Management’s focus has been on identifying and working with customers which are affected from the geopolitical situation also as a mean to gauge the customer base that may be subject to increased risk and therefore may require additional ECL. As of 30 June 2026, there are only 49 accounts with total outstanding balance of AED 134 million that have availed the UAECB resilience package (FIRP). Given the low materiality, as at end of Q2’26 the Bank did not raise any ECL overlays. The requirement of an ECL overlay will be reevaluated under the updated FIRP v2.0 guidelines, using updated macroeconomic scenarios.

Bank’s Risk Management framework and business continuity arrangements have been reviewed and remain robust.

23. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of Islamic financial assets and Islamic financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other Islamic financial assets and Islamic financial liabilities (excluding Islamic derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

23. Fair value measurement (Continued)

- The fair values of Islamic derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency Waad contracts are measured using quoted forward exchange rates and yield curves derived from quoted profit rates matching maturities of the contracts. Profit rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted profit rates.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<i>At 30 June 2026 (Unaudited)</i>				
<i>Financial assets</i>				
Islamic investments securities at fair value	5,960,273	-	63,861	6,024,134
Positive fair value of Islamic derivative financial instruments*	8,001	-	-	8,001
	<u>5,968,274</u>	<u>-</u>	<u>63,861</u>	<u>6,032,135</u>
<i>Financial liabilities</i>				
Negative fair value of Islamic derivative financial instruments*	7,756	-	-	7,756
	<u>7,756</u>	<u>-</u>	<u>-</u>	<u>7,756</u>

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

23. Fair value measurement (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<i>At 31 December 2025 (audited)</i>				
<i>Financial assets</i>				
Islamic investments securities at fair value	5,631,529	-	65,361	5,696,890
Positive fair value of Islamic derivative financial instruments*	10,878	-	-	10,878
	<u>5,642,407</u>	<u>-</u>	<u>65,361</u>	<u>5,707,768</u>
<i>Financial liabilities</i>				
Negative fair value of Islamic derivative financial instruments*	120	-	-	120
	<u>120</u>	<u>-</u>	<u>-</u>	<u>120</u>

* Notional amount of Islamic derivative financial instruments is AED 4.6 billion as at 30 June 2026 (31 December 2025: AED 0.6 billion).

There were no transfers between levels during the period.

Below is the reconciliation of Level 3 fair value measurement of financial assets:

	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
At beginning of the period/year	65,361	124,807
Additions during the year	-	196
Fair valuation gain/(loss)	(1,500)	28,073
Disposals during the period/year	-	(87,715)
Balance at the end of the period/year	<u>63,861</u>	<u>65,361</u>

- In respect of those financial assets and financial liabilities measured at amortised cost, which are of short-term nature (up to 1 year), management believes that carrying amount is equivalent to its fair value.
- In respect of Islamic investments securities, management has used the quoted price when available to assess fair value or used a present value calculation (PVC) based on market observable inputs.
- Islamic financing and investing assets are fair valued based on PVC which takes into account original underlying cash financing credit grading and expected prepayments. These features are used to estimate the present value of the expected cash flows and using risk-adjusted rates. However, this technique is subject to inherent limitations, such as estimation of the appropriate risk-adjusted rate, and different assumptions and inputs would yield different results.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

23. Fair value measurement (Continued)

- Fair values of deposits from banks and customers are estimated using the PVC methodology, applying the applicable rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is considered to be the amount payable at the reporting date.

24. Income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 September 2023. As the Group’s accounting year ends on 31 December, the tax return will be filed on or before 30 September 2026. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

The tax charge for period ended 30 June 2026 is AED 18.3 million (30 June 2025: AED 20.5 million), representing an Effective Tax Rate (“ETR”) of 7.0% (30 June 2025: 7.7%).

	30 June 2026 AED’000 (unaudited)	30 June 2025 AED’000 (unaudited)
Reversal of prior period CT provision	(2,076)	-
Tax charge for the period	18,373	20,485
Income tax expense, net	16,297	20,485

The recognition of deferred tax assets is subject to specific requirements of IAS 12 “*Income Taxes*”. These require a deferred tax asset to be recognized to the extent that it is probable that the deferred tax asset will be recovered in near future. During the period, management has assessed that the taxable profits realized by the Group improved significantly and will be recoverable as allowed by the Tax Authorities in UAE; and therefore, management has recognized deferred tax assets on subject provisions as below:

	30 June 2026 AED’000 (unaudited)	31 December 2025 AED’000 (audited)
Deferred tax liability at the beginning of the period	12,520	5,526
Increase/(decrease) during the year recognised in OCI	(19,611)	6,994
Deferred tax (asset) / liability	(7,091)	12,520

The UAE Ministry of Finance (“MOF”) recently issued Cabinet Decision No. 142 of 2024 to introduce the UAE Pillar Two GLoBE rules, effective from 1 January 2025. However, the Group is not within the scope of this regulation, as it did not meet the criteria for Pillar Two.

**Notes to the condensed consolidated interim financial information (unaudited)
for the six-month period ended 30 June 2026 (continued)**

25. Sukuk under issuance

During the period ended 31 March 2025, the Bank established a Sukuk issuance program. The Sukuk program allows the Group to issue Sukuk up to a total aggregate outstanding amount of USD 1.5 billion. On 30 April 2025, the Bank issued below Sukuk as first drawdown:

	Expected annual profit rate	Maturity	Currency	Face value (million)	30 June 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Sukuk issued by the Bank	5.125%	April 2030	USD	500	1,818,139	1,816,798

(Listed on Nasdaq Dubai and the London Stock Exchange)

26. Subsequent Event

Subsequent to the reporting date, the Bank successfully issued Additional Tier 1 (AT1) Capital Securities, amounting to USD 300 million, at a profit rate of 6.50% per annum. The issuance strengthens the Bank's regulatory capital base and is expected to improve the Bank's Capital Adequacy Ratio (CAR) to approximately 18.27% through an increase in Additional Tier 1 capital. As the issuance occurred after the reporting date, no adjustment has been made to these financial statements

27. Comparative figures

Certain comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in this condensed interim financial information.

28. Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information were approved by the Board of Directors and authorized for issue on 23 July 2026.