

بنك الامارات  
للاستثمار

EMIRATES INVESTMENT BANK

# 2025 INTEGRATED REPORT

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بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

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# **Emirates Investment Bank P.J.S.C.**

**Report and financial statements**

**For the year ended 31 December 2025**

**Emirates Investment Bank P.J.S.C.**

**Report and financial statements for the year ended 31 December 2025**

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## **REPORT OF THE BOARD OF DIRECTORS For the year ended 31 December 2025**

The Directors are pleased to place before the shareholders of Emirates Investment Bank PJSC (the “Bank”) the financial statements for the year ended 31 December 2025.

### **STRATEGIC TRANSFORMATION OF EMIRATES INVESTMENT BANK**

During 2025, the Bank has initiated a multi-year transformation to reposition the Bank as a leading digital private banking institution in the UAE, combining high-touch advisory with secure and scalable digital capabilities.

As UAE continues to strengthen its position as a global hub for high-net-worth and internationally mobile individuals, the Bank has identified a compelling strategic opportunity. The Bank’s strategy is focused on delivering a digital-first, customer-centric private banking experience, while preserving the discretion, trust, and bespoke service that define the Bank.

#### *Establishing the foundations*

Work has commenced on a modern, future-proof technology architecture designed to enable enhanced digital journeys, improved data integration, and faster product innovation. In parallel, the Bank continued to enhance its leadership and specialist capabilities through targeted appointments and sharpen its focus on client outcomes, prioritising convenience, transparency, and service quality.

#### *Customer centric and digital first*

Core client journeys and internal processes are being redesigned to be simpler, faster, and more efficient. The Bank is also developing a digital ecosystem, including data-driven and AI-enabled tools to support relationship managers and enhance client service, while maintaining robust governance and controls. The product platform continues to be expanded to provide access to best-in-class global solutions aligned with client needs and advice-led principles.

#### *Reintroducing the Bank to the market*

Looking ahead, 2026 is expected to mark a step-change in the Bank’s market presence. Plans include a refreshed brand and renewed private banking proposition, exploration of a flagship presence in the UAE, and continued investment in people and capabilities to support sustainable growth.

Throughout the transformation, the Board remains committed to prudent risk management, strong governance, and client-first conduct, ensuring that growth is responsible, resilient, and sustainable.

### **FINANCIAL PERFORMANCE**

During 2025, total client assets with the Bank increased by 8% to AED 10,991 million (2024: AED 10,215 million). The value of the Bank’s fiduciary assets increased by 17% to AED 7,681 million (2024: AED 6,538 million) while customer deposits decreased by 10% to reach AED 3,310 million (2024: AED 3,678 million). Total balance sheet reached AED 4,878 million, decrease of 5% over the previous year (2024: AED 5,118 million).

The Capital Adequacy Ratio (CAR) of the Bank was 43.1% at 31 December 2025 (2024: 52.7%).

The Bank closed 2025 with an annual net profit of AED 83.65 million (2024: AED 108.7 million) owing to decrease in net interest and investment income in this falling interest rate environment. The operating income of the Bank decreased by 19% amounting to AED 170.5 million (AED 210.5 million in 2024).

The fundamentals of the Bank remain sound, as demonstrated by the Capital Adequacy Ratio and the client assets, and the Bank is well positioned to benefit from the continuing emergence of the UAE as a globally recognized financial center attracting businesses and talent from across the world.

## PROPOSED APPROPRIATIONS

The Directors also propose the following appropriations from retained earnings:

	<b>AED'000</b>
Transfer to statutory reserve	<b>8,365</b>
Transfer to impairment reserve-general	<b>8,035</b>

The Directors recommend not to distribute dividends to the shareholders in order to facilitate the growth strategy of the Bank.

## BOARD AND BOARD COMMITTEE MEETINGS DURING 2025

### Board of Directors

Mr. Omar Abdullah Al Futtaim	Chairman
Mr. Hamad Omar Al Futtaim	Director
Mrs. Mira Omar Al Futtaim	Director
Mr. Abdulla Abdulrahman Qassem	Director
Mr. Georges Makhoul	Director
Mr. Christophe de Backer	Director
Mr. Edward Quinlan	Director
Mr. Eric Shehadeh	Director

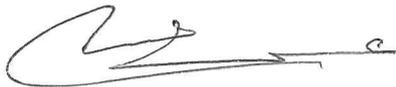
Total number of meetings: 6

### AUDITORS

Ernst & Young Middle East (Dubai Branch) were appointed as auditors of the Emirates Investment Bank PJSC for the financial year 2025 at the Annual General Meeting held on 16 April 2025.

As we continue our growth journey, we extend our gratitude to our clients for their support and to our staff for their dedication and hard work. We also express our special thanks and highest consideration to the Central Bank of the UAE for the support the Bank has received throughout 2025.

On behalf of the Board



Mr. Omar Abdullah Al Futtaim  
Chairman

Dubai, United Arab Emirates

10 February 2026

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C.**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Emirates Investment Bank P.J.S.C. (the "Bank") which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public listed entities in United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C. (continued)

### Report on the audit of the financial statements (continued)

#### Key audit matter (continued)

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="193 571 826 633"><b>Expected credit losses ("ECL") on financial assets</b></p> <p data-bbox="193 674 826 913">The balance of loss allowances on financial assets represents management's best estimates, at the balance sheet date, of the expected credit losses under the expected credit loss models ("ECL Models") as stipulated by International Financial Reporting Standard No. 9: Financial Instruments ("IFRS 9").</p> <p data-bbox="193 954 826 1122">Management first assesses whether the credit risk of financial assets has increased significantly since their initial recognition and then applies a three-stage impairment model to calculate the ECL.</p> <p data-bbox="193 1162 826 1464">Financial assets are classified as stage 1 (no significant increase in credit risk) and stage 2 (with significant increase in credit risk), and loss allowances are assessed using the risk parameter modelling approach that incorporates key parameters, including probability of default, loss given default, exposure at default, discount rates and various macro-economic variables as inputs.</p> <p data-bbox="193 1505 826 1673">In respect of financial assets classified as stage 3 (default and credit-impaired), loss allowances are assessed by estimating the future discounted cash flows from the financial assets.</p> <p data-bbox="193 1713 826 1953">Management has also applied a significant level of judgement in the areas noted above in determining the impact of economic volatility on the allowances for expected credit losses by considering the forward-looking information, including variables used in macro-economic scenarios and their associated weightings.</p>	<p data-bbox="850 571 1490 835">We obtained an understanding of the Bank's credit risk governance process and the ECL framework, policy and modelling methodology. We assessed the appropriateness of the accounting policies and methodologies for determining the ECL allowance in accordance with the requirements of IFRS Accounting Standards.</p> <p data-bbox="850 869 1490 1025">We performed process walkthroughs to identify the controls over the ECL process. We tested the design and operational effectiveness of the internal controls relating to the measurement of ECL.</p> <p data-bbox="850 1059 1490 1193">We performed the following substantive audit procedures on the computation and reasonableness of the ECL included in the Bank's financial statements:</p> <ul data-bbox="850 1227 1490 2089" style="list-style-type: none"><li data-bbox="850 1227 1490 1518">- Evaluated the reasonableness and appropriateness of the IFRS 9 methodology and assumptions used in various components of ECL modelling. This typically included evaluating key assumptions/ judgements relating to significant increase in credit risk, definition of default, probability of default, loss given default, recovery rates and discount rate.</li><li data-bbox="850 1552 1490 1742">- We assessed, on a sample basis, that reported exceptions to policies and procedures, if any, as outlined in the Board risk appetite statement were approved by the Board of Directors and the approval process was formally documented.</li><li data-bbox="850 1776 1490 1966">- For a sample of credit facilities, we checked that reported exceptions to limits, if any, as set out in the Board approved delegation of authority matrix, were approved by the Board of Directors or its approved delegate and the approval process was formally documented.</li><li data-bbox="850 2000 1490 2089">- For selected samples, we performed procedures to determine whether significant increase in credit risk have been identified.</li></ul>



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C. (continued)

### Report on the audit of the financial statements (continued)

#### Key audit matter (continued)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Refer to Note 5 to the financial statements for the material accounting policy and Note 28 for the credit risk disclosures.</p> <p>We considered ECL for financial assets as a key audit matter as the determination of ECL involves significant management judgement such as categorisation of financial assets into stages 1,2 or 3, assumptions used in the ECL model such as expected future cash flows, macro-economic factors etc. These judgments have a material impact on the financial statements of the Bank.</p>	<ul style="list-style-type: none"><li>- For a sample of exposures, we checked the Bank's application of the staging criteria including the basis for movement between stages.</li><li>- For forward-looking measurements, evaluated management's selection of economic indicators, scenarios and application of weightings; assessed the appropriateness of the prediction of economic indicators and performed sensitivity analysis.</li><li>- For selected samples, we examined key data inputs into the ECL models.</li><li>- We performed an independent credit assessment for a sample of customers, by assessing the quantitative and qualitative factors including assessment of financial performance of the customer, source of repayments and its history, discounted future cash flows of the borrower, credit risk mitigation through collateral and other relevant risk factors.</li><li>- We reperformed key elements of the ECL calculations and evaluated the model performance results.</li><li>- For a sample of stage 3 credit exposures, we assessed the adequacy of credit impairment provisions by considering the underlying expected cashflows of the borrowers, where applicable and in cases where any collateral is expected to be realized in respect of the credit exposure, we evaluated the appropriateness of the basis used for such collateral valuation.</li><li>- We assessed the appropriateness of disclosures in the financial statements against the requirements of IFRS Accounting Standards.</li></ul>

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C. (continued)**

### **Report on the audit of the financial statements (continued)**

#### **Other information**

Management is responsible for the other information. The other information consists of the information in the Report of the Board of Directors, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and applicable provisions of the Bank's Memorandum and Articles of Association and of the UAE Federal Decree Law No. (32) of 2021, as amended, and the UAE Federal Decree-Law No. (6) of 2025 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Bank are responsible for overseeing the Bank's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C. (continued)

### Report on the audit of the financial statements (continued)

#### Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C. (continued)

### Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- the Bank has maintained proper books of accounts;
- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of UAE Federal Decree Law No. (32) of 2021, as amended;
- the financial information included in the Report of the Board of Directors is consistent with the books of account and records of the Bank;
- investments in shares and stocks during the year ended 31 December 2025 are disclosed in note 8 to the financial statements;
- note 27 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Bank has contravened, during the financial year ended 31 December 2025, any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, which would materially affect its activities or its financial position as at 31 December 2025; and
- note 2 reflects the social contributions made during the year, if any.

Further, as required by the UAE Federal Decree Law No. (6) of 2025, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

Ernst & Young Middle East (Dubai Branch)

Sanjay Khiara  
Registration No. 5513

10 February 2026

Dubai, United Arab Emirates

Emirates Investment Bank P.J.S.C.

STATEMENT OF FINANCIAL POSITION

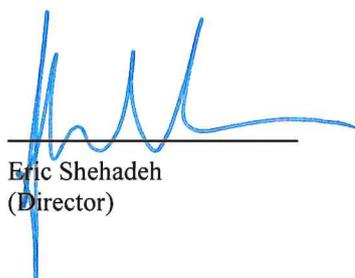
As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>AED'000</b>	2024 AED'000
<b>ASSETS</b>			
Cash and balances with Central Bank of the UAE	6	647,941	893,752
Due from banks and financial institutions, net	7	555,372	527,273
Investments, net	8	2,648,894	2,738,944
Loans and advances, net	9	929,389	898,138
Investment in associate	11	72	72
Other assets	12	56,792	56,400
Property and equipment	13	3,715	2,615
Deferred tax assets	23	-	190
Intangible assets	14	35,440	486
<b>TOTAL ASSETS</b>		<b>4,877,615</b>	<b>5,117,870</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Customer deposits	15	3,309,957	3,677,672
Current tax liabilities	23	11,639	11,443
Other liabilities	16	66,498	82,617
Deferred tax liabilities	23	3,617	-
<b>TOTAL LIABILITIES</b>		<b>3,391,711</b>	<b>3,771,732</b>
<b>EQUITY</b>			
Share capital	17	1,000,000	1,000,000
Statutory reserve	17	64,990	56,625
Impairment reserve-general	17	37,867	29,832
Cumulative changes in fair value		91,769	33,491
Retained earnings		291,278	226,190
<b>TOTAL EQUITY</b>		<b>1,485,904</b>	<b>1,346,138</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,877,615</b>	<b>5,117,870</b>

The financial statements were approved by the Board of Directors on 10 February 2026 and signed on its behalf by:



Omar Abdullah Al Futtaim  
(Chairman)



Eric Shehadeh  
(Director)



Michel Longhini  
(Chief Executive Officer)

Emirates Investment Bank P.J.S.C.

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Interest income from loans and placements	18	92,662	121,631
Net income from investments	19	101,724	124,953
		<b>194,386</b>	246,584
Interest expense		(68,453)	(89,026)
<b>INTEREST AND INVESTMENT INCOME, NET</b>		<b>125,933</b>	157,558
Fee, commission and other income	20	35,500	38,001
Exchange gain, net		9,066	14,899
<b>OPERATING INCOME</b>		<b>170,499</b>	210,458
General and administrative expenses	21	(93,893)	(88,536)
Net impairment reversal/(loss) on financial assets	10.1	18,209	(1,874)
<b>OPERATING EXPENSES</b>		<b>(75,684)</b>	(90,410)
<b>PROFIT BEFORE TAX</b>		<b>94,815</b>	120,048
Income tax expense	23	(11,170)	(11,335)
<b>PROFIT FOR THE YEAR</b>		<b>83,645</b>	108,713
<b>BASIC AND DILUTED EARNINGS PER SHARE (in AED)</b>	24	<b>8.36</b>	10.87

The accompanying notes 1 to 33 form an integral part of these financial statements.

Emirates Investment Bank P.J.S.C.

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 AED'000	2024 AED'000
<b>PROFIT FOR THE YEAR</b>	<b>83,645</b>	108,713
<i>Other comprehensive income/(loss)</i>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	20,176	20,498
Income tax expense related to the above	(365)	(108)
	<u>19,811</u>	<u>20,390</u>
<i>Items that will be reclassified subsequently to profit or loss</i>		
Debt instruments at fair value through other comprehensive income:		
Reclassification to the statement of profit or loss	(460)	4,634
Net changes in fair values during the year	38,731	(2,444)
Change in allowance for expected credit losses	1,448	330
Income tax (expense)/benefit related to the above	(3,409)	190
	<u>36,310</u>	<u>2,710</u>
<b>Other comprehensive income for the year</b>	<b>56,121</b>	23,100
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>139,766</b>	131,813

The accompanying notes 1 to 33 form an integral part of these financial statements.

Emirates Investment Bank P.J.S.C.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		94,815	120,048
Adjustments for:			
Depreciation on property and equipment	13	804	800
Amortisation of intangible assets	14	341	358
Depreciation on right-of-use assets	21	4,988	3,632
Net impairment (reversal)/loss on financial assets	10.1	(18,209)	1,874
Operating profit before changes in operating assets and liabilities		<u>82,739</u>	<u>126,712</u>
Change in statutory reserve deposits with Central Bank of the UAE		(3,038)	835,349
Change in due from bank with original maturity of over three months		(3,916)	-
Change in loans and advances, net		(32,695)	(415,534)
Change in investments, net		165,860	(421,521)
Change in other assets		(5,287)	(22,388)
Change in customer deposits		(367,715)	481,960
Change in other liabilities		(7,349)	(43,645)
Income tax paid		(10,941)	-
Net cash (used in)/generated from operating activities		<u>(182,342)</u>	<u>540,933</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, equipment and intangible assets	13	(1,904)	(225)
Intangible assets under development	14	(35,295)	-
Net cash used in investing activities		<u>(37,199)</u>	<u>(225)</u>
<b>FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		(5,186)	(4,000)
Net cash used in financing activities		<u>(5,186)</u>	<u>(4,000)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January		1,185,539	536,708
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<u><u>960,812</u></u>	<u><u>1,185,539</u></u>
Cash and cash equivalents comprise the following amounts in the statement of financial position with original maturities of three months or less:			
Cash and balances with Central Bank of the UAE (excluding statutory reserve deposits)	6	414,716	663,565
Due from banks	7	546,096	521,974
		<u>960,812</u>	<u>1,185,539</u>
<b>Operational cash flows from interest and dividends</b>			
Interest paid		73,559	82,222
Interest received (including interest from investments)		211,566	230,875
Dividends received		7,229	6,144

The accompanying notes 1 to 33 form an integral part of these financial statements.

Emirates Investment Bank P.J.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Impairment reserve- general AED'000</i>	<i>Cumulative changes in fair values AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
At 1 January 2025	<b>1,000,000</b>	<b>56,625</b>	<b>29,832</b>	<b>33,491</b>	<b>226,190</b>	<b>1,346,138</b>
Profit for the year	-	-	-	-	<b>83,645</b>	<b>83,645</b>
Other comprehensive income for the year	-	-	-	<b>56,121</b>	-	<b>56,121</b>
Total comprehensive income for the year	-	-	-	<b>56,121</b>	<b>83,645</b>	<b>139,766</b>
Transfer to statutory reserve	-	<b>8,365</b>	-	-	<b>(8,365)</b>	-
Transfer to impairment reserve-general	-	-	<b>8,035</b>	-	<b>(8,035)</b>	-
Loss on disposal of equity instruments at fair value through other comprehensive income	-	-	-	<b>2,157</b>	<b>(2,157)</b>	-
<b>Balance at 31 December 2025</b>	<b>1,000,000</b>	<b>64,990</b>	<b>37,867</b>	<b>91,769</b>	<b>291,278</b>	<b>1,485,904</b>

The accompanying notes 1 to 33 form an integral part of these financial statements.

Emirates Investment Bank P.J.S.C.

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2025

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Impairment reserve- general AED'000</i>	<i>Cumulative changes in fair values AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
At 1 January 2024	1,000,000	45,754	25,306	11,089	132,176	1,214,325
Profit for the year	-	-	-	-	108,713	108,713
Other comprehensive income for the year	-	-	-	23,100	-	23,100
Total comprehensive income for the year	-	-	-	23,100	108,713	131,813
Transfer to statutory reserve	-	10,871	-	-	(10,871)	-
Transfer to impairment reserve-general	-	-	4,526	-	(4,526)	-
Gain on disposal of equity instruments at fair value through other comprehensive income	-	-	-	(698)	698	-
Balance at 31 December 2024	<u>1,000,000</u>	<u>56,625</u>	<u>29,832</u>	<u>33,491</u>	<u>226,190</u>	<u>1,346,138</u>

The accompanying notes 1 to 33 form an integral part of these financial statements.

# Emirates Investment Bank P.J.S.C.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1 GENERAL INFORMATION

Emirates Investment Bank P.J.S.C. (the “Bank”) was incorporated on 17 February 1976 in Dubai, United Arab Emirates by a decree of HH The Ruler of Dubai. The Bank is registered under the UAE Federal Decree Law No. (32) of 2021, as amended (the “Companies Law”), as a Public Joint Stock Company. During 2023, the Bank received a restricted banking license as amended under the Restricted License Bank Regulation (Circular 23/2022), issued by the Central Bank of the UAE (“CBUAE”).

The Bank is engaged in the business of investment advisory and wealth management. The address of the Bank’s registered office is P. O. Box 5503, Dubai, United Arab Emirates.

The Bank is a subsidiary of Al Futtaim Private Company LLC (the “Parent Company”) which holds 92.39% (31 December 2024: 92.39%) of the shares in the Bank.

During the year, the Bank commenced a multi-year strategic transformation programme aimed at repositioning the Bank as a digital-enabled private banking institution, while continuing to provide relationship-led wealth management services.

The transformation programme is intended to support the Bank’s long-term strategic objectives and includes initiatives focused on technology modernisation, enhancement of leadership and specialist capabilities, and improvements to client experience and operating efficiency. The programme is being implemented in phases and is subject to ongoing governance and risk management oversight. During 2025, the Bank:

- commenced the implementation of a modern and scalable technology architecture to support digital client journeys, data integration, and product development;
- strengthened its management team and specialist functions through targeted appointments in areas including private banking, digital capabilities, and transformation delivery; and
- initiated the redesign of selected operational processes with the objective of improving efficiency, service quality, and operational effectiveness.

As at 31 December 2025, the transformation programme was ongoing.

### 2 BASIS OF PREPARATION

#### *Statement of compliance*

These financial statements have been prepared on a going concern basis in accordance with the IFRS Accounting Standards (which comprises accounting standards issued by International Accounting Standards Board (IASB) as well as Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC)) and the applicable requirements of laws of the UAE including the Companies Law and the Decretal Federal Law No. (14) of 2018 (the “UAE Banking Law”).

UAE Federal Decree Law No (6) of 2025 came into effect on 16 September 2025 which repealed the Decretal Federal Law No 14 of 2018, as amended. The Bank has a transition period of one year from 16 September 2025 to ensure full compliance.

#### *Basis of measurement*

The financial statements of the Bank have been prepared on the historical cost basis except for debt securities, equity shares and derivatives that are classified as either fair value through profit and loss (FVPL) or fair value through other comprehensive income (FVOCI) that are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### *Presentation of financial statements*

The financial statements are presented in United Arab Emirates Dirham (AED) which is the Bank’s functional currency. All values are rounded to the nearest thousands AED, except where otherwise indicated.

The Bank presents its statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current) presented in the notes.

During the year ended 31 December 2025, the Bank has not made any social contributions (including donations and charity) (2024: AED Nil).

### 3 SIGNIFICANT MANAGEMENT JUDGMENTS AND ESTIMATES

In the application of the Bank's accounting policies, which are described in note 5, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

#### *Classification of financial assets*

In accordance with IFRS 9 guidance, the Bank classifies its financial assets based on the assessment of the business models in which the assets are held at a portfolio level and whether cash flows generated by assets constitute Solely Payments of Principal and Interest (SPPI). This requires significant judgement in evaluating how the Bank manages its business model and on whether or not a contractual clause in all debt instruments of a certain type breaches SPPI assessment and results in a material portfolio being recorded at FVPL.

#### *Measurement of the expected credit loss allowance*

The measurement of the expected credit loss allowance for debt financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Determining the criteria and definition of default;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The judgements involved in estimation of ECL are detailed in note 28.

#### *Liquidity*

The Bank manages its liquidity by maintaining an adequate ratio of net liquid assets to liabilities which is set out in a table in the liquidity risk disclosure in note 28. The assessment requires judgment with regards to whether assets can be considered liquid.

#### *Valuation of equity investments classified as level 3*

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transaction;
- current fair value of another investment that is substantially the same;
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- other valuation models.

The determination of cash flows and discount factors for unquoted equity investments requires significant estimations. The Bank calibrates the valuation techniques periodically and tests them for validity using either data from observable current market transactions in the same investment or from other available observable market data.

#### 4 CHANGES IN ACCOUNTING POLICIES

##### 4.1 New and revised IFRS applied on the financial statements

The following amendment to IAS 21 became effective for annual periods beginning on 1 January 2025:

###### **Lack of exchangeability – Amendments to IAS 21**

For annual reporting periods beginning on or after 1 January 2025, *Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

This amendment did not have any material impact on the Bank's financial statements.

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

The Bank has not yet early adopted the following new relevant standards, amendments and interpretations that have been issued but are not yet effective:

###### **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Bank is currently not intending to early adopt the amendments.

This amendment is not expected to have any material impact on the Bank's financial statements.

###### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities that have specified main business activities.

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Bank is currently reviewing to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

## 5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted in the preparation of the financial statements are set out below:

### **Revenue recognition**

For all financial instruments measured at amortised cost and other interest bearing financial instruments including financial instruments classified as fair value through other comprehensive income, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

Fees earned for the provision of services over a period of time are accrued over that period. These fees include custody and management on fiduciary assets. Other fee income and expenses are recognized when earned or incurred.

Dividend income is recognized in the statement of profit or loss when the Bank's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Bank and the amount of income can be measured reliably).

### **Financial instruments**

#### *Initial recognition and measurement*

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fee and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of profit or loss. After initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortised cost and at FVOCI, which results in accounting loss being recognized in statement of profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the time of recognition of deferred day one profit or loss is determined individually. It is either amortised over life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

#### *Amortised cost and effective interest rate*

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate, such as origination fees.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using original effective interest rate. Any changes are recognized in profit or loss.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Financial instruments (continued)**

**Financial assets**

*Classification and subsequent measurement*

The Bank classifies its financial assets in the following measurement categories:

- a) Fair value through profit or loss (FVPL);
- b) Fair value through other comprehensive income (FVOCI); and
- c) Amortised cost.

The classification requirements for debt and equity instruments are described below:

*Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loan and advances and investments in debts securities as well as Sukuk.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the assets; and
- (ii) the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized. Interest income from these financial assets is included in income from investments or interest income using the effective interest rate method.
- *FVOCI*: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVPL, are measured at FVOCI. Movements in carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'Gain/ (loss) on disposal of investments measured at FVOCI'. Interest income from these financial assets is included under 'Net income from investments' using the effective interest rate method.
- *FVPL*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in statement of profit or loss and presented under 'Net gain/loss from investment securities measured as fair value through profit or loss'. Interest income from these financial assets is included in 'Net income from investments'.

**Business model:** the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

**Solely payments of principal and interest (SPPI):** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Bank considers whether contractual cash flows are consistent with a basic lending arrangement i.e. profit includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

*Classification and subsequent measurement (continued)*

*Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares. The Bank subsequently measures all equity instruments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity instrument at fair value through other comprehensive income. The Bank's policy is to designate equity instruments as FVOCI when those investments are held for purposes other than to generate investment returns.

When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to statement of profit or loss, including on disposal. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of profit or loss as income from investment when the Bank's right to receive payments is established.

*Impairment*

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount of expected loss that is determined by evaluating a range of possible outcomes;
- The time value of money; by discounting the expected cash flows with probability of default attached to each cash flow.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Details of the impairment models and the various criteria used by the Bank for determining impairment on financial assets are further disclosed in Note 28 of these financial statements.

*Restructuring and Rescheduling of loans*

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification reduces the net present value of contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms introduced, that substantially affects the economic value of the loan.
- Non-Distressed Restructuring is change in the loan term, interest rates and other loan payment covenants when the borrower is not in financial difficulty and there is no major impact of economic value of the loan.
- Distressed Restructuring is change in the loan term, interest rates and other loan covenants when the borrower is in financial difficulty and there is a major impact of economic value of the loan.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

***Restructuring and Rescheduling of loans (continued)***

The Bank considers a credit facility as non-distressed restructuring if any of its terms are formally amended for commercial or regulatory reasons, including the intention to mitigate the future financial difficulties, but excluding situations of financial distress at the time of restructuring. Non-distressed restructured credit facilities include credit facilities for which contractual obligations and repayments have been made, without any history of past dues on the credit facility:

- Any change in the contractual interest rate.
- A change in the contractual tenor and/or the repayment schedule to better align such repayments with obligor's future cash flows, if there are no default at any time during the restructuring process.
- Rescheduling prior to an event of default, provided as a concession with modification in the repayment dates of the principal amount.

The Bank considers a credit facility as a distressed restructuring if any of its terms are formally amended in a context of financial difficulty of the obligor, and in order for the obligor to obtain concessions for economic or legal reasons. This includes restructuring that commences or concludes after a credit facility becomes past due. For the cases in standstill where restructuring process may take time to reach its completion beyond 90 days, during which obligor is not meeting its financial obligations as per the terms of the original facility are considered as default.

***Modification of financial assets***

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset. For financial assets, this assessment is based on qualitative factors.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- Whether the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, then it does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

***Derecognition other than on restructuring and rescheduling***

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownerships, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Financial instruments (continued)**

**Financial liabilities**

***Classification and subsequent measurement***

Financial liabilities (including money markets deposits and balances due to banks, repurchase agreements with banks, and customer deposits) are initially recognized as fair value and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such on initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the change in fair value due to credit risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies. When the transfer of financial assets did not qualify for derecognition, a financial liability is recognised for the consideration received for the transfer; and
- Financial guarantee contracts and loan commitments.

***Derecognition***

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

**Impairment of non-financial assets**

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

**Trade and settlement date accounting**

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date that the asset is received from or delivered to the counter party except for certain debt instruments classified under FVPL that are recognized on trade date, i.e. the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe generally established by regulation or convention in the market place.

**Cash and cash equivalents**

Cash and cash equivalents for the purpose of statement of cash flows comprise balances with maturities of three months or less from the date of acquisition including cash and balances with Central Bank of the UAE and due from banks.

**Sale and repurchase agreements**

Securities sold subject to repurchase agreements ('repos') are disclosed in the notes to the Bank financial statements as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral, the counterparty liability is included in due to banks.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Due from banks**

Due from banks are stated at amortised cost using the effective interest method less allowance for impairment, if any.

**Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of principal market, in the most advantageous market for the asset and liabilities.

If an asset or a liability measured at fair value has a 'Bid' price and an 'Ask' price, then the Bank measures assets and long positions at a 'Bid' price and liabilities and short positions at an 'Ask' price.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Fair value is applicable to both financial and non-financial instruments.

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices at the close of business on the statement of financial position date. Bid prices are used for assets and offer prices are used for liabilities.

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount payable on demand.

For unquoted equity investments, fair value is determined by reference to the current market value of a similar investment, recent arm's length market transactions, or is based on expected discounted cash flows or derived using other accepted valuation models.

The fair value of forward foreign exchange contracts is calculated by reference to forward exchange rates for contracts with similar maturities.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is recognized so as to write off the cost of assets (other than capital work in progress), using the straight line method, over the estimated useful lives of the respective assets, as follows:

	<i>Years</i>
Furniture and computer equipment	4
Motor vehicles	4

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Capital work-in-progress are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Bank's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Artwork and capital work in progress are not depreciated.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Intangible assets**

Computer software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation on computer software is recognized so as to write off the cost of the assets (other than intangible under development), using the straight line method over the estimated useful life of the respective assets from the date that it is available for use.

	<i>Years</i>
Computer software	4

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

*Intangible assets under development - research and development costs*

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Bank can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

**Employees' end of service benefits**

The Bank provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' length of service period. The expected costs of these benefits are accrued over the period of employment and are not less than the liability arising under the UAE Labour Laws.

The provision arising is disclosed as 'provision for employees' end of service indemnity' in the statement of financial position under 'other liabilities' (note 16).

Pension and national contribution for UAE citizens are made by the Bank in accordance with Federal Law No. 7 of 1999 and no further liability exists.

**Provisions and other contingent liabilities**

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that the Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Bank is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Bank does not include detailed, case-specific disclosures in its financial statements. Further disclosures are provided in Note 26.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Financial guarantees**

In the ordinary course of business, the Bank gives financial guarantees, consisting of guarantees and acceptances. Financial guarantees are initially recognized in the financial statements at fair value, in 'Other liabilities', being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the unamortised premium and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is taken to the statement of profit or loss. The premium received is recognized in the statement of profit or loss in 'Other income' on a straight line basis over the life of the guarantee.

**Leases**

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Bank. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**Taxes**

**Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Taxes (continued)**

***Income tax (continued)***

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

***Value added tax (VAT)***

Expenses and assets are recognised net of the amount of VAT, except:

When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. When receivables and payables are stated with the amount of VAT included the net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**Foreign currency translation**

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the income statement, with the exception of the effective portion of the differences on foreign currency borrowings that are accounted for as an effective hedge against a net investment in a foreign entity. These differences are recognised in OCI until the disposal of the net investment, at which time, they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

**Fiduciary assets**

Assets held in trust or in a fiduciary capacity are not treated as assets of the Bank and accordingly are not recognized in the statement of financial position.

**5 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and reported net in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts or when the Bank intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Segment reporting**

The Bank's reporting is based on the following operating segments: Investments and Banking Services.

Operating segments are reported in a manner consistent with the internal reporting provided which is regularly reviewed by the Bank's CEO (the Bank's chief operating decision maker) in order to allocate resources and assess the performance of the operating segments of an entity.

**Dividends on ordinary shares**

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

**6 CASH AND BALANCES WITH CENTRAL BANK OF THE UAE**

	2025 AED'000	2024 AED'000
Cash in hand	464	565
Balances with Central Bank of the UAE:		
Current account	252	252
Placement	414,000	663,000
Statutory reserve deposit	233,225	229,935
	<u>647,941</u>	<u>893,752</u>

The average yield on interest bearing deposits for the year was 4.33% per annum (2024: 5.39% per annum).

The statutory reserve deposits are kept with the Central Bank of the UAE in AED and can be withdrawn entirely on any day for daily settlement purposes, provided that the daily average requirements over a 14-day reserve maintenance period is maintained. Cash in hand and statutory reserve deposit are non-interest-bearing. Amounts comprising of statutory reserve deposit above does not form part of cash and cash equivalents.

**7 DUE FROM BANKS AND FINANCIAL INSTITUTIONS, NET**

	2025 AED'000	2024 AED'000
Placements	117,199	330,732
Call and short notice	438,322	196,751
	<u>555,521</u>	<u>527,483</u>
Less: allowance for impairment (note 10)	(149)	(210)
	<u>555,372</u>	<u>527,273</u>

The average yield on bank placements for the year was 2.59% per annum (2024: 4.07% per annum).

Placements include deposits with original maturity of over three months amounting to AED 9,425 thousand (2024: AED 5,509 thousand).

Emirates Investment Bank P.J.S.C.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

**8 INVESTMENTS, NET**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
<i>Investments at fair value through profit or loss</i>		
<i>Equity instruments</i>		
Unquoted	<b>16,027</b>	18,489
<b>Total investments measured at fair value through profit or loss</b>	<b>16,027</b>	18,489
<i>Investments at fair value through other comprehensive income</i>		
<i>Debt instruments</i>		
Quoted	<b>2,273,980</b>	2,456,188
<i>Equity instruments</i>		
Quoted	<b>107,825</b>	91,240
Unquoted	<b>3,697</b>	8,631
	<b>111,522</b>	99,871
<b>Total investments measured at fair value through other comprehensive income</b>	<b>2,385,502</b>	2,556,059
<i>Investments at amortised cost</i>		
<i>Debt instruments</i>		
Quoted	<b>258,840</b>	197,008
<b>Total investments measured at amortised cost</b>	<b>258,840</b>	197,008
<b>Gross investments</b>	<b>2,660,369</b>	2,771,556
Less: allowance for impairment (note 10)	<b>(11,475)</b>	(32,612)
<b>Investments, net</b>	<b>2,648,894</b>	2,738,944

The Bank has not purchased any additional equity shares during the year ended 31 December 2025 and 31 December 2024.

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

# Emirates Investment Bank P.J.S.C.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 8 INVESTMENTS, NET (continued)

As at 31 December 2025, the Bank held the following investments measured as follows:

	Total AED'000	Investments carried at fair value		Investments carried at amortised cost AED'000
		Level 1 AED'000	Level 3 AED'000	
<i>Debt instruments:</i>				
Domestic	747,629	663,052	-	84,577
Regional	422,800	331,633	-	91,167
International	1,362,391	1,279,295	-	83,096
<i>Equity instruments:</i>				
Domestic	111,522	67,654	43,868	-
International	16,027	-	16,027	-
<b>Gross investments</b>	<b>2,660,369</b>	<b>2,341,634</b>	<b>59,895</b>	<b>258,840</b>
Less: allowance for impairment (note 10)	(11,475)			
<b>Investments, net</b>	<b>2,648,894</b>			

The fair value of debt investments carried at amortised cost as at 31 December 2025 amounted to AED 242,706 thousand (31 December 2024: AED 154,692 thousand) and these investments would be classified as level 1 within the fair value hierarchy.

During the year, there was a mandatory exchange of a fully impaired investment measured at amortised cost for new investments under the restructuring terms. The fair value of the investments received in exchange was assessed as nil at the time of exchange and as at reporting period. Accordingly, the Bank derecognised the existing investment measured at amortised cost amounting to AED 21,459 thousand and recognized a loss of AED 21,459 thousand and reversed the corresponding ECL on this investment amounting to AED 21,459 thousand.

As at 31 December 2024, the Bank held the following investments measured as follows:

	Total AED'000	Investments carried at fair value		Investments carried at amortised cost AED'000
		Level 1 AED'000	Level 3 AED'000	
<i>Debt instruments:</i>				
Domestic	836,375	769,132	-	67,243
Regional	319,925	269,282	-	50,643
International	1,496,896	1,417,774	-	79,122
<i>Equity instruments:</i>				
Domestic	99,871	53,096	46,775	-
International	18,489	-	18,489	-
<b>Gross investments</b>	<b>2,771,556</b>	<b>2,509,284</b>	<b>65,264</b>	<b>197,008</b>
Less: allowance for impairment (note 10)	(32,612)			
<b>Investments, net</b>	<b>2,738,944</b>			

**8 INVESTMENTS, NET (continued)**

The following table shows a reconciliation of the opening and closing amounts of level 3 investments recorded at fair value. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Bank requires significant unobservable inputs to calculate their fair value.

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
At the beginning of the year	<b>65,264</b>	36,995
Net unrealised/realised (loss)/ gain recognised in other comprehensive income	<b>4,945</b>	4,224
Net unrealised/realised loss recognised in profit or loss	<b>(1,588)</b>	-
Transfers into Level 3	-	24,275
Additions	<b>918</b>	-
Disposals	<b>(9,644)</b>	(230)
	<hr/>	<hr/>
At the end of the year	<b>59,895</b>	65,264
	<hr/> <hr/>	<hr/> <hr/>

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Bank employs valuation techniques, depending on the instrument type and available market data.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, analysis of the investee's financial position and results, risk profile and other factors. 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.

Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. Any change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would not change the fair value significantly.

**9 LOANS AND ADVANCES, NET**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Gross loans and advances	<b>934,182</b>	909,651
Less: allowance for impairment (note 10)	<b>(4,793)</b>	(11,002)
Less: interest and fees in suspense	-	(511)
	<hr/>	<hr/>
Loans and advances, net	<b>929,389</b>	898,138
	<hr/> <hr/>	<hr/> <hr/>

Management considers that the carrying amounts of loans and advances approximate their fair values as these are substantially short term in nature and carry market rates of interest.

**10 ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS****Movement in allowances for impairment losses**

	2025 AED'000	2024 AED'000
<i>Allowance on due from banks</i>		
At 1 January	210	364
Reversal for the year	(61)	(154)
<b>At 31 December</b>	<b>149</b>	<b>210</b>
<i>Allowance on loans and advances</i>		
At 1 January	11,002	8,657
Charge for the year	1,444	2,345
Loans and advances written off	(7,653)	-
<b>At 31 December</b>	<b>4,793</b>	<b>11,002</b>
<i>Allowance on Investments – measured at amortised cost</i>		
At 1 January	32,612	33,259
Reversal for the year	(21,137)	(647)
<b>At 31 December</b>	<b>11,475</b>	<b>32,612</b>
<i>Allowance on other assets</i>		
At 1 January	-	-
Charge for the year	97	-
	<b>97</b>	<b>-</b>

**Expected credit losses by stage**

The analysis of expected credit losses by stage for loans and advances, investment in debt instruments measured at amortised cost and due from banks is as follows:

	2025 AED'000	2024 AED'000
Expected credit losses -Lifetime ECL (Stage 3)	12,243	40,861
Expected credit losses- 12-months ECL (Stage 1)	4,271	2,963
<b>Total expected credit losses</b>	<b>16,514</b>	<b>43,824</b>

**10 ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS (continued)**

**10.1 Net impairment reversal/(loss) on financial assets**

	2025 AED'000	2024 AED'000
Impairment reversal on investments measured at amortized cost*	21,137	647
Impairment loss on investments measured at FVOCI	(1,448)	(330)
Impairment loss on loans and advances	(1,444)	(2,345)
Impairment reversal on due from banks	61	154
Impairment loss on other assets	(97)	-
	<u>18,209</u>	<u>(1,874)</u>

\* During the year ended 31 December 2025, the Bank derecognised investment measured at amortised cost amounting to AED 21,459 thousand and reversed the corresponding ECL on this investment amounting to AED 21,459 thousand (refer note 8).

**11 INVESTMENT IN ASSOCIATE**

The investment represents the Bank's share in the capital of the Company and is accounted for using the equity method of accounting.

<i>Name of associate</i>	<i>Country</i>	<i>% Holding</i>		<i>Principal activities</i>
		31 December 2025	31 December 2024	
EIB Investment Co. LLC	U.A.E	24%	24%	Investment in commercial, industrial and agricultural enterprises.

The following table illustrates summarised financial information of the Bank's investment in the Company:

	2025 AED'000	2024 AED'000
<i>Share of the associate statement of financial position:</i>		
Current assets	72	72
Equity	72	72
<i>Share of the associate's revenue and profit:</i>		
Revenue	-	-
Profit for the year	-	-
<i>Carrying amount of the investment</i>	72	72

The associate had no contingent liabilities or capital commitments as at 31 December 2025 and 31 December 2024.

The Board of Directors of the Bank has approved the divestment of its interest in the Company. As at 31 December 2025, the divestment process was ongoing, subject to the completion of required regulatory approvals.

Emirates Investment Bank P.J.S.C.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

**12 OTHER ASSETS**

	2025 AED'000	2024 AED'000
Interest receivable	37,503	37,303
Right-of-use assets (note 22)	7,790	12,778
Prepayments	6,485	3,413
Other receivables	5,014	2,906
	<u>56,792</u>	<u>56,400</u>

**13 PROPERTY AND EQUIPMENT**

2025	Furniture and computer equipment* AED'000	Motor vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost				
At 1 January 2025	18,531	83	193	18,807
Additions	1,488	261	155	1,904
Disposals	(718)	(83)	-	(801)
At 31 December 2025	<u>19,301</u>	<u>261</u>	<u>348</u>	<u>19,910</u>
Depreciation:				
At 1 January 2025	16,109	83	-	16,192
Charge for the year (note 21)	782	22	-	804
Disposals	(718)	(83)	-	(801)
At 31 December 2025	<u>16,173</u>	<u>22</u>	<u>-</u>	<u>16,195</u>
Net carrying values:				
At 31 December 2025	<u>3,128</u>	<u>239</u>	<u>348</u>	<u>3,715</u>
2024	Furniture and computer equipment* AED'000	Motor vehicles AED'000	Capital work-in- progress AED'000	Total AED'000
Cost				
At 1 January 2024	20,408	83	110	20,601
Additions	142	-	83	225
Disposals	(2,019)	-	-	(2,019)
At 31 December 2024	<u>18,531</u>	<u>83</u>	<u>193</u>	<u>18,807</u>
Depreciation:				
At 1 January 2024	17,328	83	-	17,411
Charge for the year (note 21)	800	-	-	800
Disposals	(2,019)	-	-	(2,019)
At 31 December 2024	<u>16,109</u>	<u>83</u>	<u>-</u>	<u>16,192</u>
Net carrying values:				
At 31 December 2024	<u>2,422</u>	<u>-</u>	<u>193</u>	<u>2,615</u>

\*Furniture and computer equipment as at 31 December 2025 includes artwork amounting to AED 1,084 thousand which are not depreciated (2024: AED 1,084 thousand).

**14 INTANGIBLE ASSETS**

2025

	Computer software AED'000	Intangible under development AED'000	Total AED'000
Cost			
At 1 January 2025	6,817	-	6,817
Additions	-	35,295	35,295
	<u>6,817</u>	<u>35,295</u>	<u>42,112</u>
At 31 December 2025	<u>6,817</u>	<u>35,295</u>	<u>42,112</u>
Amortisation:			
At 1 January 2025	6,331	-	6,331
Charge for the year (note 21)	341	-	341
	<u>6,672</u>	<u>-</u>	<u>6,672</u>
At 31 December 2025	<u>6,672</u>	<u>-</u>	<u>6,672</u>
Net carrying values:			
At 31 December 2025	<u>145</u>	<u>35,295</u>	<u>35,440</u>

During the year, the Bank incurred expenditure in connection with technology modernisation initiatives, including the development and implementation of digital banking systems and the redesign of related operational processes (refer to Note 1). Development expenditure is capitalised in accordance with the Bank's accounting policy, including technical feasibility of completion, the intention and ability to use the asset, and the availability of adequate resources. Intangible under development is expected to be capitalised over the next 12 months, in line with the project implementation schedule.

2024

	Computer software AED'000	Intangible under development AED'000	Total AED'000
Cost			
At 1 January 2024	6,888	-	6,888
Disposals	(71)	-	(71)
	<u>6,817</u>	<u>-</u>	<u>6,817</u>
At 31 December 2024	<u>6,817</u>	<u>-</u>	<u>6,817</u>
Amortisation:			
At 1 January 2024	6,044	-	6,044
Charge for the year (note 21)	358	-	358
Disposals	(71)	-	(71)
	<u>6,331</u>	<u>-</u>	<u>6,331</u>
At 31 December 2024	<u>6,331</u>	<u>-</u>	<u>6,331</u>
Net carrying values:			
At 31 December 2024	<u>486</u>	<u>-</u>	<u>486</u>

**15 CUSTOMER DEPOSITS**

	2025 AED'000	2024 AED'000
Time deposits	1,731,631	2,630,740
Call accounts	1,578,326	1,046,932
	<u>3,309,957</u>	<u>3,677,672</u>

**16 OTHER LIABILITIES**

	2025 AED'000	2024 AED'000
Interest payable	20,120	25,226
Lease liabilities (note 22)	7,508	12,299
Employees' end of service benefits (a)	9,069	8,719
Fees payable	427	142
Others	29,374	36,231
	<u>66,498</u>	<u>82,617</u>

(a) In accordance with the UAE Labour Law, the Bank provides for end of service benefits for its expatriate employees. Movements in the liability recognized in the statement of financial position in respect of end of service benefits are as follows:

	2025 AED'000	2024 AED'000
At 1 January	8,719	7,352
Charges for the year	1,536	1,665
Amount paid	(1,186)	(298)
At 31 December	<u>9,069</u>	<u>8,719</u>

**17 SHARE CAPITAL AND RESERVES**

**a) Share capital**

The issued and fully paid up share capital of the Bank comprises 10,000,000 ordinary shares of AED 100 each (2024: 10,000,000 ordinary shares of AED 100 each).

**b) Statutory reserve**

In accordance with the UAE Federal Decree Law No. (32) of 2021, as amended, and the Bank's Articles of Association, 10% of the profit for the year is transferred to a statutory reserve until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution.

**c) Impairment reserve-general**

During 2024, CBUAE issued the new Credit Risk Management Regulation and accompanying Standards ("CRMS"), vide Circular No. 3/2024 dated 25 July 2024, which apply to all financial institutions licensed by the CBUAE that provide credit facilities. As per the new CRMS issued by CBUAE, Banks 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 may be held in a dedicated non-distributable balance sheet reserve called the 'impairment reserve-general'.

# Emirates Investment Bank P.J.S.C.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 17 SHARE CAPITAL AND RESERVES (continued)

#### c) Impairment reserve-general (continued)

The reconciliation between prescribed minimum provision and provision computed as per IFRS is as below:

	2025 AED '000	2024 AED '000
Minimum provision for Stage 1 & Stage 2 as per CBUAE requirements	42,138	32,795
Less: Stage 1 & Stage 2 provisions taken against income	(4,271)	(2,963)
	<u>37,867</u>	<u>29,832</u>
Shortfall in Stage 1 & Stage 2 provision to meet minimum CBUAE requirements	37,867	29,832
Balance of impairment reserve - general as at 1 January	29,832	25,306
Add: Non-distributable reserve during the year (Impairment reserve-general)	8,035	4,526
Balance of impairment reserve - general as at 31 December	<u><u>37,867</u></u>	<u><u>29,832</u></u>

### 18 INTEREST INCOME FROM LOANS AND PLACEMENTS

	2025 AED'000	2024 AED'000
Loans and advances	63,681	71,288
Bank placements	28,981	50,343
	<u>92,662</u>	<u>121,631</u>

### 19 NET INCOME FROM INVESTMENTS

	2025 AED'000	2024 AED'000
Interest income on investments in debt instruments	119,104	123,325
Dividend income	7,229	6,144
Net realised loss on investments measured at amortised cost and FVOCI	(21,843)	(500)
Net loss from investment measured at fair value through profit or loss	(1,894)	(2,985)
Custody and transaction fees paid to other financial institutions	(872)	(1,031)
	<u>101,724</u>	<u>124,953</u>

### 20 FEE, COMMISSION AND OTHER INCOME

	2025 AED'000	2024 AED'000
Fee from custody and advisory services	22,412	21,271
Product fees and transaction charges	11,325	15,233
Commission and other income	1,763	1,497
	<u>35,500</u>	<u>38,001</u>

**21 GENERAL AND ADMINISTRATIVE EXPENSES**

	2025 AED'000	2024 AED'000
Staff costs	62,614	61,899
Consultancy charges	9,675	9,553
Communication and subscriptions	4,508	3,932
Depreciation on right-of-use assets (note 22)	4,988	3,632
Depreciation on property and equipment (note 13)	804	800
Amortisation of intangible assets (note 14)	341	358
Others	10,963	8,362
	<u>93,893</u>	<u>88,536</u>

**22 LEASES**

The Bank has lease contracts in relation to office premises. The Bank's obligation under its leases are secured by the lessor's title to the leased assets. Generally, the Bank is restricted from assigning and subleasing the leased asset.

The Bank also has leases of other assets with lease terms of 12 months or less and leases of office equipment with low value. The Bank applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for those leases.

(i) Amounts recognized in the statement of financial position

Below are the carrying amounts of the right-of-use assets recognized and movements during the year:

	2025 AED'000	2024 AED'000
At 1 January	12,778	9,144
Addition	-	7,266
Depreciation charge for the year	(4,988)	(3,632)
At 31 December	<u>7,790</u>	<u>12,778</u>

Set out below is the carrying amount of lease liabilities and the movement during the year

	2025 AED'000	2024 AED'000
At 1 January	12,299	8,888
Addition	-	7,266
Accretion of interest	395	145
Lease payments	(5,186)	(4,000)
	<u>7,508</u>	<u>12,299</u>
Current	3,096	4,791
Non-current	4,412	7,508
	<u>7,508</u>	<u>12,299</u>

## Emirates Investment Bank P.J.S.C.

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

#### 22 LEASES (continued)

(ii) Amounts recognized in the statement of profit or loss

	2025 AED'000	2024 AED'000
Depreciation charge for the year (note 21)	4,988	3,632
Accretion of interest	395	145
Expense related to short term leases	449	491
	<u>5,832</u>	<u>4,268</u>

The total cash outflow for leases (other than short term) in 2025 was AED 5,186 thousand (2024: AED 4,000 thousand).

#### 23 INCOME TAX

##### *Income tax expense*

The components of income tax expense for the years ended 31 December 2025 and 2024 are, as follows:

	2025 AED'000	2024 AED'000
Current income tax:		
Statement of profit or loss	11,170	11,335
Statement of other comprehensive income	(33)	108
Deferred tax		
Relating to origination and reversal of temporary differences	3,807	(190)
	<u>14,944</u>	<u>11,253</u>

##### *Tax reconciliation*

The tax charge shown in the statement of profit or loss differs from the tax charge that would apply if all profits had been charged at UAE corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by UAE tax rate for the years ended 31 December 2025 and 2024 is, as follows:

	2025 AED'000	2024 AED'000
<b>Profit before tax</b>	<b>94,815</b>	<b>120,048</b>
At United Arab Emirates' statutory income tax rate of 9%	8,533	10,804
Adjustments in respect of standard deduction as per the CT Law	(34)	(34)
Income not subject to tax	(648)	(462)
Non-deductible expenses	103	610
Tax under transitional rules	166	417
Adjustment in respect of current income tax of prior years	(471)	-
Current tax expense related to global minimum top-up tax	3,521	-
	<u>11,170</u>	<u>11,335</u>
Income tax expense reported in the profit or loss	<u>11,170</u>	<u>11,335</u>
<b>Effective tax rate</b>	<b>11.78%</b>	<b>9.44%</b>

**23 INCOME TAX (continued)**

*Deferred tax*

The following table shows deferred tax recorded in the statement of financial position and changes recorded in the income tax expense in other comprehensive income.

	2025		2024	
	Deferred tax liabilities AED'000	Other comprehensive income AED'000	Deferred tax assets AED'000	Other comprehensive income AED'000
Revaluation of debt instruments at fair value through OCI	3,219	3,409	190	(190)
Revaluation of equity instruments at fair value through OCI	398	398	-	-
	<u>3,617</u>	<u>3,807</u>	<u>190</u>	<u>(190)</u>

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two). Various countries have either enacted or are in the process of enacting tax legislation to fully or partially comply with Pillar Two. The United Arab Emirates, where the Bank's Ultimate Parent Entity is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises. The parent company along with subsidiaries ("Group") falls within the scope of these rules from 1 January 2025 and is currently assessing its exposure to these rules. There is uncertainty regarding whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes. In response to this uncertainty, the IASB issued amendments to IAS 12 'Income Taxes' on 23 May 2023 and 27 June 2023, respectively. These amendments introduce a mandatory temporary exception to the requirements of IAS 12, under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules.

As the Group's consolidated revenues are more than EUR 750 million, it is within the scope of the Pillar Two model rules. The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on financial information for the constituent entities in the Group. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning. The bank has recorded Pillar two tax amounting to AED 3,521 thousand communicated by the Ultimate parent company.

**24 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. The calculations are as follows:

	2025 AED'000	2024 AED'000
Profit for the year	<u>83,645</u>	108,713
Weighted average number of shares	<u>10,000,000</u>	<u>10,000,000</u>
<b>Basic earnings per share (AED)</b>	<u>8.36</u>	<u>10.87</u>

The figure for basic and diluted earnings per share is the same as the Bank has not issued any instruments which would have an impact on earnings per share when exercised.

**25 SEGMENTAL ANALYSIS**

For operating purposes, the Bank is organised into two major business segments: (a) Investments, which is principally involved in managing the Bank's own investment portfolio and provides treasury services; and (b) Banking Services, which principally manages clients' investment portfolios, provides credit facilities, accepts deposits from corporate and individual customers. These segments are the basis on which the Bank reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds and an equitable allocation of expenses and the Bank operations are primarily within the UAE.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

*Statement of profit or loss*

	<i>Investments</i>		<i>Banking Services</i>		<i>Total</i>	
	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Interest and investment income, net	<b>130,571</b>	175,296	<b>(4,638)</b>	(17,738)	<b>125,933</b>	157,558
Fee, commission and other income, net (including exchange gain)	<b>2,876</b>	6,805	<b>41,690</b>	46,095	<b>44,566</b>	52,900
Intersegment adjustments	<b>(94,642)</b>	(135,352)	<b>94,642</b>	135,352	-	-
<b>Operating income</b>	<b>38,805</b>	46,749	<b>131,694</b>	163,709	<b>170,499</b>	210,458
General and administrative expenses	<b>(19,793)</b>	(20,390)	<b>(74,100)</b>	(68,146)	<b>(93,893)</b>	(88,536)
Net impairment reversal/ (loss) on financial assets	<b>19,750</b>	470	<b>(1,541)</b>	(2,344)	<b>18,209</b>	(1,874)
<b>Operating expenses</b>	<b>(43)</b>	(19,920)	<b>(75,641)</b>	(70,490)	<b>(75,684)</b>	(90,410)
Profit before tax	<b>38,762</b>	26,829	<b>56,053</b>	93,219	<b>94,815</b>	120,048
Income tax expense					<b>(11,170)</b>	(11,335)
<b>Profit for the year</b>					<b>83,645</b>	108,713

*Statement of financial position*

	<i>Investments</i>		<i>Banking Services</i>		<i>Total</i>	
	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Segment assets	<b>3,880,763</b>	4,187,818	<b>996,852</b>	930,052	<b>4,877,615</b>	5,117,870
Segment liabilities and equity	<b>1,177,782</b>	1,045,577	<b>3,699,833</b>	4,072,293	<b>4,877,615</b>	5,117,870

**26 COMMITMENTS AND CONTINGENT LIABILITIES**

***Credit-related commitments***

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

Guarantees and acceptances commit the Bank to make payments on behalf of customers, contingent upon the failure of the customers to perform under the terms of the contract.

The Bank has the following credit related contingent liabilities and commitments.

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Guarantees	<b>11,034</b>	11,034
Unutilised committed credit facilities*	<b>44,141</b>	41,809
	<b>55,175</b>	52,843

The Bank has recorded ECL on the guarantees issued by it in line with the requirements of IFRS 9. All guarantees are classified as Stage 1 (31 December 2024: Stage 1). There was no transition in the staging of the guarantees during the year ended 31 December 2025 (2024: no transition).

\* Unutilized committed credit facilities represent a contractual commitment to permit draw downs on a facility within a defined period subject to conditions precedent and termination clauses. As commitments may expire without being drawn down and since conditions precedent to draw down have to be fulfilled, the total contract amounts do not necessarily represent exact future cash requirements.

***Investments-related commitments***

The Bank has commitments of AED 15,141 thousand on account of investment in equity instruments (31 December 2024: AED 26,940 thousand).

***Capital commitments***

As part of the Bank's strategic technology transformation initiative, the Bank has entered into various contractual arrangements with the aim of transforming a Bank to become a leading digitally enabled, wealth management and lifestyle offering for HNWI's in the UAE. The project involves significant investment in software development, system integration, migration, and related infrastructure.

As at 31 December 2025, the Bank had outstanding contractual commitments relating to the system transformation amounting to AED 76,565 thousand, which primarily comprise:

- The core banking system vendor and system integrators for software licenses, implementation, testing and direct related cost for system under development;
- Commitments towards infrastructure upgrades and ancillary technology systems necessary for integration and performance; and
- Professional service agreements with consultants and project management partners engaged for the transition.

These commitments are expected to be settled over the next 12 months, in line with the project implementation schedule.

***Contingent liabilities***

The Bank has received a legal claim in relation to alleged losses incurred by a claimant under a securities backed loan facility in effect in the prior years. The Bank has performed an assessment and has concluded that it has no legal obligation to the client in respect of this matter. Accordingly, no provision has been maintained by the Bank as at 31 December 2025.

## 27 RELATED PARTY TRANSACTIONS

The Bank enters into transactions in the ordinary course of business with related parties, defined as major shareholders, directors, key management personnel and their related companies. Transactions with such related parties are done on an arm's length basis, including interest rates and collateral, as those prevailing at the same time for comparable transactions with external customers and parties. Pricing policies and terms of related parties' transactions are approved by the Bank's management and the Board of Directors where appropriate.

The significant balances outstanding in respect of related parties included in the financial statements are as follows:

	2025 AED'000	2024 AED'000
Customers' deposits	118,456	535,422
Gross loans and advances*	32	402,235
Other liabilities	945	1,215
Other assets	889	7,957
Commitments and contingencies	1,771	1,771

\* These loans and advances are fully collateralised by customer deposits amounting to AED 53 thousand (31 December 2024: AED 402,235) from a related party.

Outstanding balances at the period end arise in the normal course of business. The Bank has recorded ECL on the loans and advances and guarantees provided to related parties in line with the requirements of IFRS 9. All related party balances are classified as Stage 1 (31 December 2024: Stage 1). There was no transition in the staging of the related party balances during the year ended 31 December 2025 (2024: no transition).

The income and expenses in respect of related parties included in the financial statements are as follows:

	2025 AED'000	2024 AED'000
Interest income from loans and placements	1,756	29,282
Interest expense	(3,346)	(23,958)
Fee, commission and other income	1,762	6,872
General and administrative expenses	(8,932)	(7,114)

### Compensation of key management personnel:

	2025 AED'000	2024 AED'000
Salaries and other fixed benefits	17,632	21,893

## 28 RISK MANAGEMENT

Risk is inherent in the Bank's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The Board of Directors (BOD) holds the ultimate responsibility for the risk exposures. The Bank has adopted a risk governance suggesting a "three lines of defence approach" to risk management, which involves top management and business lines, strong risk management function, and capable compliance and independent internal audit.

The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to operational risks, compliance risks and information security risks.

The independent risk control process does not include business risks such as changes in the environment, technology, and industry. These are monitored through the Bank's strategic planning process. The risks associated with AML/CFT, and regulatory compliance are also independently assessed by Compliance Department of the Bank.

**28 RISK MANAGEMENT (continued)**

**Risk management structure**

The BOD has the ultimate responsibility for setting the Bank's risk appetite and for the establishment and oversight of the Bank's risk management framework. This is managed through a number of committees; namely Board Risk Committee (BRC) and Board Audit Committee (BAC).

The management level committees also actively manage risk particularly the Executive Committee (Exco), Credit Committee (CC), Principal Investment Committee (PIC), Asset and Liability Management Committee (ALCO), Compliance AML Committee (CAC), Model Oversight Committee, Information Security Committee, Governance Committee, and the Risk Management department.

*Board of Directors (BOD)*

BOD is responsible for the overall risk governance framework within the Bank. The BOD is responsible for determining the risk strategy, setting the Bank's risk limits and ensuring that risk exposure is monitored and controlled effectively. It is also responsible for establishing a clearly defined risk management structure for approval of the risk policies and procedures, infrastructure and management of all risks related to the Bank.

In order to effectively discharge this responsibility, the BOD is assisted by Sub-Committees and Management Committees. The briefing about the role and function of each committee is as follows:

*Board Risk Committee (BRC)*

BRC has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, and policies for enhancement of the Bank's risk management framework to best practice standards, monitoring of aggregate risk exposures (credit, market, liquidity, operational, information security, legal, etc.) and compliance with the regulatory requirements. The BRC responsibility also involves providing independent risk overview to the Board in the business decision making process of the Bank.

*Board Audit Committee (BAC)*

The primary role of the BAC is to have an oversight and review of financial audit and internal control matters as well as to oversee the independence and performance of Bank's external and internal auditors.

*Board Committee and Investment Committee (BCIC)*

The BCIC is established to assist the BOD in fulfilling its oversight responsibilities regarding the Bank's credit exposures and investment activities. The BCIC operates under the delegated authority of the BOD to ensure that major credit decisions and investment strategies are prudent, fall within the approved delegation framework, and comply with applicable regulatory requirements, including those issued by the CBUAE.

*Executive Committee (Exco)*

Senior executive management is entrusted with the objective of executing the BOD approved policies.

The major roles of Exco include the following:

- Oversight of all the policies and procedures before presenting to BRC/BOD for their review and approval.
- Oversight of the Internal Capital Adequacy Assessment Process (ICAAP) and Stress Testing process by reviewing the ICAAP and Stress Testing methodologies, analysis, and reports.
- Monitor the effectiveness of the risk management approach and internal controls through the framework captured within specific risk management policies.

*Credit Committee (CC)*

CC is a management level committee which carries out credit lending decisions including, but not limited to, approval and renewal of credit facilities, review and monitoring of loan portfolio performance, decisions on loan settlement, provisioning write off and amendments to pricing and grading.

The major roles of CC includes the following:

- Recommend reasonable and prudent credit policies and procedures to avoid undue risk and potential loss i.e., to obtain a reasonable return on a risk adjusted basis.
- Oversight of the identification and management of credit facilities, administration of the credit facilities and maintaining the quality of credit portfolio.
- Recommend credit proposal in exception to credit policy to the BRC for their review and recommendation to the BOD for their final review and approval.

**28 RISK MANAGEMENT (continued)**

**Risk management structure (continued)**

*Principal Investment Committee (PIC)*

The purpose of the PIC is to review the performance of the Bank's Investment portfolio in line with the delegation of authority provided by the BOD, trends affecting the investment portfolio, the administration of investment related policies, as well as the approval of proposals related to the Bank's Proprietary Investment Portfolio to ensure compliance with the applicable limit set by the BOD.

The major roles of PIC includes the following:

- Asset allocation strategy for the portfolio to achieve alignment with target returns.
- Review, update and approve the business model assumptions of the investment portfolio from strategy and accounting classification perspective.
- Maintain an oversight of the investment portfolio managed in line with the investment risk appetite approved by the BOD.
- Approve specific investments, review the performance of the investment portfolio, make recommendation.
- Propose revision of the risk appetite threshold and limits to BRC for their review and recommendation to BOD for their final approval.

*Compliance AML Committee (CAC)*

The CAC shall be responsible for implementing effective client due diligence and monitoring mechanisms and overseeing the Bank's compliance with all applicable AML laws, rules, and regulations.

The major roles of CAC includes the following:

- Review all new client relationships and decide to either approve or decline the prospective relationship;
- Review all new Introducer and Independent Asset Manager relationships and decide to either approve or decline the relationship;
- Discuss AML related compliance initiatives and issues;
- Review selected results of monitoring initiatives and taking necessary steps;
- Review Suspicious Transaction Reporting incidences and trends;
- Review AML related audit and compliance reports and regulator reports and associated remedial action taken, and take necessary steps to ensure proper and timely remedial actions; and
- Discuss and coordinate compliance training needs across the Bank.

*Asset and Liability Management Committee (ALCO)*

ALCO is responsible for managing the Bank's assets and liabilities and the overall financial structure. It is also responsible for managing the funding, interest rate risk in the banking book and liquidity risks of the Bank.

The major roles of ALCO includes managing the following risks:

Liquidity risk – being the risk from the Bank's inability to meet obligations when they become due because of an inability to liquidate assets or to obtain adequate funding.

- To ensure compliance with the regulatory requirements and internal liquidity risk appetite limits approved by the BOD.
- Review, monitor and propose update for counterparty bank's limit which includes credit limits for money market placements, foreign exchange transactions and Nostro balances.
- To review and provide direction over concentration risk arising from both borrowers and depositors, monitor the level of liquidity buffer comprising of cash and cash equivalents, level of high-quality liquid assets maintained on the balance sheet having repo eligibility to cover the run-off associated with liability concentration if any.
- To review the level of repo eligibility against the high-quality liquid assets to ensure efficient and effective cost of liquidity to the Bank.
- To review and approve recovery plan/contingency funding plan in line with the regulatory requirements and recommend it to the BRC for their review and recommendation to the BOD for their final approval.
- Funding Liquidity Risks:
  - To monitor the level of depositor's concentration to ensure maintenance of stable funding resource.
  - To ensure maintenance of reasonable level of liquidity buffer though maintenance of HQLA for effective management of cost of funding requirement where required to raise liability from market.

**28 RISK MANAGEMENT (continued)**

**Risk management structure (continued)**

*Asset and Liability Management Committee (ALCO) (continued)*

Statement of financial position risk- being the following risks:

- Oversight of balance sheet management issues, such as balance sheet contractual maturity gaps and interest rate repricing gaps;
- Banks' balance sheet development, capital adequacy performance against the risk appetite; and the balance sheet efficiently taking a forward-looking view of changes to economic, regulatory, and competitive actions;
- Review the client's assets and liability pricing strategy and ensure the FTP curves (in major currencies relevant to the Bank's balance sheet) are set at an appropriate level;
- To review and provide direction over concentration risk arising from both assets and liabilities side of the balance sheet; and
- To review and approve modelling assumptions used for estimating interest rate risk on the banking with behavioral maturity profiling assumptions of call accounts.

*Model Oversight Committee*

The Model Oversight Committee shall be responsible for monitoring and supervising all material decisions in the steps of model life cycle. The committee to ensure all the decisions taken are transparent, justified and documented and inform BRC of all the material decision taken with appropriate rationale in timely manner.

- To review and approve IFRS 9 provision computation on a quarterly basis.
- Ensure Model Risk is managed appropriately across the Bank.
- Oversee the objective and strategy of each model.
- Approve material modelling decisions made in existing model.
- Review the model validation report performed by the Bank.
- Review the Bank's response to central bank queries related to model management regulations.
- Review and approve the development of new models, material modelling decisions made in the existing models to ensure alignment with the regulatory requirement, to address model validation observation, external and internal audit observations.

*Information Security Committee*

The information security committee of the Bank oversees and governs the establishment, implementation, maintenance and continual improvement of Information Security related risk. The committee is appointed by EXCO with the objective to oversee and direct the overall information security framework at the Bank.

- Providing input into the development, approval and implementation of Information Security and IT policies, guidelines and procedures.
- Discussing challenges regarding the implementation of Information Security policies and procedures and providing feedback from their respective departments or teams of the Bank.
- Ensure that the status of Information Security risks is up to date and approve the updated risk assessment.
- Oversee the Bank's compliance with applicable IT-related Policies and Guidelines as well as all applicable regulations.

*Governance Committee*

The Governance Committee of the Bank has objectives of resolving regulatory matters related to CBUAE and Securities and commodities Authority ("SCA") that requires coordination among Business, Risk management, Compliance incorporating feedback from Legal counsel and Internal Audit department to advise the CEO on matters related to Governance.

- Provide guidance to management in relation to governance.
- Ensure policies and procedures are updated in line with the requirement.
- Ensure all regulatory observations from SCA and CBUAE are on track for closure.
- Discuss and ensure compliance with any new regulatory requirements from SCA and CBUAE.

**28 RISK MANAGEMENT (continued)**

**Risk management structure (continued)**

*Risk Management Department*

The Risk Management Department (RMD) is integral to the Bank's risk governance framework, ensuring comprehensive oversight and control of risk across the Bank. RMD's responsibilities are given below:

- Ensures comprehensive oversight and control of risk across the enterprise by developing and implementing Risk Management Policy, procedures, and risk reports.
- Maintains risk models, adheres to internal risk limits and capital management parameters, and coordinates with business units (BUs) to formulate risk mitigation plans.
- Monitors credit, market, and liquidity limits, operational risk profiles, and information security risks, addressing proximity to risk limits, excesses, or breaches promptly.
- Ensures to prepare Internal Capital Adequacy Assessment Report covering all the material risk from forward looking capital planning perspective to approved by Exco/BRC and the BOD prior to submission to CBUAE.
- Ensures that recovery planning report is submitted to CBUAE once every two years post ALCO review and approval from BRC covering the aspect of hypothetical fail scenario and recovery processes around the same.
- Provides regular reports to the Chief Risk Officer (CRO) and senior management, and reviews limits, exposures, and breach reports.
- Designs Pillar II risk capital computation methodologies and stress scenarios, and updates on remediation plans for identified weaknesses.
- Prepare quarterly and annual Pillar III Disclosure report in line with regulatory requirements.
- Reports on watch-listed credit exposures and non-performing loans, develops and analyzes individual risk reports, and presents aggregated Bank-wide risk reports.
- Provides input for Bank-wide risk management-related disclosures, ensuring robust and responsive risk governance, safeguarding the Bank from exceeding its risk appetite.

*Internal Audit*

Risk management processes throughout the Bank are subject to internal audit that examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the BAC.

*Risk measurement and reporting systems*

Monitoring and controlling risks are primarily performed based on limits and the parameters established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept. In addition, the Bank monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled is examined and processed to analyse, identify, and control early risks. This information, which includes aggregate credit exposure, liquidity ratios and risk profile changes, is presented to the management committees and ultimately to the BRC.

Periodic briefing is provided by the risk management department, to the relevant committees on the utilisation of limits, proprietary investments, and liquidity, plus any other risk developments.

*Excessive risk concentration*

Concentrations arise from collateral concentration, depositors' concentration and discrete maturity profiling of liability rather than uniform distribution of liability across multiple tenor. The Bank has unique proposition with clientele confined to a single segment HNWI which poses the potential to disrupt the stability of the liabilities primarily held in the form of call account. Concentration risk on the asset side arise when several issuer/counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Levels of industry/geographical concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. Excessive concentration against a single issuer poses concentration risk for investment portfolio, whereas collateral concentration poses risk for secured loans and advances portfolio.

**28 RISK MANAGEMENT (continued)**

**Risk management structure (continued)**

*Risk mitigation*

As part of its overall risk management, the Bank uses risk appetite limits and thresholds, well documented internal models captured within the policies approved by the BOD and simultaneously ensuring maximum compliance with risk management standards and regulation from CBUAE to manage risks associated with the changes in credit profile of loans and advances and credit spread widening of credit risk sensitive securities, market risk arising from FX- Net Open positions, equity exposures and interest rate risk in the banking book due to asset liability repricing gap profile of the Bank. The Bank constantly monitors credit and investment portfolio and ensures it remains diversified to mitigate risk in relation to concentration of exposure towards a particular issuer for investment exposures, collateral diversification in case of secured financing against liquid securities. All the collaterals held for secured financing are valued on a daily basis whereas real estate collaterals are revalued on an annual basis. For the mitigation of interest rate risk on the banking book, all the loans and advances of the bank are repricing in nature with interest reset happening for all the loans on a quarterly basis, portfolio duration of the investment allocation are tightly controlled with forward looking view on the interest rate movement due to changes in macroeconomic conditions by adequately capturing it within risk appetite threshold approved by the BOD. The Bank maintains a reasonable level of liquidity buffer in the form of cash and cash equivalent investments in the form of high-quality liquid asset which can be utilised for collateralized borrowings against the credit lines maintained with multiple counterparties to cover the risk posed by liability concentration and nature of liabilities.

**Current economic and geopolitical situation**

The Bank has considered the impact of the current economic and geopolitical situation while assessing the different risks the Bank is exposed to, as outlined below.

**Credit risk**

Credit risk is the risk that a customer or counterparty will fail to meet a commitment, resulting in financial loss to the Bank. Such risk arises from lending, investment and other treasury activities undertaken by the Bank. Credit risk is actively monitored in accordance with the credit policies for lending and risk management policy for investment with clearly defined as delegated responsibilities. The management of credit risk also involves the monitoring of risk concentrations by industrial sector as well as by geographic location.

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimation as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using the concept of Expected Loss which requires the following measures:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)

**Credit risk grading**

The Bank has an internal credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral evaluations. For investments, counterparty limits are established using a credit risk classification system that assigns each counterparty a risk rating based on the worst rating from S&P, Moody's, and Bloomberg Risk Rating. The probability of default for each credit grade is calibrated to increase exponentially with lower ratings. For the real estate backed loans and advances, risk ratings and probability of default are assigned using a logit curve to map Bloomberg risk ratings and probability of default. These parameters are regularly revised based on updates from rating agencies. The credit quality review process enables the Bank to assess potential losses and take corrective actions as needed.

Investments external risk ratings are mapped into following grades:

<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Bloomberg Composite</b>	<b>Grade</b>
AAA to A-	Aaa to A3	AAA to A-	Prime and high grade
BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	Standard grade
BB+ and below	Ba1 and below	BB+ and below	Sub-standard grade
D	D	D	Past due

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Credit risk grading (continued)*

Borrower internal risk ratings are mapped into the following grades:

Internal Rating Band (Loans and Advances)	Definition	Grade
1-3	Low risk	Prime and high grade
4-5	Satisfactory risk	Standard grade
6-7	Watch List	Sub-standard grade
8-10	Loss/Impaired	Past due (more than 90 days)

*Expected credit loss measurement*

Under IFRS 9, Expected Credit Losses (ECL) represent the weighted average of credit losses, with the probability of default (PD) as the weight. This approach is forward-looking and requires entities to estimate the expected credit losses over the life of a financial instrument. These figures are typically derived from statistical models and historical data, adjusted to incorporate probability-weighted forward-looking information.

The Model Oversight Committee is the committee responsible for the oversight of IFRS 9 ECL provisions. Further, the Bank also considers relevant regulatory requirements in relation to the determination of ECL provisions to the extent consistent with IFRS 9 principles. The BOD approved the IFRS 9 Policy which includes the provisioning process and associated provisions as presented by the CRO, as per Article 9.16 of the Credit Risk Management Regulation and accompanying Standards, (Circular No. 3/2024 dated 25 July 2024). The Model Oversight Committee has reviewed the calculation process, methodology and the results of provisions as presented by the CRO.

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition of a facility as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’.
- Financial assets in Stage 1 have their ECL measured at an amount equal to the expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring the ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3). However, the amount recognized as loss allowance for such assets is not the total amount of lifetime expected credit loss, but instead the changes in lifetime expected credit losses since initial recognition of the asset.

*Significant increase in credit risk (SICR)*

The Bank continuously monitors all financial assets subject to impairment requirements to evaluate any SICR in credit risk since their initial recognition. Upon identifying a SICR, the Bank measures the loss allowance based on lifetime expected credit losses (ECL) rather than the 12-month ECL. The Bank employs a combination of qualitative and quantitative criteria to determine SICR. The SICR indicators for each asset type and the corresponding rating deterioration are summarized below.

For the investment portfolio, the SICR criteria are:

- A price decrease of the instrument by more than 15% from its amortized cost or since the last quarter.
- A rating deterioration of the instrument by two notches, placing it in the High Yield Category (lower than BBB-).
- Securities with significant credit spread widening.

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Expected credit loss measurement (continued)*

For the Loans and Advances Portfolio, the criteria for SICR are:

- Overdue performance with Days Past Due (DPD) exceeding 30, unless overridden by a rebuttable analysis.
- Presence of a watch-list flag.
- Restructured facilities and evident signs of distress, including industry-level news on issuer distress.
- Any individual credit facility of an obligor with three or more deferrals of installments due within a rolling 24-month period, unless there is supportable and documented evidence that no SICR has occurred.

*Definition of default and credit-impaired assets*

The Bank defines a loan, due from bank and investment instrument as in default, which is fully aligned with the definition of credit impaired. According to the Basel definition, default is considered to have occurred with regard to particular obligors when any one of the following events has taken place:

- The Bank considers that the obligor is unlikely to pay its credit obligation to the Bank in full without recourse by the Bank to actions like realizing security (if held).
- The Bank puts the credit obligation on a non-accrued status.
- The Bank makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Bank taking on the exposure.
- The Bank sells the credit obligation at a material credit-related economic loss.
- The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness or postponement of principal, interest, and other fees.
- The Bank has filed for the obligor's bankruptcy or similar order in respect of the obligor's credit obligation to the Bank.
- The obligor is past due more than 90 days on any material credit obligation to the Bank.
- For investment exposures a security is considered in default if it has missed a scheduled payment or only has made partial payment.

Following the above guidelines, the criteria for moving to Stage 3 are as follows:

*Investments*

- Any investments are immediately classified as default in case of a missed interest payment.

*Loans and Advances*

- Accounts are classified as default as soon as they go beyond 90 days past due (90+ DPD).
- A credit facility is regarded as a distressed restructuring if any of its terms are formally amended due to the financial difficulty of the obligor, in order to obtain concessions for economic or legal reasons.
- Any type of restructuring that is in standstill for more than 90 days, during which the obligor is not meeting its financial obligations as per the terms of the original facility, shall be considered as default.

An instrument is considered to no longer be in default (i.e., to have cured) when it meets the criteria provided by CBUAE and in line with IFRS 9. An exposure cannot be upgraded directly from Stage 3 to Stage 1. It must first be upgraded to Stage 2 and then undergo a probation period before moving to Stage 1. For restructured exposures, a probationary period is assigned as follows: a minimum of three installments for monthly repayment schedules, and at least one installment for repayment schedules with longer intervals, before upgrading from Stage 3 to Stage 2. These installments must be composed of payments as per the terms of the facility agreement and must not be funded via a new facility provided by the Bank. All restructured exposures that have moved from Stage 3 to Stage 2 must undergo the specified probation period before being upgraded from Stage 2 to Stage 1.

Re-classification of accounts from Stage 2 to Stage 1 is permissible only when there is adequate information highlighting an improvement in the condition of the obligor, and all conditions that led to the downgrade no longer persist during the 'Cure period'.

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Expected credit loss measurement (continued)*

Measuring ECL – Explanation of inputs, assumptions, and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a SICR has occurred since the initial recognition of a specific facility or whether an asset is considered credit-impaired. The Bank has adopted a forward-looking exposure at default method for computing the ECL for each facility.

The Bank conducts a quarterly granular computation of ECL and its constituents - PD, LGD and EAD:

- *Probability of Default (PD)*: Represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.
- *Exposure at Default (EAD)*: Based on the amounts expected to be owed at the time of default, over the remaining lifetime (Lifetime EAD).
- *Loss Given Default (LGD)*: Reflects the expected extent of loss on a defaulted exposure and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

Lifetime expected credit losses (ECL) result from all probable default events over the expected lifetime of the financial instrument. ECL is calculated as the product of PD, LGD, and EAD, all discounted using the Effective Interest Rate (EIR). The Bank has enhanced estimation techniques and assumptions for ECL, calibrating the model based on updated macro-economic information in line with IFRS 9 regulatory requirements.

Model Calibration and Portfolio Considerations

The PD model for the investment portfolio is calibrated using external PD sources such as S&P, historical macroeconomic data, and recent forward-looking predictions. Similarly, the real estate collateral backed loans portfolio is calibrated using external PD sources like Bloomberg, historical macroeconomic data, and recent forward-looking predictions. LGD follows the Foundation Internal Ratings-Based (F-IRB) approach for all portfolios, and EAD is estimated as the outstanding exposure at default.

ECL is calculated at an individual instrument level for investment and real estate collateral backed loans and advances, which are major components of the Bank's asset book. For margin loans and advances, a pool-level rating and PD are applied, with a single rating assigned at origination.

***Impact of current economic and geopolitical situation on credit risk***

The Russia-Ukraine conflict, ongoing since 2022, continues to influence global geopolitical and economic conditions. Sanctions against Russian state entities and affiliated individuals remain in effect and have expanded in certain areas. While financial markets have largely adapted to the prolonged nature of the conflict, periods of commodity price volatility and foreign exchange fluctuations continued.

In 2025, global macroeconomic conditions have been further affected by increased policy uncertainty, including renewed trade tensions and heightened focus on fiscal sustainability. Despite periodic volatility and debate surrounding reserve currencies, the U.S. dollar has continued to function as a key global safe-haven. Additionally, regional geopolitical tensions observed during 2023-2025 have contributed to elevated risk sentiment; however, these developments have not had a material adverse impact on the Bank's financial position.

The Bank's exposures remain conservatively positioned. Real estate collateral supporting secured lending is located exclusively within the UAE, and Lombard lending is secured by liquid, listed securities. Investments within the GCC are primarily in high-quality issuances with stable sovereign or quasi-sovereign credit profiles. Equity collateral in the region is predominantly UAE-based and subject to conservative loan-to-value limits. These factors support the Bank's resilience in the face of geopolitical and macroeconomic uncertainty.

The Bank maintains a conservative risk appetite and continues to prioritize asset quality and liquidity. Over recent years, the investment portfolio has been repositioned predominantly into investment-grade instruments. Investment portfolio is subject to regular review, and enhanced due diligence is applied to client onboarding and new investments, particularly in higher-risk sectors or jurisdictions, in strict compliance with applicable sanctions and regulatory requirements.

**28 RISK MANAGEMENT (continued)****Credit risk (continued)*****Impact of current economic and geopolitical situation on credit risk (continued)***

Following the onset of the Russia–Ukraine conflict in 2022, the Bank revised its investment risk appetite and avoids exposure to unstable or sanctioned markets. The Bank continues to monitor geopolitical and macroeconomic developments and adjusts exposure limits as necessary to manage emerging risks. Client onboarding risk is managed under a separate framework overseen by the Compliance Department, which applies rigorous due diligence procedures aligned with the Bank’s overall risk appetite.

***Impact of current economic and geopolitical situation on measurement of ECL***

IFRS 9 framework requires the estimation of Expected Credit Loss (ECL) based on current and forecast economic conditions. In order to assess ECL under forecast economic conditions, the Bank utilizes a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes.

The Bank has reviewed the potential impact of economic and geopolitical unrest outbreak on the inputs and assumptions for IFRS 9 ECL measurement. In light of the current economic situation and ongoing sanctions, the Bank has utilized stressed / punitive credit ratings and haircuts on securities, where relevant, within the ECL framework, thereby ensuring a pragmatic view and sufficient coverage from a provision standpoint. The Bank is continuously monitoring the situation and is actively managing any direct exposure.

In respect of the loans and advances portfolio, the Bank is conducting frequent reviews of the Loan to Value (“LTV”) ratios on the collateral held against loans given to customers. Accordingly, all staging and banking decisions are subject to regular review to ensure these reflect an accurate view of the Bank’s assessment of the customers’ creditworthiness, staging and banking as of the reporting date. The Bank has reassessed its portfolio of Stage 1, Stage 2 and Stage 3 customers as of 31 December 2025.

For its investment portfolio, the Bank has evaluated whether the investment portfolio has suffered a significant deterioration in credit quality. Based on ratings from external rating agencies and assessment of any increase in probability of default, the Bank has assessed whether there has been a SICR for investments and whether these investments are credit impaired and assessed the impact on ECL as of 31 December 2025.

***Maximum exposure to credit risk without taking account of any collateral and other credit enhancements***

The table below shows the maximum exposure to credit risk for the components of the statement of financial position (excluding cash in hand and investments in equity instruments) including guarantees. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements and before allowance and impairment, if any.

	<b>2025</b>	2024
	<b>AED’000</b>	AED’000
Balances with Central Bank of the UAE (note 6)	<b>647,477</b>	893,187
Due from banks (note 7)	<b>555,521</b>	527,483
Investments in debt instruments (note 8)	<b>2,532,820</b>	2,653,196
Loans and advances (note 9)	<b>934,182</b>	909,651
Other assets	<b>42,572</b>	40,046
	<b>4,712,572</b>	5,023,563
Guarantees (note 26)	<b>11,034</b>	11,034
<b>Total credit risk exposure</b>	<b>4,723,606</b>	5,034,597

Where financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)*

For more detail on the maximum exposure to credit risk for each class of financial instrument, references have been made to the specific notes. The effect of collateral and other risk mitigation techniques is shown below.

*Risk concentrations of the maximum exposure to credit risk*

Concentration of risk is managed by customer/counterparty and by geographical region. The maximum credit exposure to any customer or counterparty (excluding balances with Central Bank of the UAE) as of 31 December 2025 was AED 149,500 thousand (2024: AED 402,200 thousand) before taking account of collateral or other credit enhancements.

*Risk exposure to credit risk by geographical regions*

The Bank's financial assets (excluding cash in hand and investments in equity securities) including guarantees, before taking into account any collateral held or other credit enhancements, can be analysed by the following geographical regions:

	2025		2024	
	Assets AED'000	Guarantees AED'000	Assets AED'000	Guarantees AED'000
United Arab Emirates	2,547,248	11,034	2,879,636	11,034
North America	610,742	-	718,091	-
Europe	565,750	-	540,317	-
GCC & other ME	440,655	-	325,509	-
Others	548,177	-	560,010	-
	<u>4,712,572</u>	<u>11,034</u>	<u>5,023,563</u>	<u>11,034</u>

*Credit quality per class of financial assets*

The credit quality of financial assets is managed by the Bank using external rating by assigning worst of the S&P, Moody's, and Fitch rating for investment exposure and due from Bank whereas internal credit ratings for the loans and advances portfolio. The table below shows the credit quality of the Bank's financial assets (excluding cash in hand and investments in equity instruments), based on the Bank's credit rating system as specified above.

**2025**

	Neither past due nor impaired			Past due AED'000	Total AED'000
	Prime and high grade AED'000	Standard grade AED'000	Sub- standard grade AED'000		
Balances with Central Bank of the UAE (note 6)	647,477	-	-	-	647,477
Due from banks (note 7)	454,431	87,882	13,208	-	555,521
Investments in debt instruments (note 8)	1,181,692	1,271,536	68,629	10,963	2,532,820
Loans and advances (note 9)	-	932,903	-	1,279	934,182
Other assets	10,093	26,261	6,218	-	42,572
	<u>2,293,693</u>	<u>2,318,582</u>	<u>88,055</u>	<u>12,242</u>	<u>4,712,572</u>

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Credit quality per class of financial assets (continued)*

2024

	Neither past due nor impaired			Past due AED'000	Total AED'000
	Prime and high grade AED'000	Standard grade AED'000	Sub- standard grade AED'000		
Balances with Central Bank of the UAE (note 6)	893,187	-	-	-	893,187
Due from banks (note 7)	454,310	71,337	1,836	-	527,483
Investments in debt instruments (note 8)	1,297,106	1,195,636	128,031	32,423	2,653,196
Loans and advances (note 9)	-	900,702	-	8,949	909,651
Other assets	8,961	26,042	5,043	-	40,046
	<u>2,653,564</u>	<u>2,193,717</u>	<u>134,910</u>	<u>41,372</u>	<u>5,023,563</u>

It is the Bank's policy to maintain accurate and consistent risk ratings across the credit and investment portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across lines of business, geographic regions, and products. The rating system is supported by a variety of financial analytics for internal rating for the clients availing real estate backed loans, combined with processed market information to provide the main inputs for the measurement of client score and risk rating, whereas for investments risk rating are purely based on ratings available from external rating agencies. The attributable risk ratings are assessed and updated regularly. The Moody's equivalent grades are relevant only for certain exposures where risk ratings are based on the Bank's internal rating.

**Maximum exposure to credit risk – Financial instruments subject to impairment**

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL is recognized. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

2025

	ECL staging			Total AED'000
	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	
Balances with Central Bank of the UAE (note 6)	647,477	-	-	647,477
Due from banks (note 7)	555,521	-	-	555,521
Investments in debt instruments (note 8)	2,521,856	-	10,964	2,532,820
Loans and advances (note 9)	932,903	-	1,279	934,182
Other assets	42,572	-	-	42,572
<b>Total</b>	<u>4,700,329</u>	<u>-</u>	<u>12,243</u>	<u>4,712,572</u>
Guarantees (note 26)	11,034	-	-	11,034
<b>Total credit risk exposure</b>	<u>4,711,363</u>	<u>-</u>	<u>12,243</u>	<u>4,723,606</u>

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Maximum exposure to credit risk – Financial instruments subject to impairment (continued)*

2024

	ECL staging			Total AED'000
	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	
Balances with Central Bank of the UAE (note 6)	893,187	-	-	893,187
Due from banks (note 7)	527,483	-	-	527,483
Investments in debt instruments (note 8)	2,617,459	3,314	32,423	2,653,196
Loans and advances (note 9)	900,702	-	8,949	909,651
Other assets	40,046	-	-	40,046
<b>Total</b>	<b>4,978,877</b>	<b>3,314</b>	<b>41,372</b>	<b>5,023,563</b>
Guarantees (note 23)	11,034	-	-	11,034
<b>Total credit risk exposure</b>	<b>4,989,911</b>	<b>3,314</b>	<b>41,372</b>	<b>5,034,597</b>

***Collateral and other credit enhancements***

The amount and quality of collateral are given due consideration along with an assessment of the credit risk of the counterparty and product parameters. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are generally cash, liquid investment securities with daily price and NAV and real estate properties with valuation refresh on an annual basis by independent third-party evaluators.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

The table below details the fair value of the collateral, which is updated regularly:

	2025 AED'000	2024 AED'000
<i>Against individually impaired loans and advances</i>		
Secured by marketable securities	-	-
<i>Against loans and advances not impaired</i>		
Secured by marketable securities	531,174	246,499
Secured by real estate properties	1,966,210	1,357,840
Secured by customer deposits	23,775	402,235
<b>Total</b>	<b>2,521,159</b>	<b>2,006,574</b>

Collateral is effectively used as credit risk mitigating tools by the Bank. The quality of collateral is continuously monitored and assessed, and the Bank seeks to ensure enforceability of the collateral. Major categories of collaterals are as included in the above table. Collateral is revalued regularly as per the Bank's credit policy. This enables the Bank to assess the fair market value of the collateral and ensure that risks are appropriately managed.

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Movement in gross carrying amount*

The following table explains the changes in the gross carrying amount from 1 January 2025 to 31 December 2025:

	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
<i>Due from banks</i>				
As at 1 January 2025	527,483	-	-	527,483
New financial assets originated	321,660	-	-	321,660
Repayment and other movements	(293,622)	-	-	(293,622)
	<u>555,521</u>	<u>-</u>	<u>-</u>	<u>555,521</u>
As at 31 December 2025	<u>555,521</u>	<u>-</u>	<u>-</u>	<u>555,521</u>
<i>Loans and advances</i>				
As at 1 January 2025	900,702	-	8,949	909,651
New financial assets originated	355,173	-	-	355,173
Repayments and other movements	(322,972)	-	494	(322,478)
Write off	-	-	(8,164)	(8,164)
	<u>932,903</u>	<u>-</u>	<u>1,279</u>	<u>934,182</u>
As at 31 December 2025	<u>932,903</u>	<u>-</u>	<u>1,279</u>	<u>934,182</u>
<i>Investments – measured at amortised cost</i>				
As at 1 January 2025	164,585	-	32,423	197,008
New financial assets originated	84,250	-	-	84,250
Repayment and other movements	(959)	-	-	(959)
Assets derecognised	-	-	(21,459)	(21,459)
	<u>247,876</u>	<u>-</u>	<u>10,964</u>	<u>258,840</u>
As at 31 December 2025	<u>247,876</u>	<u>-</u>	<u>10,964</u>	<u>258,840</u>

The following table explains the changes in the gross carrying amount from 1 January 2024 to 31 December 2024:

	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
<i>Due from banks</i>				
As at 1 January 2024	653,913	-	-	653,913
New financial assets originated	330,749	-	-	330,749
Repayment and other movements	(457,179)	-	-	(457,179)
	<u>527,483</u>	<u>-</u>	<u>-</u>	<u>527,483</u>
As at 31 December 2024	<u>527,483</u>	<u>-</u>	<u>-</u>	<u>527,483</u>
<i>Loans and advances</i>				
As at 1 January 2024	485,956	-	7,740	493,696
Transfers				
Transfer from Stage 1 to Stage 2	(352)	352	-	-
Transfer from Stage 2 to Stage 3	-	(352)	352	-
New financial assets originated	648,661	-	-	648,661
Repayments and other movements	(233,563)	-	857	(232,706)
	<u>900,702</u>	<u>-</u>	<u>8,949</u>	<u>909,651</u>
As at 31 December 2024	<u>900,702</u>	<u>-</u>	<u>8,949</u>	<u>909,651</u>

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Movement in gross carrying amount (continued)*

The following table explains the changes in the gross carrying amount from 1 January 2024 to 31 December 2024: (continued)

	<i>Stage 1</i> 12-month ECL AED'000	<i>Stage 2</i> Lifetime ECL AED'000	<i>Stage 3</i> Lifetime ECL AED'000	<i>Total</i> AED'000
<i>Investments – measured at amortised cost</i>				
As at 1 January 2024	361,600	3,673	32,423	397,696
New financial assets originated	43,186	-	-	43,186
Repayment and other movements	(240,201)	(3,673)	-	(243,874)
	<u>361,600</u>	<u>3,673</u>	<u>32,423</u>	<u>397,696</u>
As at 31 December 2024	<u>164,585</u>	<u>-</u>	<u>32,423</u>	<u>197,008</u>

*Movement in loss allowance*

The following table explain the changes in the loss allowance from 1 January 2025 to 31 December 2025:

	<b>Stage 1</b> <b>12-month ECL</b> <b>AED'000</b>	<b>Stage 2</b> <b>Lifetime ECL</b> <b>AED'000</b>	<b>Stage 3</b> <b>Lifetime ECL</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
<i>Due from banks</i>				
As at 1 January 2025	<b>210</b>	-	-	<b>210</b>
New financial assets originated	<b>13</b>	-	-	<b>13</b>
Changes in PDs/LGDs/EADs	<b>(74)</b>	-	-	<b>(74)</b>
	<u>210</u>	<u>-</u>	<u>-</u>	<u>210</u>
As at 31 December 2025	<u>149</u>	<u>-</u>	<u>-</u>	<u>149</u>
<i>Loans and advances</i>				
As at 1 January 2025	<b>2,564</b>	-	<b>8,438</b>	<b>11,002</b>
New financial assets originated	<b>1,591</b>	-	-	<b>1,591</b>
Changes in PDs/LGDs/EADs	<b>(641)</b>	-	<b>494</b>	<b>(147)</b>
Write off	-	-	<b>(7,653)</b>	<b>(7,653)</b>
	<u>2,564</u>	<u>-</u>	<u>8,438</u>	<u>11,002</u>
As at 31 December 2025	<u>3,514</u>	<u>-</u>	<u>1,279</u>	<u>4,793</u>
<i>Investments – measured at amortised cost</i>				
As at 1 January 2025	<b>189</b>	-	<b>32,423</b>	<b>32,612</b>
New financial assets originated	<b>98</b>	-	-	<b>98</b>
Changes in PDs/LGDs/EADs	<b>224</b>	-	-	<b>224</b>
Assets derecognised	-	-	<b>(21,459)</b>	<b>(21,459)</b>
	<u>189</u>	<u>-</u>	<u>32,423</u>	<u>32,612</u>
As at 31 December 2025	<u>511</u>	<u>-</u>	<u>10,964</u>	<u>11,475</u>

**28 RISK MANAGEMENT (continued)**

**Credit risk (continued)**

*Movement in loss allowance (continued)*

The following table explain the changes in the loss allowance from 1 January 2024 to 31 December 2024:

	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
<i>Due from banks</i>				
As at 1 January 2024	364	-	-	364
New financial assets originated	15	-	-	15
Changes in PDs/LGDs/EADs	(169)	-	-	(169)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2024	210	-	-	210
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Loans and advances</i>				
As at 1 January 2024	1,007	-	7,650	8,657
<i>Transfers</i>				
Transfer from Stage 1 to Stage 2	(1)	1	-	-
Transfer from Stage 2 to Stage 3	-	(1)	1	-
New financial assets originated	1,919	-	-	1,919
Changes in PDs/LGDs/EADs	(361)	-	787	426
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2024	2,564	-	8,438	11,002
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Investments – measured at amortised cost</i>				
As at 1 January 2024	821	15	32,423	33,259
New financial assets originated	37	-	-	37
Changes in PDs/LGDs/EADs	(669)	(15)	-	(684)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2024	189	-	32,423	32,612
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All guarantees issued by the Bank are collateralised by cash and classified as stage 1 within the ECL model as at 31 December 2025 and 31 December 2024.

**Liquidity risk**

Liquidity risk is the risk that the Bank will be unable to meet its short-term cash outflows and net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately and sudden withdrawal of client deposits. To guard against this risk, management strive to diversify the funding sources and assets are managed with liquidity in mind and by maintaining a healthy balance of cash and cash equivalents in the form of high-quality liquid asset (HQLA) to cover the unanticipated risk associated with liability attributes.

The Bank maintains a portfolio of highly liquid marketable securities and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The Bank also has committed lines of credit that it can access to meet liquidity needs through repo lines by borrowing against liquid assets without realizing loss from the sale of securities during adverse market events. To guard against sudden deposit withdrawal risk, the Bank maintains reasonable amount of liquidity buffer by maintaining a reasonable amount high quality liquid asset which intends to have a repo eligibility with minimal amount of haircut even during stressed market scenario. In addition, the Bank maintains a statutory reserve with the Central Bank of UAE which can be withdrawn entirely on any day for daily settlement purposes, provided that the daily average requirements over a 14-day reserve maintenance period is maintained. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank.

Maturities of assets and liabilities at the date of the statement of financial position are set out in the table on the next page based on the remaining period to the contractual maturity date without taking account of the effective maturities as indicated by the Bank's deposit retention history and the availability of liquid funds.

Emirates Investment Bank P.J.S.C.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

28 RISK MANAGEMENT (continued)

Liquidity risk (continued)

31 December 2025

	Less than 3 months AED'000	From 3 months to 6 months AED'000	From 6 months to 12 months AED'000	Subtotal less than 12 months AED'000	1 – 5 years AED'000	Over 5 years AED'000	Subtotal over 12 months AED'000	Undated AED'000	Total AED'000
<b>ASSETS</b>									
Cash and balances with Central Bank of UAE	647,941	-	-	647,941	-	-	-	-	647,941
Due from banks, net	549,869	-	5,503	555,372	-	-	-	-	555,372
Investments, net	164,793	243,166	91,072	499,031	1,823,431	198,883	2,022,314	127,621	2,648,966
Loans and advances, net	283,874	142,776	197,435	624,085	305,304	-	305,304	-	929,389
Other assets	37,932	8,057	5,342	51,331	5,461	-	5,461	-	56,792
Property, equipment and intangible assets	-	-	-	-	-	-	-	39,155	39,155
<b>Total assets</b>	<b>1,684,409</b>	<b>393,999</b>	<b>299,352</b>	<b>2,377,760</b>	<b>2,134,196</b>	<b>198,883</b>	<b>2,333,079</b>	<b>166,776</b>	<b>4,877,615</b>
<b>LIABILITIES AND EQUITY</b>									
Customer deposits	2,588,690	326,092	385,171	3,299,953	10,004	-	10,004	-	3,309,957
Current tax liabilities	-	-	11,639	11,639	-	-	-	-	11,639
Other liabilities	25,722	18,747	8,587	53,056	13,442	-	13,442	-	66,498
Deferred tax liabilities	-	-	-	-	3,617	-	3,617	-	3,617
Equity	-	-	-	-	-	-	-	1,485,904	1,485,904
<b>Total liabilities and equity</b>	<b>2,614,412</b>	<b>344,839</b>	<b>405,397</b>	<b>3,364,648</b>	<b>27,063</b>	<b>-</b>	<b>27,063</b>	<b>1,485,904</b>	<b>4,877,615</b>
<b>Net liquidity gap</b>	<b>(930,003)</b>	<b>49,160</b>	<b>(106,045)</b>	<b>(986,888)</b>	<b>2,107,133</b>	<b>198,883</b>	<b>2,306,016</b>	<b>(1,319,128)</b>	

The liquidity gap of the Bank is closely monitored by the ALCO. The Bank maintains a reasonable level of high-quality assets to borrow against the repo lines to cover the contractual gaps with multiple counterparties and maintains reasonable level of unutilized money market limits to raise sufficient funding to manage unexpected outflows. The Bank continues to monitor its liquidity positions to ensure it has sufficient liquidity.

Emirates Investment Bank P.J.S.C.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

28 RISK MANAGEMENT (continued)

Liquidity risk (continued)

31 December 2024

	Less than 3 months AED'000	From 3 months to 6 months AED'000	From 6 months to 12 months AED'000	Subtotal less than 12 months AED'000	1 – 5 years AED'000	Over 5 years AED'000	Subtotal over 12 months AED'000	Undated AED'000	Total AED'000
<b>ASSETS</b>									
Cash and balances with Central Bank of UAE	893,752	-	-	893,752	-	-	-	-	893,752
Due from banks, net	521,764	-	5,509	527,273	-	-	-	-	527,273
Investments, net	323,128	351,515	64,856	739,499	1,590,997	290,160	1,881,157	118,360	2,739,016
Loans and advances, net	512,590	103,970	237,708	854,268	43,870	-	43,870	-	898,138
Other assets and deferred tax assets	32,309	8,668	5,840	46,817	9,583	-	9,583	190	56,590
Property, equipment and intangible assets	-	-	-	-	-	-	-	3,101	3,101
<b>Total assets</b>	<b>2,283,543</b>	<b>464,153</b>	<b>313,913</b>	<b>3,061,609</b>	<b>1,644,450</b>	<b>290,160</b>	<b>1,934,610</b>	<b>121,651</b>	<b>5,117,870</b>
<b>LIABILITIES AND EQUITY</b>									
Customer deposits	3,129,598	203,950	319,124	3,652,672	25,000	-	25,000	-	3,677,672
Current tax liabilities	-	-	11,443	11,443	-	-	-	-	11,443
Other liabilities	52,430	5,489	7,706	65,625	16,992	-	16,992	-	82,617
Equity	-	-	-	-	-	-	-	1,346,138	1,346,138
<b>Total liabilities and equity</b>	<b>3,182,028</b>	<b>209,439</b>	<b>338,273</b>	<b>3,729,740</b>	<b>41,992</b>	<b>-</b>	<b>41,992</b>	<b>1,346,138</b>	<b>5,117,870</b>
<b>Net liquidity gap</b>	<b>(898,485)</b>	<b>254,714</b>	<b>(24,360)</b>	<b>(668,131)</b>	<b>1,602,458</b>	<b>290,160</b>	<b>1,892,618</b>	<b>(1,224,487)</b>	

**28 RISK MANAGEMENT (continued)**

**Liquidity risk (continued)**

*Analysis of financial liabilities by remaining contractual maturities*

The table below summarises the maturity profile of the Bank's financial liabilities at the year-end based on remaining contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and, accordingly, the table below does not reflect the expected cash flows based on Bank's deposit retention history.

**31 December 2025**

	On demand AED'000	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	Total AED'000
Customer deposits	1,578,325	1,013,284	727,304	10,507	3,329,420
Other liabilities	-	25,808	27,551	13,830	67,189
	<u>1,578,325</u>	<u>1,039,092</u>	<u>754,855</u>	<u>24,337</u>	<u>3,396,609</u>

**31 December 2024**

	On demand AED'000	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	Total AED'000
Customer deposits	1,046,932	2,091,789	535,977	26,335	3,701,033
Other liabilities	-	52,544	13,493	17,683	83,720
	<u>1,046,932</u>	<u>2,144,333</u>	<u>549,470</u>	<u>44,018</u>	<u>3,784,753</u>

The Bank maintains liquidity projection schedules which are assessed monthly by asset liability committee (ALCO). ALCO ensures to track the projected liquidity requirements emanating from different business segment and monitor the anticipated cash flows. The Bank conducts stress testing based on the agreed assumptions as advised by the BOD annually as a capital planning process.

The Bank maintains liquidity buffers taking into consideration depositors run-off and market wide stress with reduced LTV for repo lines against repo eligible securities. Liquidity buffers are maintained by always having reasonable level of HQLA which are dynamically managed by the Bank to cover any short-term contractual gap or unanticipated gap which might emerge in future. The Bank ensures to maintain a diversified pool of securities in the investment portfolio with repo eligibility with a proper mix of credit rating to keep the cost of borrowing and haircut on collateral for repo eligibility at minimal level. Due considerations are given by maintaining secured and unsecured credit lines with multiple counterparties to avoid the risk of sudden withdrawal of credit lines by the counterparty in the stressed liquidity situations.

The Bank has clearly set out contingency funding strategy (CFP) for addressing the liquidity shortfalls in emergency situations. Plan outlines the guidelines to manage range of stress environments with clear line of responsibility and escalation procedure. As a part of the plan, the Bank ensures that it always maintains adequate financial resources so that there is no significant risk that its liabilities cannot be met as they fall due or operational services cannot be maintained due to lack of liquidity. The Bank's CFP incorporates a credible recovery option that can restore the Bank's capital, liquidity and/or profitability so that it can continue to operate sustainably and viably in case any crisis materializes. The crisis framework is designed to ensure that crisis is identified at an early stage and adequately managed via early warning indicators.

**28 RISK MANAGEMENT (continued)**

**Market risk**

Market risk arises from fluctuations in interest rates, foreign exchange rates and equity prices. The BOD has set limits on the value of risk that may be accepted. This is monitored on a regular basis by the Principal Investment Committee.

***Interest rate risk***

Interest rate risk arises from the possibility that changes in interest rates will affect future economic value or the fair values of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches on the repricing gap profile in the amounts of assets and liabilities and off-balance sheet instruments that mature or reprice in a given period.

The BOD has established levels of interest rate risk in the banking book by setting interest rate sensitivity limits. The Bank conducts periodic assessment of asset-liability mismatch and key underlying assumptions driving the interest rate risk in the banking book. For each of the maturity buckets, the difference between interest sensitive assets and interest sensitive liabilities are analysed to arrive at the interest rate repricing gap. This interest rate repricing gap across the tenor are then used to assess the impact on economic value of equity scenario based forward changes in the interest rate yield curve. The Bank measures the impact of interest rate risk in the banking book in the form of impact on economic value of equity (EVE) by applying 200bps upward parallel shift in the interest rate curve in line with the regulatory requirements.

Emirates Investment Bank P.J.S.C.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

28 RISK MANAGEMENT (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate repricing profile

The following table provides an analysis of the Bank's interest rate risk exposure on financial assets and liabilities. The Bank's assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

31 December 2025

	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	Over 5 years AED'000	Non-interest bearing AED'000	Total AED'000
Cash and balances with Central Bank of the UAE	414	-	-	-	647,527	647,941
Due from banks, net	549,863	5,509	-	-	-	555,372
Investments, net	161,140	358,658	1,821,642	179,905	127,621	2,648,966
Loans and advances, net	929,389	-	-	-	-	929,389
Other assets	31,740	5,682	-	-	19,370	56,792
Others	-	-	-	-	39,155	39,155
	<u>1,672,546</u>	<u>369,849</u>	<u>1,821,642</u>	<u>179,905</u>	<u>833,673</u>	<u>4,877,615</u>
Customer deposits	1,613,666	1,149,660	546,631	-	-	3,309,957
Current tax liabilities	-	-	-	-	11,639	11,639
Other liabilities and deferred tax liabilities	10,244	12,776	4,610	-	42,485	70,115
Equity	-	-	-	-	1,485,904	1,485,904
	<u>1,623,910</u>	<u>1,162,436</u>	<u>551,241</u>	<u>-</u>	<u>1,540,028</u>	<u>4,877,615</u>
Interest sensitivity gap	<u>48,636</u>	<u>(792,587)</u>	<u>1,270,401</u>	<u>179,905</u>	<u>(706,355)</u>	

Emirates Investment Bank P.J.S.C.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

**28 RISK MANAGEMENT (continued)**

**Market risk (continued)**

*Interest rate risk (continued)*

*Interest rate repricing profile (continued)*

31 December 2024

	Less than 3 months AED'000	3 to 12 months AED'000	1 to 5 years AED'000	Over 5 years AED'000	Non-interest bearing AED'000	Total AED'000
Cash and balances with Central Bank of the UAE	663,000	-	-	-	230,752	893,752
Due from banks, net	521,764	5,509	-	-	-	527,273
Investments, net	322,942	418,371	1,588,003	291,268	118,432	2,739,016
Loans and advances, net	898,138	-	-	-	-	898,138
Other assets and deferred tax assets	29,357	7,752	-	-	19,481	56,590
Others	-	-	-	-	3,101	3,101
	<u>2,435,201</u>	<u>431,632</u>	<u>1,588,003</u>	<u>291,268</u>	<u>371,766</u>	<u>5,117,870</u>
Customer deposits	2,508,558	862,803	306,311	-	-	3,677,672
Current tax liabilities	-	-	-	-	11,443	11,443
Other liabilities	17,571	12,020	7,934	-	45,092	82,617
Equity	-	-	-	-	1,346,138	1,346,138
	<u>2,526,129</u>	<u>874,823</u>	<u>314,245</u>	<u>-</u>	<u>1,402,673</u>	<u>5,117,870</u>
Interest sensitivity gap	<u>(90,928)</u>	<u>(443,191)</u>	<u>1,273,758</u>	<u>291,268</u>	<u>(1,030,907)</u>	<u>-</u>

**28 RISK MANAGEMENT (continued)**

**Market risk (continued)**

*Interest rate risk (continued)*

The following table demonstrates the impact on economic value of equity (EVE) due to a 200 bps upward parallel shift in interest rates, with all other variables held constant, of the Bank's statement of core equity (CET1) excluding provision and revaluation reserves for the complete banking book profile of the Bank. The Bank also computes the earnings at risk (EaR) applying a parallel upward 200bps shift in the interest rate curve for all the repricing assets and liabilities maturing within one year tenor.

	<b>Impact on net profit 2025 AED'000</b>	<b>Impact on equity 2025 AED'000</b>	Impact on net profit 2024 AED'000	Impact on equity 2024 AED'000
Increase in 200 basis points	<u>5,007</u>	<u>(91,763)</u>	<u>8,075</u>	<u>(103,587)</u>

*Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank has set limits on net open positions by currency. Net open positions are monitored on a daily basis and strategies used to ensure positions are maintained within established limits.

Major currency wise open positions of the Bank are as follows:

	<b>2025 Long/(short) AED'000</b>	2024 Long/(short) AED'000
Euro	22	1,032
Pound Sterling	270	(70)
Swiss Francs	(249)	150
US Dollars	833,717	541,291

Since the UAE Dirham is pegged to the US Dollar, management believes that presently the Bank is not exposed to any significant foreign currency risk in respect of the US Dollar.

*Equity price risk*

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Bank's private equity investment portfolio.

The effect on equity due to a reasonably possible change in equity markets, with all other variables held constant, is as follows:

	<b>Change in equity price 2025 %</b>	<b>Effect on equity 2025 AED'000</b>	Change in equity price 2024 %	Effect on equity 2024 AED'000
Abu Dhabi Securities Market	+/-10	158	+/-10	648
Dubai Financial Market	+/-10	10,625	+/-10	8,476
Net asset value of managed funds and private equities	+/-10	1,972	+/-10	2,712

**28 RISK MANAGEMENT (continued)**

**Operational risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Bank is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

**29 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value represents the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between book-value under the historical cost method and fair value estimates.

**Determination of fair value and fair value hierarchy:**

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair value hierarchy of investments is disclosed under note 8.

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their carrying values before provision, if any.

	At fair value through profit or loss AED'000	At fair value through OCI AED'000	At amortised cost AED'000	Total AED'000
<b>31 December 2025</b>				
<b>Financial assets</b>				
Cash and balances with				
Central Bank of the UAE	-	-	647,941	647,941
Due from banks	-	-	555,521	555,521
Investments	16,027	2,385,502	258,840	2,660,369
Loans and advances	-	-	934,182	934,182
Other assets	-	-	42,572	42,572
	16,027	2,385,502	2,439,056	4,840,585
	16,027	2,385,502	2,439,056	4,840,585
<b>Financial liabilities</b>				
Customer deposits	-	-	3,309,957	3,309,957
Current tax liabilities	-	-	11,639	11,639
Other liabilities	-	-	66,498	66,498
Deferred tax liabilities	-	-	3,617	3,617
	-	-	3,391,711	3,391,711
	-	-	3,391,711	3,391,711

There was no transfer between levels during the year ended 31 December 2025.

**29 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

**Determination of fair value and fair value hierarchy (continued)**

	At fair value through profit or loss AED'000	At fair value through OCI AED'000	At Amortised cost AED'000	Total AED'000
<i>31 December 2024</i>				
Financial assets				
Cash and balances with Central Bank of the UAE	-	-	893,752	893,752
Due from banks	-	-	527,483	527,483
Investments	18,489	2,556,059	197,008	2,771,556
Loans and advances	-	-	909,651	909,651
Other assets	-	-	40,046	40,046
	<u>18,489</u>	<u>2,556,059</u>	<u>2,567,940</u>	<u>5,142,488</u>
Financial liabilities				
Customer deposits	-	-	3,677,672	3,677,672
Current tax liabilities	-	-	11,443	11,443
Other liabilities	-	-	82,617	82,617
	<u>-</u>	<u>-</u>	<u>3,771,732</u>	<u>3,771,732</u>

The transfer between levels during the year ended 31 December 2024 for investments is disclosed in note 8.

With the exception of debt investments measured at amortised cost (where the fair values are disclosed in note 8), management considers that the carrying amounts of financial assets and liabilities measured at amortised cost in the financial statements approximate their fair values as these are substantially short term in nature and carry market rates of interest.

**30 CAPITAL ADEQUACY**

The Central Bank of UAE ('CBUAE') supervises the Bank, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Bank. Effective from 2017, the capital is computed at a Bank level using the Basel III framework of the Basel Committee on Banking Supervision ('Basel Committee'), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline.

**Minimum capital requirements**

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 ('CET1'), Additional Tier 1 ('AT1') and Total Capital. The follow up Guidance for Capital Adequacy of Banks in the UAE which came in November 2020 captures the aspect of Counterparty Credit Risk, Credit Valuation Adjustment, Equity Investment in Funds and Securitized assets. The CBUAE has re-issued the Capital Adequacy Guidance in December 2023 primarily covering the aspect of internal assessment of surplus/deficit of capital from ICAAP.

Additional capital buffers (Capital Conservation Buffer (CCB) of 2.5%) introduced over and above the minimum CET1 requirement of 7%.

**30 CAPITAL ADEQUACY (continued)**

**Regulatory capital**

The Bank's capital base is divided into two main categories, namely CET1 and Tier 2 ('T2'), depending on their characteristics.

- CET1 capital is the highest quality form of capital, comprising share capital, legal, statutory and other reserves, fair value reserve, retained earnings and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under 'CBUAE' guidelines.
- T2 capital comprises undisclosed reserves.

The capital adequacy ratio as per Basel III framework is given below:

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
<b>Common Equity Tier 1 capital</b>		
Issued capital	1,000,000	1,000,000
Legal reserve	64,990	56,625
Retained earnings	291,278	226,190
Fair value reserve	32,157	(224)
Regulatory deductions	(35,440)	(486)
<b>Total CET I capital*</b>	<b>1,352,985</b>	<b>1,282,105</b>
<b>Tier II capital</b>		
Eligible general provisions	4,271	27,329
<b>Total tier II capital</b>	<b>4,271</b>	<b>27,329</b>
<b>Total eligible capital</b>	<b>1,357,256</b>	<b>1,309,434</b>
<b>Risk weighted exposure</b>		
Credit risk	2,809,171	2,186,315
Market risk	617	2,873
Operational risk	338,954	295,768
<b>Total</b>	<b>3,148,742</b>	<b>2,484,956</b>
<b>Capital Ratio</b>	<b>Minimum requirement</b>	
Total capital ratio	13%	43.10%
Tier I ratio	11%	52.69%
CET I ratio	9.5%	51.59%

\*The amount held in the impairment reserve-general is deducted from the capital base (Tier 1 capital for Bank) when computing the regulatory capital

**Capital management policies, stress testing and capital management**

The Bank has a robust capital adequacy assessment, monitoring and reporting process and is pro-actively advancing its internal capital adequacy assessment framework along the lines of Basel III.

The forward-looking internal capital adequacy assessment process (ICAAP) is based on the Bank's financial budget projections. Various stress scenarios are considered to assess the strength of the Bank's capital adequacy over a three year period.

The implemented ICAAP is based on Economic Capital and defines adequacy as balance of capital supply, in the form of available financial resources, and capital demand, in the form of cushion against unexpected losses. The Bank's quantification models have been subject to external scrutiny and validation.

**30 CAPITAL ADEQUACY (continued)**

**Capital management policies, stress testing and capital management (continued)**

The primary objectives of the Bank's capital management are to ensure that the Bank complies with regulatory requirements with additional buffer due to externally imposed shocks. The Bank maintains healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies, and processes from the previous years.

**31 FIDUCIARY ASSETS**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance of fiduciary assets	<b><u>7,681,173</u></b>	<u>6,537,803</u>

The Bank provides custody services for its customers' assets. These assets are held by the Bank in a fiduciary capacity and are, accordingly, not included in the financial statements as assets of the Bank.

**32 SUBSEQUENT EVENTS**

There have been no other events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial statements.

**33 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified where appropriate to conform to the presentation adopted in these financial statements.

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EMIRATES INVESTMENT BANK

# Management Discussion & Analysis Report

Full Year 2025

February 2026

# Key Performance Indicators

Net Profit before tax

₹94mn

Return on Equity after tax

5.9%

Cost-to-income

50%

Assets

₹4.9bn

Capital Adequacy Ratio

43.1%

NIM

3.0%

# Strategic Transformation of Emirates Investment Bank



During 2025, Bank has initiated a multi-year transformation to reposition the Bank as a leading digital private banking institution in the UAE, combining high-touch advisory with secure and scalable digital capabilities.

As UAE continues to strengthen its position as a global hub for high-net-worth and internationally mobile individuals, the Bank has identified a compelling strategic opportunity. The Bank's strategy is focused on delivering a digital-first, customer-centric private banking experience, while preserving the discretion, trust, and bespoke service that define the Bank.

## Establishing the foundations

Work has commenced on a modern, future-proof technology architecture designed to enable enhanced digital journeys, improved data integration, and faster product innovation. In parallel, the Bank continued to enhance its leadership and specialist capabilities through targeted appointments and sharpen its focus on client outcomes, prioritising convenience, transparency, and service quality.

## Customer centric and digital first

Core client journeys and internal processes are being redesigned to be simpler, faster, and more efficient. The Bank is also developing a digital ecosystem, including data-driven and AI-enabled tools to support relationship managers and enhance client service, while maintaining robust governance and controls. The product platform continues to be expanded to provide access to best-in-class global solutions aligned with client needs and advice-led principles.

## Reintroducing the Bank to the market

Looking ahead, 2026 is expected to mark a step-change in the Bank's market presence. Plans include a refreshed brand and renewed private banking proposition, exploration of a flagship presence in the UAE, and continued investment in people and capabilities to support sustainable growth.

Throughout the transformation, the Board remains committed to prudent risk management, strong governance, and client-first conduct, ensuring that growth is responsible, resilient, and sustainable.

## FINANCIAL PERFORMANCE

During 2025, total client assets with the Bank increased by 8% to AED 10,991 million (2024: AED 10,215 million). The value of the Bank's fiduciary assets increased by 17% to AED 7,681 million (2024: AED 6,538 million) while customer deposits decreased by 10% to reach AED 3,310 million (2024: AED 3,678 million). Total balance sheet reached AED 4,878 million, decrease of 5% over the previous year (2024: AED 5,118 million).

The Capital Adequacy Ratio (CAR) of the Bank at 43.1% at 31 December 2025 (2024: 52.7%).

The Bank closed 2025 with an annual net profit of AED 83.65 million (2024: AED 107.5 million) owing to decrease in net interest and investment income in this falling interest rate environment. The operating income of the Bank decreased by 19% amounting to AED 170.5 million (AED 210.5 million in 2024).

The fundamentals of the Bank remain sound, as demonstrated by the Capital Adequacy Ratio and the client assets, and the Bank is well positioned to benefit from the continuing emergence of the UAE as a globally recognized financial center attracting businesses and talent from across the world.

As we continue our growth journey, we extend our gratitude to our clients for their support and to our staff for their dedication and hard work. We also express our special thanks and highest consideration to the Central Bank of the UAE for the support the Bank has received throughout 2025.

## Michel Longhini

Chief Executive Officer  
10 February 2026

# Financial Performance

<b>Income Statement</b> (AED '000)			
	<b>2025</b>	<b>2024</b>	<b>% Var YoY</b>
Lending income	63,681	71,288	(11%)
Treasury & investment income:			
- Placement	28,981	50,343	(42%)
- Bonds	119,104	123,325	(3%)
- Other investment income	(17,380)	1,628	(1,168%)
Fee & other income	44,566	52,900	(16%)
Interest expense	(68,453)	(89,026)	(23%)
<b>Total operating income</b>	<b>170,499</b>	<b>210,458</b>	<b>(19%)</b>
General & administrative expenses	(93,893)	(88,536)	6%
Impairment loss	18,209	(1,874)	(1,072%)
<b>Operating expenses</b>	<b>(75,684)</b>	<b>(90,410)</b>	<b>(16%)</b>
<b>Profit before tax</b>	<b>94,815</b>	<b>120,049</b>	<b>(21%)</b>
Tax expense	(11,170)	(11,335)	(1%)
<b>Profit after tax</b>	<b>83,645</b>	<b>108,713</b>	<b>(23%)</b>
<b>Cost:Income ratio</b>	<b>50%</b>	<b>42%</b>	<b>8%</b>
<b>NIM</b>	<b>3.0%</b>	<b>3.1%</b>	<b>(0.1%)</b>

<b>Balance Sheet</b> (AED '000)			
	<b>2025</b>	<b>2024</b>	<b>% Var YoY</b>
Total assets	4,877,615	5,117,870	(5%)
Customer deposits	3,309,957	3,677,672	(10%)
Proprietary investments, net	2,648,894	2,739,016	(3%)
Loans & advances, net	929,389	898,138	3%
Bank placements	734,977	993,732	(26%)
Equity	1,485,904	1,346,138	10%
CAR	43.1%	52.7%	(10%)

<b>Off Balance Sheet</b> (AED '000)			
	<b>2025</b>	<b>2024</b>	<b>% Var YoY</b>
Fiduciary assets	7,681,173	6,537,803	17%

## Commentary

**Operating income** for the year 2025 was AED 170.5 million, down 19% attributable to a decrease in Net income from investments by 19% and Net interest income by 25%.

**Operating expenses** were AED 75.7 million, with the decrease primarily driven by Net impairment reversal on financial assets.

**Total assets** were AED 4.8 billion, a decrease of 5% compared to AED 5.1 billion as at 31 December 2024.

**Net loans** and advances were AED 929 million, registering an increase of 3% compared to AED 898 million as at 31 December 2024.

**Customer deposits** were AED 3.3 billion, representing a decrease of 10% compared to AED 3.7 billion as at 31 December 2024. Call accounts constituted 47% of the total customer deposit base, while the loan-to-deposit ratio stood at 28%.



## EMIRATES INVESTMENT BANK PJSC

### Governance Report (2025)

This Corporate Governance Report was prepared by the Board Secretary with contributions from the relevant departments of the Bank. It was reviewed by the Board Audit Committee at its meeting held on 06 February 2026 and recommended to the Board of Directors for approval. The Board of Directors reviewed and approved the Corporate Governance Report at its meeting held on 10 February 2026, at which the Report was signed by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, and the Head of Internal Audit.

Emirates Investment Bank PJSC is licensed and regulated by the Central Bank of the UAE to conduct banking activities as an investment Bank in the UAE in accordance with the Central Bank Law (Federal Decree Law No. (6) of 2025) and the Restricted License Bank Regulation (Circular 23/2022 of 17/2/2022). The Bank is also licensed by the Securities and Commodities Authority (SCA) for the following three activities: (i) Promotion; (ii) Financial Consultation & Financial Analysis; and (iii) Investment Management & Portfolio Management, and regulated by the Securities and Commodities Authority with respect to such licenses.

The Bank continues to be committed to the highest standards of corporate governance and to ensuring that all its wealth management and other business activities are conducted in a transparent and responsible manner, with full accountability and integrity, to safeguard the interests of its shareholders, clients, employees and the community in which it operates.

2. A statement detailing the ownership of, and transactions in, the Company's securities during 2025 by Board members, their spouses, and their children, using the table below:

None of the members of the Board of Directors, nor their spouses or children, holds shares in the Bank directly. One Member of the Board holds an indirect interest of 15% through his shareholding in Al Futtaim Private Co LLC, which owns 92.39% of the Bank's share capital.

No.	Name	Position/Relationship	Shares held as at December 2025	Total Sales	Total Purchases
N/A	N/A	N/A	N/A	N/A	N/A



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The balance of shares held must be disclosed in all cases, whether or not any transactions occurred during the year.

### **3. Board Composition:**

- A statement setting out the current composition of the Board, including the names of members appointed and those who resigned, using the table below:

No	Name	Category (Executive, Non- Executive, Independent)	Experience and Qualification	Board Tenure (from the Date of First Election)	Memberships and positions in other joint-stock companies	Other Significant Regulatory, Governmental, or Commercial Positions
	Omar Abdulla Al Futtaim	Non- executive		20 years	Vice Chairman of the Board of Directors of Orient Insurance PJSC	Vice-Chairman of Al Futtaim Group. Chairman of the Al Futtaim Education Foundation. Member of the Board of Dubai Chamber.
	Ms. Mira Omar Al Futtaim	Non- executive		23.03.2021	Member of the Board of Directors of Orient Insurance PJSC	Member of the Board of Emirati Human Resources Development Council Dubai. Member of the Board of Al Futtaim Education Foundation. Member of the Board of Orient Insurance. Member of the Board of Zayed University.
	Edward Bagot Quinlan	Non- executive		23.03.2021		Former Chairman of the M.E. Members'

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						Advisory Board of ICAEW. Former Chairman of Dubai College.
	Hamad Omar Al Futtaim	Non-executive		30.04.2024		Managing Director of Al Futtaim Logistics. Director of Business Transformation Al Futtaim Group.
	Eric Imad Shehadeh	Non-executive		30.04.2024		Founder of SH Capital Group, UAE.
	Georges Makhoul	Non-executive Independent		16.04.2025		Founder of AEP. Former CEO of Constellation Holdings. Former President of Morgan Stanley in MENA.
	Abdulla Abdulrahman Qassem	Non-executive Independent		16.04.2025		Board Member of Daman Investment PSC. Board Member of Noqoodi. Former Chairman of Network International.

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						Former Group COO of Emirates NBD Group.
	Christophe de Backer	Non-executive Independent		19.06.2025		Non-Executive Chairman of Transactions & Compagnie. Independent Board Member Norman K. Former Global Head of Wholesale Business, HSBC Global Asset Management. Former Group CEO of Edmond de Rothschild.

- **A statement** indicating the percentage of female representation on the Board during 2025. **Where there was no female representation, this must be expressly stated.**

**The female representation in the Board consists of one Board member out of a total number of eight Board members.**

- Where no female candidate was nominated for Board membership, a statement explaining the reasons for the absence of female nominations (e.g., no female candidate stood for election).

**N/A**

**A statement on f bonuses, allowances, and fees received by Board members, including:**

- Total remuneration paid during 2024.

**There was no remuneration paid to the Board members for 2024.**

- Total proposed remuneration for 2025, to be submitted to the Annual General Meeting for approval.

**None**



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- c. Allowances paid for attending Board committee meetings during 2025, using the table below:

The following were received as advance allowances

No.	Name	allowances for attending the meetings of the committees emanating from the Board		
		Committee name	Allowance value	Number of meetings
	Georges Makhoul	Board Risk Committee (Chair)	AED 50,000 per year	4
		Board Audit Committee (Member)	AED 30,000 per year	2
		Board Remuneration & Nomination Committee (Member)	AED 30,000 per year	1
	Abdulla Abdulrahman Qassem	Board Remuneration & Nomination Committee (Chair)	AED 50,000 per year	2
		Board Risk Committee (Member)	AED 30,000 per year	2
	Christophe de Backer	Board Audit Committee (Chair)	AED 50,000 per year	1
		Board Credit & Investment Committee (Member)	AED 30,000 per year	1

- d. Details of any additional allowances, salaries or fees paid – other than attendance allowances – together with the reasons for such payments.

**None**

- A statement indicating the number and dates of Board meetings held during 2025, including in-person attendance and attendance by proxy. The names of Board members must correspond to those disclosed under point number 3 above, using the table below.

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No.	Meeting Date	Number of Attendees	Number of Members represented by Proxy	Names of Absent Members
1	10.02.2025	6 attendees (in person)		Mira Omar Al Futtaim
2	08.05.2025	6 attendees (in person)		Khalid Al Halyan (resigned) Mira Omar Al Futtaim (Maternity Leave)
3	02.07.2025	6 attendees (in person)		Mira Al Futtaim (Maternity Leave)
4	13.08.2025	8 attendees (in person)		
5	16.10.2025	8 attendees (in person)		
6	07.11.2025	7 attendees (in person)		Hamad Omar Al Futtaim

- A statement indicating the number of resolutions adopted by circulation during 2025 and the dates on which they were passed.

**The Board issued four resolutions by circulation (one in May 2025, two in October 2025, and one in December 2025).**

#### 4. Board Committees

##### Audit Committee:

- a) A declaration by the Chair confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of effectiveness.

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**The acknowledgment is attached in the Annexures to the Corporate Governance Report.**

- b) A statement setting out the names of members, their competencies, and assigned responsibilities.
- **Christophe de Backer / Chairman**
    - **Former CEO and current Chairman and Board Member of international financial institutions.**
  - **Georges Makhoul / Member**
    - **Former CEO and president of international financial institutions. Investor, and Senior Financial Advisor.**
  - **Edward Quinlan / Member**
    - **Former Regional Head of Ernst & Young, Former Chairman of the M.E. Members' Advisory Board of ICAEW, Financial Advisor.**

**The responsibilities and assigned tasks of the Committee Members are as per the Terms of Reference of the Board Audit Committee, which are attached in the Annexures to the Corporate Governance Report.**

- c) A statement indicating the number and dates of meetings held during 2025 to review financial statements and other matters, including meetings attended in person.

**Four meetings:**

<b>06 February 2025</b>	<b>(Edward Quinlan, Naveed Riaz)</b>
<b>07 May 2025</b>	<b>(Khalid Al Halyan, Edward Quinlan, Naveed Riaz)</b>
<b>07 August 2025</b>	<b>(Georges Makhoul, Edward Quinlan)</b>
<b>05 November 2025</b>	<b>(Christophe de Backer, Georges Makhoul, Edward Quinlan)</b>

- d) The Audit Committee's annual report, covering:
- a. The Audit Committee's annual report, covering:
1. Significant matters relating to the financial statements and how they were addressed.
  2. The assessment methodology applied in evaluating the effectiveness of the external audit process and the independence of the external auditor, the approach to the appointment or reappointment of the auditor, and the tenure of the current audit firm.



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3. Recommendations on the appointment, reappointment, or dismissal of the external auditor, and reasons for any Board rejection of such recommendations.
4. Measures taken to safeguard auditor independence when providing non-audit services.
5. Actions taken or planned to address deficiencies arising from failures in internal control or risk management.
6. Evidence that all internal audit reports identifying medium- and high-risk matters were reviewed to determine whether such matters arose from significant violations or material weaknesses in internal controls.
7. Corrective action plans addressing material internal control and risk-management deficiencies.
8. Evidence of the review of all related-party transactions, including the observations or findings arising from such review, and the extent of compliance with applicable laws.

#### **Nomination and Remuneration Committee:**

- a) A declaration by the Chair confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of its effectiveness.

**The acknowledgment is attached in the Annexures to the Corporate Governance Report.**

- b) A statement setting out the names of members, their competencies, and assigned responsibilities.
  - **Abdulla Abdulrahman Qassem / Chairman**
    - **Former Senior Executive of ENBD, former Chairman of Network International, and current Board member of a real estate company and a fintech company.**
  - **Georges Makhoul / Member**
    - **Former CEO and president of international financial institutions. Investor, and Senior Financial Advisor.**
  - **Eric Shehadeh / Member**
    - **Former Senior Asset Manager. Former Senior Executive of FAB. Current Senior Executive in Al Futtaim Group.**

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The responsibilities and assigned tasks of the Committee Members are as per the Terms of Reference of the Board Nomination and Remuneration Committee, which are attached in the Annexures to the Corporate Governance Report.

- c) A statement indicating the number and dates of meetings held during 2025, including meetings attended in person.

**4 meetings:**

- 28 March 2025** (Ms Mira Al Futtaim, Edward Quinlan, Naveed Riaz)  
**12 May 2025** (Edward Quinlan, Naveed Riaz)  
**12 June 2025** (Abdulla Qassem, Eric Shehadeh, Georges Makhoul)  
**27 August 2025** (Abdulla Qassem, Eric Shehadeh)

**Insider Trading Monitoring and Oversight Committee**

- a) A declaration by the Chair confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of its effectiveness.  
b) A statement setting out the names of members, their competencies, and assigned responsibilities.  
c) A summary of the activities undertaken during 2025. Where the Committee was not established, the reasons must be disclosed.

**Insider Trading is monitored by the Board Risk Committee**

**Other Board Committees:**

- Name(s) of the committee(s).

**Board Risk Committee**

**Board Credit & Investment Committee**

- a) A declaration by the Chair confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of its effectiveness.

**The acknowledgment of the Chair of the Board Risk Committee is attached in the Annexures to the Corporate Governance Report.**

**The acknowledgment of the Chair of the Board Credit & Investment Committee is attached in the Annexures to the Corporate Governance Report.**



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b) A statement setting out the names of any other committees established by the Board.

**Board Risk Committee**

**Board Credit & Investment Committee.**

c) A statement setting out the names of members, their competencies, and assigned responsibilities.

**Board Risk Committee**

- **Georges Makhoul / Chairman**
  - **Former CEO and president of international financial institutions. Investor, and Senior Financial Advisor.**
- **Abdulla Abdulrahman Qassem / Member**
  - **Former Senior Executive of ENBD, former Chairman of Network International, and current Board member of a real estate company and a fintech company.**
- **Edward Quinlan / Member**
  - **Former Regional Head of Ernst & Young, Former Chairman of the M.E. Members' Advisory Board of ICAEW, Financial Advisor.**

**Board Credit & Investment Committee**

- **Eric Shehadeh / Chairman**
  - **Former Senior Asset Manager. Former Senior Executive of FAB. Current Senior Executive in Al Futtaim Group.**
- **Hamad Omar Al Futtaim / Member**
  - **Senior Executive of Al Futtaim Group.**
- **Christophe de Backer / Member**
  - **Former CEO and current Chairman and Board Member of international financial institutions.**

**The responsibilities and assigned tasks of the Board Risk Committee members are as per the Terms of Reference of the Board Risk Committee, which are attached in the Annexures to the Corporate Governance Report.**

**The responsibilities and assigned tasks of the Board Credit & Investment Committee members are as per the Terms of Reference of the Board Risk**



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Committee, which are attached in the Annexures to the Corporate Governance Report.

- d) A statement indicating the number and dates of meetings held during 2025, including meetings attended in person.

**Board Risk Committee**

Six meetings

- 06 February 2025 (Edward Quinlan, Naveed Riaz)
- 08 May 2025 (Edward Quinlan, Naveed Riaz)
- 25 June 2025 (Georges Makhoul, Abdulla Abdulrahman Qassem, Edward Quinlan)
- 07 August 2025 (Georges Makhoul, Edward Quinlan)
- 15 August 2025 (Georges Makhoul, Edward Quinlan)
- 05 November 2025 (Georges Makhoul, Abdulla Abdulrahman Qassem, Edward Quinlan)

**Board Credit & Investment Committee**

One meeting

- 26 November 2025 (Eric Shehadeh, Hamad Omar Al Futtaim, Christophe de Backer)

5. A statement describing any delegation of powers or responsibilities by the Board to a Board member or to executive management during 2025, including the scope of such delegation, using the table below:

No.	Delegated Person's Name	Scope of Delegation	Duration of Delegation
	N/A	N/A	N/A

6. A statement detailing transactions conducted with related parties during 2025, using the table below:

The table excludes the transactions that fall under the Bank's business nature in accordance with Article 35 of decision No. 3 of 2020.



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	Related Party	Nature of relationship	Type of transaction	Transaction Value
				(AED 000)
1	Orient Insurance Co.	Affiliate	Insurance	2,871
2	DFC Shopping Centre Hotels LLC	Affiliate	Office Lease	5,681
3	Al Futtaim Private Co LLC	Affiliate	Data Centre Lease; IT Outsourcing	161
4	Al Futtaim Engineering	Affiliate	Sanitization	48
5	Emrill	Affiliate	Cleaning Services	120
6	Holiday Inn	Affiliate	Room Rent	48
7	Intercontinental DFC	Affiliate	Room Rent & Valet Parking	11

#### 7. Board Performance Evaluation:

An assessment of the performance of the Board, its committees, and executive management, including:

- a) An annual evaluation of the performance of the Board, its members, and its committees (may be conducted either by the Nomination and Remuneration Committee or by the Chairman, with the support of the Board Secretary, as appropriate. Where necessary, independent consultants may be engaged to assist the Board in carrying out the evaluation).
- b) An evaluation of the performance of the Board, its members, and its committees conducted by an independent professional entity that has no interest in, or relationships with, the Company, its directors, or executive management. (The



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Board must appoint an independent professional entity to conduct such an evaluation once every three years).

**In 2025, Grant Thornton was engaged to conduct an independent third-party evaluation of the Board of Directors, its committees, and the executive management. The evaluation was conducted by way of a written questionnaire addressed to all the Board Members and through interviews of the Members during the months of November and December 2025. The Evaluation Report prepared by Grant Thornton was submitted to the Chairman of the Board of Directors on 22 January 2026.**

8. Organizational Structure and Executive Management:

- The Company's organizational structure, identifying senior management, positions, including the Managing Director, General Manager and/or Chief Executive Officer, Deputy General Manager, Chief Financial Officer, and other departmental heads.

**The Organization Chart of the Bank is enclosed in the attached sealed envelope.**

- A statement detailing first and second level executives in accordance with the Company's organizational structure, indicating job titles, appointment dates, and total annual salaries and remuneration paid to each of them separately, using the table below:

No.	Position	Appointment Date	Total Salaries and Allowances Paid in 2025 (AED)	Total Bonuses Paid in 2025 (AED)	Other Cash or In-Kind Benefits Paid in 2025 or Payable in the future

**The requested information is enclosed in the attached envelope.**

9 External Auditor:

- a) A brief profile of the external auditor.

**Ernst & Young (EY) were re-appointed as external Auditors for the Bank at the Annual General Assembly of 16 April 2025 for a one-year term. The Bank selected EY as the successful applicant pursuant to a competitive tender process issued by the Bank in 2024 in respect of the auditing services mandate, in which three major audit firms participated.**



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**EY is one of the Big Four accounting and professional services firms, with a global network of firms operating in over 150 countries. EY provide global services in four main areas of Assurance, Consulting, Tax, and Strategy & Transactions.**

**EY MENA has been operating in the region since 1923. For over 99 years, EY has grown to over 7,500 people united across 26 offices and 15 countries.**

b) A statement of audit fees and any non-audit fees, using the table below:

<b>Audit Firm Name</b>	<b>Ernst &amp; Young Middle East (Dubai Branch)</b>									
<b>Audit Engagement Partner Name</b>	<b>Sanjay Khiara</b>									
Audit Firm Tenure (Years as External Auditor)	<b>2<sup>nd</sup> year</b>									
Audit Engagement Partner Tenure (Years Auditing Financial Statements)	<b>2nd year</b>									
Total Audit Fees for 2025 (AED)	<b>AED 561,350/- for annual audit and quarterly reviews in 2025</b>									
Nature and Description of Non-Audit Services Provided by the External Auditor ( <i>if none this shall be expressly stated</i> )	<b>Verification of the Bank's financial submissions to SCA and the Central Bank.</b>  <b>Audit of Group reporting package submitted to Al Futtaim Group.</b>  <b>Agreed-upon procedures required by the regulator.</b>									
Total Non-Audit for 2025 (AED) ( <i>if none this shall be expressly stated</i> )	<table border="1"> <thead> <tr> <th>Service</th> <th>AED</th> </tr> </thead> <tbody> <tr> <td>XBRL and CB return</td> <td>AED 189,000/-</td> </tr> <tr> <td>Group reporting</td> <td>AED 53,560/-</td> </tr> <tr> <td>AUP</td> <td>AED 25,000/-</td> </tr> </tbody> </table>		Service	AED	XBRL and CB return	AED 189,000/-	Group reporting	AED 53,560/-	AUP	AED 25,000/-
Service	AED									
XBRL and CB return	AED 189,000/-									
Group reporting	AED 53,560/-									
AUP	AED 25,000/-									
Nature and Description of Services Provided by in 2025 by an External Auditor Other than the Appointed Auditor in	Name of Auditor: <b>N/A</b> Services Provided: <b>None</b>									

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2025 (if none this shall be expressly stated)	
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- c) A statement of any reservations expressed in the interim and annual financial statements for 2025. If none, this must be expressly stated.

**None**

**10 Internal Control System:**

- a. A declaration by the Board confirming responsibility for the internal control system, review of its operating framework, and assurance of its effectiveness.

**During 2025, the Bank diligently implemented remediation actions aimed at addressing observations set out in the reports issued by the Central Bank of the UAE following its various examinations and supervisory reviews. These remediation actions were undertaken in accordance with the Bank's internal governance framework, and the requirements of the applicable governance, risk management, and compliance regulations, with the Chief Compliance Officer keeping the Central Bank regularly updated on all remediation actions. The Board of Directors and the relevant Board Committees exercised active oversight of the remediation process, reviewed progress at key milestones, and considered the responses and status updates submitted to the Central Bank throughout the year. Where appropriate, management was directed to implement additional measures or enhancements to strengthen controls and ensure the durability of the remediation.**

**By approving the financial statements, the Directors take responsibility for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable laws, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.**

- b. A statement setting out the name, qualifications, and date of appointment of the Head of Internal Control Department.

**Name: Anuj Agarwal, Senior Director Internal Audit  
Chartered Accountant (ICAI)**



EMIRATES INVESTMENT BANK

**Qualifications:** Bachelor's in Commerce (Honours in Accountancy)  
**Date of appointment:** 02 August 2011

- c. A statement setting out the name, qualifications, and date of appointment of the Compliance Officer.

**Name:** Laurent Valet  
**Qualifications:** Ph.D. in Computer Science, Leeds University, UK.  
M.Sc. in Computer Science, INSA, Lyon, France  
Master-level Compliance Experts Certificate, Ecole Supérieure de Banque, Paris, France.  
**Date of Appointment:** 03 October 2024

- d. A statement describing how material issues identified by the Internal Control Department, or disclosed in reports and annual financial statements, were addressed. Where no material issues arose, this must be expressly stated.

**In 2025, no material issues were identified by the Internal Control Department, nor were any such issues disclosed in reports or the annual financial statements. This is without prejudice to the Internal Control Department's review and validation of the remediation actions relating to Central Bank observations arising from the 2024/2025 examinations, as addressed in the response to point 10.a above.**

- e. A statement indicating the number of internal control reports submitted to the Board during 2025.

**The internal Audit Reports submitted to the Board Audit Committee during 2025 were:**

- Credit Process
- Wealth Management
- Investments & Treasury
- Back Office Operations
- Internal Capital Adequacy Assessment Process (ICAAP)
- Information Security
- AML Compliance
- Consumer Protection Regulation
- Governance
- Finance & Accounts
- Pillar 1- Capital Adequacy
- FATCA/CRS Agreed upon Procedures



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- **Human Resources**

The Internal Audit Department also submitted to the Board Audit Committee during 2025 the Internal Audit Validation of the Central Bank Reports pertaining to:

- **AML Examination;**
- **Corporate Governance Examination; and**
- **Wealth Management Thematic Review.**

The above reports are available in the Bank's offices and available for your review.

11. A statement detailing violations committed during 2025, including their causes and the remedial measures taken to prevent recurrence.

**A glitch in the IT system of the General Pension & Social Security Authority (GPSSA) showed the Bank's contributions for one UAE national employee as unpaid, resulting in a fine for delayed filing of AED 1,008/-**

12. A statement of cash and in-kind contributions made by the Company during 2025 to community development and environmental initiatives. If none, this must be expressly stated.

**The Bank is a subsidiary of the Al Futtaim Group, which actively supports socially responsible causes designed to promote issues that are relevant in the UAE. The Group has several Corporate Social Responsibility programs, including in the areas of environment sustainability, literacy and education, and the early detection of terminal diseases. The Group also fosters the preservation of Emirati heritage, traditions and culture.**

13. **General Information:**

- a) A statement of the Company's share price, including monthly closing price, highest and lowest prices during 2025.

Month	Closing price	Highest Price	Lowest price
January	89.10	99.00	89.10
February	85.00	105.00	74.60
March	86.85	94.90	72.30

**بنك الإمارات  
للاستثمار**

	EMIRATES INVESTMENT BANK 78.00	96.00	73.00
April			
May	80.00	85.00	67.55
June	70.20	80.00	67.50
July	72.10	79.90	65.20
August	72.30	75.30	72.10
September	67.00	73.30	66.00
October	71.50	71.50	65.20
November	65.00	81.00	64.30
December	61.50	65.00	61.50

- b) A statement presenting a comparative analysis of the Company's share-price performance against the general market index and the relevant sector index during 2025.

**There has been very limited trading in the shares of the Bank during 2025**

- c) A statement of share ownership distribution as of 31 December 2025, classified by shareholder category (individuals, corporate entities, and government entities) and by nationality (local, GCC, Arab, and foreign), using the table below:

No.	Category of Shareholder	Percentage of Shares Held			
		Individuals	Corporate entities	Government Entities	Total
1	Local	<b>7.61%</b>	<b>92.39%</b>	-	<b>100%</b>
2	Arab	-	-	-	-
3	Foreign	-	-	-	-
4	Total	<b>7.61%</b>	<b>92.39%</b>		<b>100%</b>

- d) A statement identifying shareholders holding 5% or more of the Company's share capital as at 31 December 2025, using the table below:

*Rem*

بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

No.	Name of Shareholder	Number of Shares Held	Percentage of Issued Share Capital
	Al Futtaim Private Co LLC	9,239,293	92.39%

e) A statement of the distribution of shareholders by size of shareholding as at 31 December 2025, using the table below:

No.	Shareholding Range	Number of Shareholders	Number of Shares Held	Percentage of Issued Share Capital
1	Less than 50,000	68	439,727	4.41%
2	From 50,000 to less than 500,000	4	320,980	3.20%
3	From 500,000 to less than 5,000,000	0		
4	More than 5,000,000	1	9,239,293	92.39%

f) A statement setting out the Company's investor relations arrangements, including:

- The name of Investor Relations Officer.

**Saeed Al Tayer**

- Contact details (email address, telephone, mobile, and fax).

[Saeed.altayer@eibank.com](mailto:Saeed.altayer@eibank.com)

Telephone: 04 231 7777

Mobile: 055 788 8870

Fax: 04 231 7788

- A link to the Investor Relations page on the Company's website.

<https://www.eibank.com/investor-relations>



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- g) A statement of special resolutions presented to the Annual General Meeting held in 2025 and the actions taken.

**The Minutes of the Annual General Assembly of 16 April 2025 are attached in the Annexures to the Corporate Governance Report.**

- h) A statement setting out the name and date of appointment of the Board Secretary.

**Raymond Mouracade  
25 February 2020**

- i) A statement detailing material events and disclosures concerning the Company during 2025.

**In January 2025, the Bank was served with court summons in relation to a legal claim alleging losses incurred by a former client under a securities-backed loan facility in effect in the prior years. The plaintiff had fully settled the credit facility and closed the bank account in 2020. On 16 December 2025, the Dubai Court of First Instance issued a judgment fully dismissing the plaintiff's claim. On 16 January 2026, the plaintiff filed an appeal against the judgment of the First Instance Court. The Bank maintains, as supported by the Court of First Instance, that the claim lacks any merit and continues to fight the matter accordingly.**

- j) A statement detailing related-party transactions during 2025 amounting to 5% or more of the Company's share capital.

**None**

- k) A statement indicating Emiratization percentages at the end of 2023, 2024, and 2025, excluding employees of construction companies.

Calendar Year ending	No. of employees	No. of Emiratis	%age
31-Dec-2025	116	23	19.82%
31-Dec-2024	92	20	21.73%
31-Dec-2023	81	15	18.52%

*RM*



- 1) A statement of innovation-related projects and initiatives implemented or under development by the Company during 2025.

The Bank has embarked on a multi-year transformation to become a leading digital private banking institution in the UAE—combining high-touch advisory with modern, secure digital capabilities.

During 2025, the Bank defined a strategy to reposition and modernise the franchise—anchored on three priorities:

1. **A future-proof technology blueprint:** In 2025, the Bank began laying the groundwork for a modern, scalable, and secure technology architecture using best-of-breed systems designed to support new digital journeys, improved data integration, and faster product innovation.
2. **Strengthening leadership and specialist expertise:** The Bank has also started to attract and appoint high-profile talent with deep experience across digital wealth, private banking, and transformation execution—enhancing strategic depth and accelerating delivery capability.
3. **A sharper focus on client outcomes:** The strategy places client experience at its core—prioritising convenience, transparency, and speed while maintaining a bespoke service model for complex advisory needs.

The transformation is now moving from foundations to execution, with a focus on operational excellence and differentiated client value:

- **End-to-end process redesign:** Core client journeys and internal processes are being re-engineered to be simpler, faster, and more intuitive—reducing friction and enabling a consistently high-quality experience across channels.
- **Digital ecosystem and AI enablement:** The Bank is building the capabilities required to deliver a modern digital private banking experience, including data-driven insights and AI-enabled tools that support relationship managers and enhance client servicing—while remaining disciplined on governance, privacy, and controls.
- **Expanded product platform with global breadth:** The Bank is enhancing its product platform to provide access to best-in-class global offerings aligned to



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client needs—while remaining true to its private banking heritage of suitability, advice-led solutions, and long-term relationships.

Looking ahead, 2026 is expected to mark a visible step-change in how the Bank presents itself and how clients experience the proposition:

- The Bank plans to refresh the brand and relaunch a renewed private banking proposition—reflecting the transformation, the upgraded capabilities, and the Bank’s distinctive positioning in the UAE market.
- The Bank plans to launch a new flagship site designed to be unique and first-of-its-kind in the UAE—intended to set a new benchmark for client experience and reinforce the premium, advisory-led nature of the franchise.
- As the strategy matures, the Bank plans to continue strengthening the organisation—expanding key teams and capabilities to support growth, service excellence, and ongoing innovation.

Chairman of the Board of Directors

Omar Abdulla Al Futtaim

10 /02 /2026

Chairman of the Audit Committee

Christophe de Backer

Christophe de Backer

10 /02 /2026

Chairman of the Nomination and Remuneration Committee

Abdulla Abdulrahman Qassem

10 /02 /2026

Head of the Internal Control Department

Anuj Agarwal

10 /02 /2026

Company’s Seal:



## Corporate Governance Report Disclosure Checklist (2025)

**Company Name:** Emirates Investment Bank PJSC

**Market:** Dubai Financial Market

No.	Item	Disclosed	Not Disclosed	Notes
1.	A statement describing the measures adopted during 2025 to complete and enhance the Company's corporate governance framework, and how such measures were implemented.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
2.	A statement detailing the ownership of, and transactions in, the Company's securities during 2025 by Board members, their spouses, and their children.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
3.	<b>Board Composition</b>			
	A statement setting out the current composition of the Board, including the names of members appointed and those who resigned in 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement indicating the percentage of female representation on the Board during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Where no female candidate was nominated, a statement explaining the reasons for the absence of female nominations.	<input type="checkbox"/>	<input type="checkbox"/>	<b>Not applicable.</b>
	A statement of total remuneration paid to Board members during 2024.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of total proposed remuneration for 2025, to be submitted to the Annual General Meeting for approval.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement detailing allowances paid to Board members for attending Board committee meetings during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement detailing any additional allowances, salaries, or fees paid to Board members—other than attendance allowances—together with the reasons for such payments.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement indicating the number and dates of Board meetings held during 2025, including meetings attended in person and by proxy.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.

No.	Item	Disclosed	Not Disclosed	Notes
	A statement indicating the number of resolutions adopted by circulation during 2025 and the dates on which they were passed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
<b>4.</b>	<b>Board Committees</b>			
	<b>Audit Committee</b>			
	A declaration by the Chair confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the names of members, their competencies, and assigned responsibilities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement indicating the number and dates of meetings held during 2025 to review financial statements and other matters, including meetings attended in person.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	The Audit Committee's annual report.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Audit Committee's Annual Report is attached herewith.
	<b>Nomination and Remuneration Committee</b>			
	A declaration by the Chair confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the names of members, their competencies, and assigned responsibilities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement indicating the number and dates of meetings held during 2025, including meetings attended in person.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	<b>Insider Trading Monitoring and Oversight Committee</b>			
	A declaration by the Chair, or authorized person, confirming responsibility for the Committee's operating framework, review of its procedures, and assurance of its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the names of members, their competencies, and assigned responsibilities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A summary of the activities undertaken during 2025. Where the Committee was not established, the reasons must be disclosed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insider Trading is monitored by the Board Audit Committee.
	<b>Other Board Committees</b>			
	A statement setting out the names of any other committees established by the Board.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the names of members, their competencies, and assigned responsibilities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.

No.	Item	Disclosed	Not Disclosed	Notes
	A statement indicating the number and dates of meetings held during 2025, including meetings attended in person.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
<b>5.</b>	<b>Delegation of Authority and Responsibilities</b>			
	A statement describing any delegation of powers or responsibilities by the Board to a Board member or to executive management during 2025, including the duration and scope of such delegation.	<input type="checkbox"/>	<input type="checkbox"/>	There were none.
<b>6.</b>	<b>Related-Party Transactions</b>			
	A statement detailing transactions conducted with related parties during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
<b>7.</b>	<b>Board Performance Evaluation</b>			
	An assessment of the performance of the Board, its committees, and executive management.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
<b>8.</b>	<b>Organizational Structure and Executive Management</b>			
	The Company's organizational structure, identifying senior management positions, including the Managing Director, General Manager and/or Chief Executive Officer, Deputy General Manager, Chief Financial Officer, and other departmental heads.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The organizational structure is attached as a hard copy in a sealed envelope addressed to the CEO of the Authority.
	A statement detailing first- and second-level executives in accordance with the Company's organizational structure indicating job titles, appointment dates, and total annual salaries and remuneration paid to each of them separately.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The statement is attached as a hard copy in a sealed envelope addressed to the CEO of the Authority.
<b>9.</b>	<b>External Auditor</b>			
	A brief profile of the external auditor.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of audit fees and any non-audit fees for the year 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of any reservations expressed in the interim and annual financial statements for 2025. If none, this must be expressly stated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of any services provided during 2025 by an external auditor other than the appointed auditor. If none, this must be expressly stated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
<b>10</b>	<b>Internal Control System</b>			
	A declaration by the Board confirming responsibility for the internal control system, review of its operating procedures, and assurance of its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.

No.	Item	Disclosed	Not Disclosed	Notes
	A statement setting out the name, qualifications, and date of appointment of the Head of Internal Control Department.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the name, qualifications, and date of appointment of the Compliance Officer.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement describing how material issues identified by the Internal Control Department, or disclosed in reports and annual statements, were addressed. Where no material issues arose, this must be expressly stated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement indicating the number of internal control reports submitted to the Board during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
11	A statement detailing violations committed during 2025, including their causes and the remedial measures taken to prevent recurrence.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
12	A statement of cash and in-kind contributions made by the Company during 2025 to community development and environmental initiatives. If none, this must be expressly stated.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
<b>13</b>	<b>General Information</b>			
	A statement of the Company's share price, including monthly closing, highest, and lowest prices during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement presenting a comparative analysis of the Company's share-price performance against the general market index and the relevant sector index during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of share ownership distribution as at 31 December 2025, classified by shareholder category (individuals, corporate entities, and government entities) and by nationality (local, GCC, Arab, foreign).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement identifying shareholders holding 5% or more of the Company's share capital as at 31 December 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of the distribution of shareholders by size of shareholding as at 31 December 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the Company's investor relations arrangements, including: <ul style="list-style-type: none"> <li>the name of the Investor Relations Officer;</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.

No.	Item	Disclosed	Not Disclosed	Notes
	<ul style="list-style-type: none"> <li>contact details (email address, telephone, mobile, fax);</li> <li>a link to the investor relations page on the Company's website.</li> </ul>			
	A statement of special resolutions presented to the Annual General Meeting held in 2025 and the actions taken.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement setting out the name and date of appointment of the Board Secretary.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement detailing material events and disclosures concerning the Company during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement detailing related-party transactions during 2025 amounting to 5% or more of the Company's share capital.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement indicating Emiratization percentages at the end of 2023, 2024, and 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	A statement of innovation-related projects and initiatives implemented or under development by the Company during 2025.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Has the Chairman of the Board signed the report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Has the Chair of the Audit Committee signed the report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Has the Chair of the Nomination and Remuneration Committee signed the report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Has the Head of the Internal Control Department signed the report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Has the report been printed on the Company's official letterhead and stamped with the Company's official seal?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.
	Was the report disclosed ten (10) days prior to the Annual General Meeting and before the end of the first three months of the Company's financial year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes
	Was the report disclosed in both Arabic and English?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Click or tap here to enter text.

Prepared by: Raymond Mourcade

Job Title: Board Secretary

Company Seal:



**Annual Report of the Board Audit Committee's activities  
of Emirates Investment Bank PJSC (the "Bank")  
during 2025**

**Remit**

The responsibilities of the Board Audit Committee (the "**Committee**") include oversight of the Bank's financial controls and reporting processes, internal controls, audit process and the relationship with its external auditors. The Committee performs its duties in accordance with the applicable regulations of the Central Bank of the UAE and the Securities & Commodities Authority. These include but are not limited to:

- Making recommendations on the appointment, reappointment and removal of external auditors and audit fees.
- Monitoring the integrity of interim and annual financial statements, disclosures, changes in accounting policies and practices, significant audit adjustments, and compliance with accounting standards.
- Reviewing financial accounting policies and practices, financial control, and internal control systems.
- Approving the annual internal audit plan.
- Reviewing and monitoring effectiveness of the Internal Audit function in ensuring implementation of an effective internal control system and compliance with legal and regulatory requirements.

For sake of completeness, the Terms of Reference of the Board Audit Committee are attached herewith as Appendix 1.

**Committee Composition**

The Committee Chairman and Members have been appointed by the Board of Directors. The Committee consists of the following members, who collectively have experience in audit practices, financial reporting, accounting, banking and compliance.

**Mr. Christophe de Backer**

Chairman  
Independent Non-Executive Director

**Mr. Georges Makhoul**

Member  
Independent Non-Executive Director

**Mr. Edward Quinlan**

Member

Non-Independent Non-Executive Director

**Committee Meeting Attendance 2025**

06 February 2025

Edward Quinlan

Naveed Riaz

07 May 2025

Khaled Al Halyan

Edward Quinlan

Naveed Riaz

07 August 2025

Georges Makhoul

Edward Quinlan

05 November 2025

Christophe de Backer

Edward Quinlan

Georges Makhoul

**Statement from Chairman of the Committee**

As Chairman, I am pleased to provide the annual report on the activities of the Committee for the year 2025. The Committee conducted four (4) meetings in 2025 to effectively discharge its responsibilities in accordance with its Terms of Reference and regulatory obligations.

As part of its primary obligations, the Committee reviewed the Financial Results along with the External Audit Reports for the year ended 2024 and the Quarterly Financial Results for 2025.

The Committee ensured the independence of the External Auditor and the effectiveness of the audit process. The External Audit Fees were reviewed by the Committee, as per the annual process, and recommendations were submitted for Board of Directors' approval. The recommendations to re-appoint the current External Auditor in line with regulatory requirements were also submitted by the Committee to the Board of Directors for its approval. These will be presented to the shareholders for approval at the upcoming Annual General Meeting of Shareholders.

The Committee continued to ensure the independence of the Internal Audit function. The Internal Audit Plan for 2025 was approved to ensure that Bank's internal governance and controls remained robust. The implementation progress of the audit plans and significant issues raised by Internal Audit

were regularly monitored during the year by the Committee. In 2025, an experienced Internal Audit manager was hired in the Internal Audit Department bringing the total resources in the department to three.

In 2025, the Committee reviewed the following Internal Audit Reports prepared and submitted by the Head of Internal Audit:

- Credit Process
- Wealth Management
- Investments & Treasury
- Back Office Operations
- Internal Capital Adequacy Assessment Process (ICAAP)
- Information Security
- Anti Money Laundering (AML) Compliance
- Consumer Protection Regulation
- Governance
- Finance & Accounts
- Pillar 1- Capital Adequacy
- FATCA/CRS Agreed upon Procedures
- Human Resources

The Committee also reviewed the Internal Audit Validation of the Central Bank Reports pertaining to the following:

- AML Examination;
- Corporate Governance Examination; and
- Wealth Management Thematic Review.

The Committee noted that no material issues were identified by the Internal Audit Department that require disclosure in reports or in the annual financial statements. This is without prejudice to the Internal Audit Department's ongoing review and validation of the remediation actions relating to the Central Bank observations arising from the Central Bank AML/CFT, Wealth Management, and Corporate Governance reviews and/or examination conducted in 2024/2025.

Further, the Committee reviewed the draft report shared by the external auditor (EY) on the validation of the Central Bank findings relating to Internal Audit, and recommended submission of the final report to the Central Bank.

The Bank commenced a multi-year transformation programme. The actions undertaken during the year included the initiation of a technology modernisation programme to implement scalable and secure digital systems, the redesign of selected client and internal processes, and the strengthening of leadership and specialist capabilities through targeted appointments. These initiatives are intended to enhance the Bank's operating model and service delivery while maintaining its relationship-led private banking approach.

## 2026 priorities

The Committee 's schedule in 2026 will include a minimum of four (4) meetings focused on, amongst other things, the integrity of the Bank’s financial statements, IFRS9 governance practices, accounting for transformation-related cost, emerging risks, assessment and oversight of the activities and performance of Internal Audit as well as the performance of Bank’s External Auditor.

## Key Matters Considered during 2025

	Feb	May	Aug	Nov
<b><u>Financial Performance, Results and External Audit</u></b>				
Review of Financial Results and External Auditors' Report	•	•	•	•
Review of External Audit Fees	•			
Appointment of External Auditors	•			
<b><u>Internal Audit</u></b>				
Quarterly Internal Audit Report status update	•	•	•	•
Internal Audit reports	•	•	•	•
CBUAE examinations		•	•	•
Annual audit plan - 2025	•			

The Head of Internal Audit has held private sessions with the members of the Committee at the end each Committee meeting, and regular meetings with the Chairman and individual members of the Committee throughout the year.

## Board Audit Committee and External Auditors

The Board of Directors has delegated to the Committee, its responsibilities relating to oversight of the qualifications, independence and performance of the Bank’s External Auditor. As per the Committee’s Terms of Reference, its responsibilities with respect to the External Auditor include, but are not limited to:

- establishment of Bank's policies for the selection and rotation of the External Auditor;
- making recommendations to the Board of Directors regarding the appointment, reappointment or dismissal of the External Auditor;
- reviewing the terms of engagement and fees to be paid to the External Auditor and recommending to the Board of Directors for approval;

- ensuring and monitoring independence of the External Auditor and making recommendations to the Board of Directors regarding rotation of the External Auditor and partner in charge, in line with the CBUAE regulations;
- monitoring independence and objectivity of the External Auditor and assess effectiveness on an annual basis;
- meeting with the External Auditor, in the absence of Senior Management;
- reviewing of the Audit Plan and scope of the audit to ensure it reflects changes in size, business mix or complexity of the Bank or the instructions of the CBUAE; and
- monitoring the provision of non-audit services by the External Auditor and ensuring that the External Auditor does not carry out any additional work that is not part of the audit programme, if it may affect their impartiality and independence.

### **Selection of the External Auditor**

Ernst and Young Middle East (Dubai Branch) were re-appointed as auditors of the Emirates Investment Bank PJSC for the financial year 2025 at the Annual General Meeting (AGM) held on 16 April 2025.

Ernst & Young were appointed on 30 April 2024 succeeding PricewaterhouseCoopers Limited Partnership Dubai Branch (PwC), who had served for six (6) consecutive years as the External Auditor of the Bank. External audit firms may only be appointed for a maximum of six (6) consecutive years.

### **Selection Criteria**

In addition to the key responsibilities of the Committee referred to above, the Committee also reviews and approves the external audit approach, including the evaluation, independent appointment or re-appointment, and terms of engagement and rotation of the auditing firm and/or the principal partner in charge of the audit.

The evaluation assesses the External Auditor's independence, objectivity, and professional skepticism and the relevant safeguards to independence implemented by the External Auditor.

The selection criteria include ensuring capacity of the audit firm to manage the audit effectively and competently, taking into account the scale and complexity of the Bank, as well as ensuring independence, no conflicts of interest, and a strong, experienced, and capable audit partner and team.

The Committee ensures that the External Auditor meets the following criteria:

- Has banking industry knowledge and competence sufficient to respond appropriately to the risks of material misstatement in the financial statements and to properly meet any additional regulatory requirements that may be part of the external audit;
- is objective and independent in both fact and appearance with respect to the Bank;
- exercises professional skepticism when planning and performing the audit, having due regard to the specific challenges in auditing the Bank;
- complies with the applicable standards on quality control;
- identifies and assesses the risks of material misstatement in the Bank's financial statements, taking into consideration the complexities of the Bank's activities and the effectiveness of its internal control environment; and
- provides assurance that the audit engagement team members have no personal, family, business, financial or other relationships with the Bank, which could adversely affect the External Auditor's actual or perceived independence and objectivity.

The Committee also reviews the audit scope and approach for the year proposed by the External Auditor. The Committee communicates with the external audit team during the year, without the presence of any of the Senior Management, to discuss periodic and annual reporting, audit findings, changes in accounting and reporting standards, and other necessary business. The Committee reviews the performance, independence and quality of the External Auditor annually, including any regulatory conditions and thresholds on independence, rotation, and qualifications of the audit firm and its staff.

### **Fees**

The Committee approves the fee for in-scope external audit services at the beginning of each year. The scope of services includes audit services, audit-related services and any other relevant services. The Committee may approve additional fees for the services of External Auditors that may arise throughout the year or where the fee exceeds the prior approved amount.

### **Special (Non-Audit) Services**

The Committee is mandated to monitor the independence of the External Auditor to ensure objectivity in the financial statements, to review its statutory audit scope and non-audit services, and to approve its fees.

An agreed-upon procedures non-audit service as required by the regulator, was provided by the External Auditor during 2025. Fees amounting to AED 25,000/- were incurred for these non-audit services.

### 2025 Audit

No reservations were raised by the External Auditor with respect to the year ended 31 December 2025.

Name of the audit office and partner auditor	Ernst and Young Middle East (Dubai Branch) Mr. Sanjay Khiara
Number of consecutive years served by partner auditor	2 <sup>nd</sup> year of service
Total fees for auditing Bank's financial statements for 2025	AED 407,000/-
Fee for other regulatory and Group reporting (including quarterly review)	AED 397,000/-
Fee for any non-audit services	AED 25,000/-

I hereby acknowledge my responsibility to discharge the responsibilities of the Board Audit Committee, under its Terms of Reference, and ensure its effectiveness.

*Christophe de Backer*

Mr. Christophe de Backer  
Chairman, Board Audit Committee

بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

# 2025 SUSTAINABILITY REPORT



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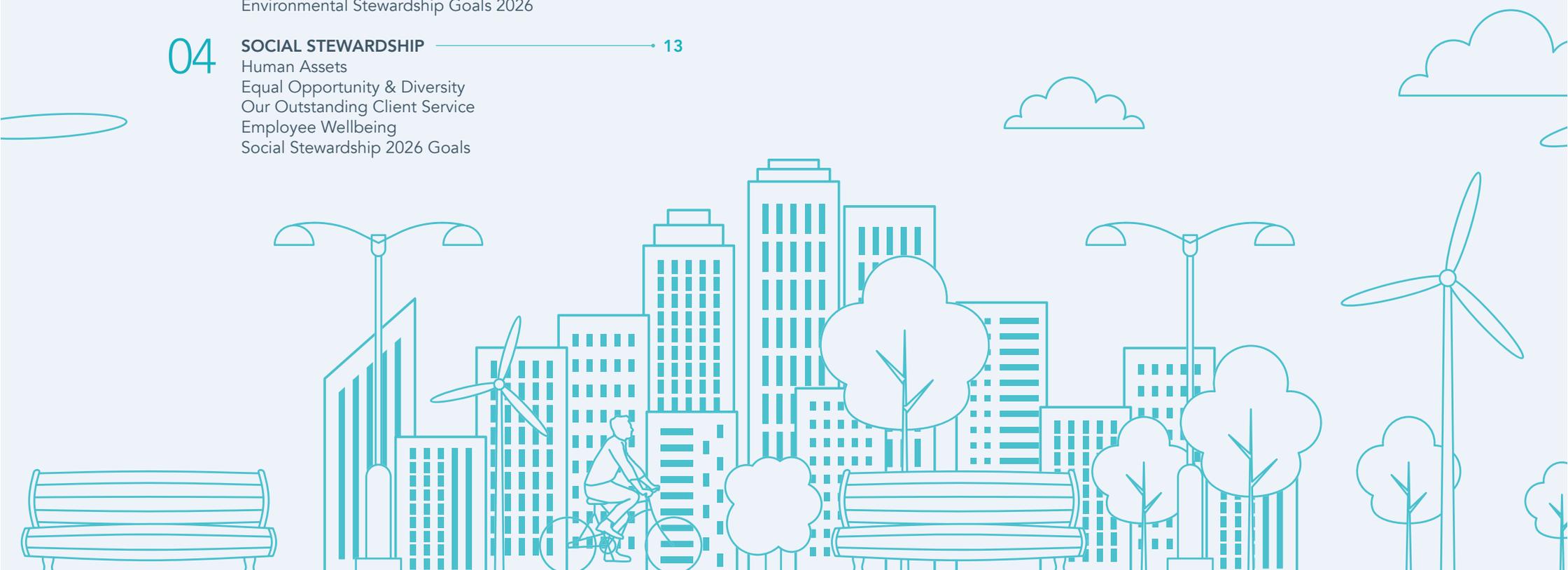
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# 01

# Sustainability at Emirates Investment Bank

At Emirates Investment Bank (EIBank), sustainability is viewed as a long-term journey rather than a fixed destination. As a financial institution operating in a rapidly evolving economic and regulatory landscape, we aspire to embed environmental, social, and governance considerations into the way we think, operate, and grow. Our approach reflects a belief that sustainable finance, responsible operations, and strong governance are essential to supporting resilient economies and creating enduring value for clients, communities, and stakeholders.

## Environmental Responsibility

EIBank aspires to play a constructive role in supporting the transition to a more sustainable and climate-resilient economy. We aim to progressively integrate environmental considerations into our financing activities, with a growing focus on solutions that support climate transition, energy efficiency, and environmentally responsible business practices. Alongside our financing ambitions, we seek to deepen our understanding of climate-related risks and opportunities and how they may affect our business and the clients we serve. EIBank intends to continue developing its approach to monitoring operational emissions and energy use, with the long-term objective of aligning climate-related disclosures with internationally recognised frameworks.

## Social Responsibility

People are central to EIBank's sustainability ambitions. We aspire to foster a workplace that is inclusive, diverse, and supportive, where individuals are empowered to contribute, develop, and thrive. Over time, EIBank aims to strengthen its focus on diversity, equity, and inclusion through policies, initiatives, and workforce practices that reflect the markets and communities in which we operate. Beyond the organisation, EIBank seeks to engage positively with local communities and social initiatives, supporting programmes that create shared value. Internally, we aim to build awareness and engagement around sustainability and social responsibility through training, dialogue, and employee-led initiatives, encouraging a culture where ESG considerations are part of everyday thinking.



## Governance and Accountability

EIBank believes that effective governance is fundamental to the credibility and success of any sustainability strategy. We aspire to maintain clear oversight of ESG matters through defined governance structures, with sustainability considerations increasingly integrated into strategic planning, risk management, and decision-making processes. Transparency remains a key ambition. EIBank aims to continue developing its approach to ESG screening, assessment, and disclosure, including the use of structured tools to inform pre-investment considerations. We also seek to engage constructively with stakeholders—clients, employees, regulators, and partners—to ensure our ESG approach remains responsive, relevant, and aligned with best practices.

EIBank recognises that integrating ESG considerations across different business lines and activities presents ongoing challenges, particularly in areas such as data availability, methodological consistency, and evolving regulatory expectations. We view these challenges as part of a broader opportunity to strengthen internal capabilities, align approaches across the organisation, and refine how sustainability is embedded into our business model. At the same time, we see potential to expand ESG-oriented solutions, deepen client engagement on sustainability topics, and leverage technology to support more effective reporting, monitoring, and insight.

Looking ahead, we aspire to continue evolving our sustainability strategy in line with our corporate purpose, regulatory developments, and stakeholder expectations. Our focus remains on strengthening governance, enhancing transparency, and progressively embedding ESG considerations across our operations and offerings. As expectations around sustainability continue to grow, EIBank remains committed to advancing thoughtfully and responsibly—guided by clear principles, long-term thinking, and a desire to contribute positively to the broader economic, social, and environmental landscape.

## ESG Data, Metrics, and Insight

Reliable data is essential to meaningful progress on sustainability. EIBank aspires to enhance the quality, consistency, and availability of ESG-related data across its activities, with the aim of improving visibility into portfolio-level ESG characteristics and alignment with the UN Sustainable Development Goals (SDGs). Over time, we intend to develop more robust ways of understanding and measuring the impact of ESG-aligned financing, supporting better decision-making and more informed conversations with clients and stakeholders.



# Message from our CEO



This year represents a pivotal chapter for the Bank as we lay strong foundations for sustainable growth while redefining our role in an evolving financial landscape. Guided by a customer-centric mindset and enabled by digital innovation, we are transforming our capabilities to deliver smarter, more responsible banking experiences.

Our reintroduction to the market signals more than a renewed presence, it reflects our ambition to lead with purpose, embed sustainability across our operations, and generate enduring value for all stakeholders. Through disciplined execution and forward-looking strategies, we are building an institution prepared to thrive responsibly in the years ahead..

### **Establishing the foundations**

Work has commenced on a modern, future-proof technology architecture designed to enable enhanced digital journeys, improved data integration, and faster product innovation. In parallel, the Bank continued to enhance its leadership and specialist capabilities through targeted appointments and sharpen its focus on client outcomes, prioritising convenience, transparency, and service quality.

### **Customer centric and digital first**

Core client journeys and internal processes are being redesigned to be simpler, faster, and more

efficient. The Bank is also developing a digital ecosystem, including data-driven and AI-enabled tools to support relationship managers and enhance client service, while maintaining robust governance and controls. The product platform continues to be expanded to provide access to best-in-class global solutions aligned with client needs and advice-led principles.

### **Reintroducing the Bank to the market**

Looking ahead, 2026 is expected to mark a step-change in the Bank's market presence. Plans include a refreshed brand and renewed private banking proposition, exploration of a flagship presence in the UAE, and continued investment in people and capabilities to support sustainable growth.

Throughout the transformation, the Board remains committed to prudent risk management, strong governance, and client-first conduct, ensuring that growth is responsible, resilient, and sustainable.

**Michel Longhini**  
Chief Executive Officer



## 02

# About Emirates Investment Bank

Emirates Investment Bank is a leading Dubai based investment and wealth management focused bank, supporting Clients through every stage of their wealth journey. The Bank was established in 1976, by prominent UAE business families. Emirates Investment Bank has played an important role in supporting the growth of the financial sector in UAE.

The Bank is first port of call for high-net-worth individuals in the Middle East seeking asset management and wealth management solutions to protect, grow, or transition their wealth locally, regionally or globally.

Emirates Investment Bank's experienced team, having both local and global expertise, provides bespoke investment strategies with global best practices along with lending and daily banking services.

## Vision

To be the premier wealth manager of choice in the region, for selected clients, providing exceptional and highly personalized service, supported by quality investment products.

## Mission

We are committed to providing tailored and innovative investment and wealth management solutions for our clients, attracting and developing high quality relationship managers, building distinctive asset-class expertise and providing sustainable returns for our shareholders.

## Core Values

- Passion to perform
- Recurring value
- Integrity and transparency
- Dependability
- Employee engagement



## Our Solutions

Our flexible and personal approach enables us to provide bespoke solutions addressing all of its clients' private banking needs, from asset management and access to global markets to corporate finance advice and daily banking.

Wealth Planning



Asset Management



Trading & Execution



Lending



Structured Products



## Our History

Emirates Investment Bank was founded in 1976 by prominent UAE business families with an initial focus on financing industrial projects. Over time, the focus shifted to asset management services.

In 2008, we adopted a new strategy that opened our wealth management platform to a broader base of high-net-worth clients from around the world.

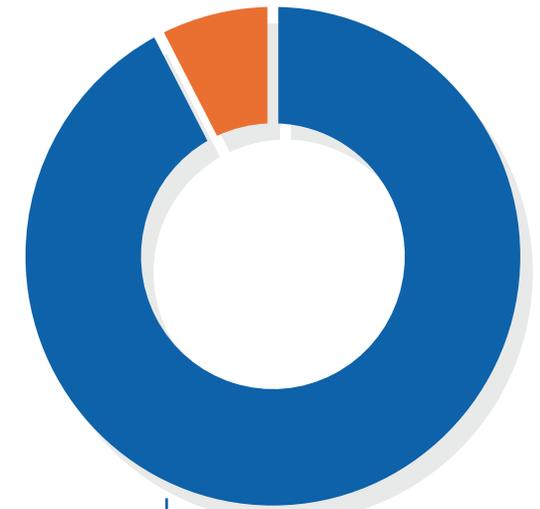
Today, we lead in offering bespoke solutions across the full wealth management spectrum, from asset management and access to global markets and daily banking.

## Our Shareholding

Emirates Investment Bank's shareholder base is composed of highly respected UAE business families and private investors from the local business community.

7.61%

Private Investors



92.39%

AI Futtam Pvt Co. LLC

## Financial Performance

We at EIBank define the success of a financial institution by the value it delivers to its shareholders, clients, employees, communities, and the environment. To create value at each of these levels, we actively engage with our stakeholders, addressing their expressed needs, by supporting them in achieving long-term, sustainable returns.

The Bank has been repositioned as a leading regional bank offering investment advisory and wealth management solutions to a select client base of regional and international high net worth individuals and institutional clients. During 2025, we were comforted with the tangible signs of the success of our strategy in all main areas of activity, as we continued to build the infrastructure required for growth.

Our financial performance below of 2023, 2024 and 2025, shows how we created a positive impact on the environment of UAE and the economy.

	2023	2024	2025
Operating Income	161,370	210,458	170,499
Net Profit/(loss)	107,544	108,713	83,645
Total Assets	4,540,407	5,117,870	4,877,615
Net Loans and Advances	484,949	898,138	929,389
Net Investments	2,294,006	2,738,944	2,648,894
Customer Deposits	3,195,712	3,677,672	3,309,957
Total Equity	1,214,325	1,346,138	1,485,904

## Sustainable Investments

Supporting the global transition to a low-carbon economy has become a shared priority for governments and corporations. According to the International Energy Agency (IEA), annual investments in clean energy need to reach \$4 trillion by 2030 to achieve net zero emissions, escalating to nearly \$5 trillion per year thereafter to sustain progress.

In alignment with this urgent global need, EIBank is committed to financing sectors such as renewable energy, clean mobility, and affordable housing, addressing some of the most critical social and environmental challenges of the 21st century. The Bank actively invests in securities issued by ESG-aligned entities, including green bonds and sustainability-linked instruments.



# 03 Environmental Stewardship

## Environmental Initiatives

At Emirates Investment Bank, we are committed to protecting the environment and fostering sustainability in everything we do. Our environmental efforts focus on energy conservation, waste reduction, and minimizing greenhouse gas emissions. We follow a comprehensive framework to evaluate and address environmental challenges, opportunities, and concerns. Our senior management actively participates in reviewing and approving policies and initiatives aimed at addressing environmental issues.

One of our key objectives is to raise awareness among employees about the importance of reducing their carbon footprint. To achieve this, we have implemented several initiatives, including waste recycling, segregating waste to divert recyclables from landfills, responsible purchasing, adopting eco-friendly cleaning chemicals and equipment for office use, and promoting paperless operations.



Utilizing biodegradable disposable items, including cups, plates, and garbage bags.



Using eco-friendly toner for copiers, made from materials that are less harmful to the environment. The copiers are designed to switch to instant standby mode to conserve energy. Additionally, light printing settings are enabled to minimize ink usage.



The thermostat is set to 22-24°C during the summer to conserve energy, and employees are encouraged to turn off all PCs every night.



# Water and Energy Consumption

Minimizing our environmental footprint is a key priority in our business operations. In the coming years, we aim to further reduce our environmental impact by adopting eco-friendly policies and practices. Our goal is to continuously enhance sustainability across various aspects of our operations, including energy use, water consumption, and paper recycling. Currently, our energy consumption primarily comes from grid electricity used in our office.



Energy Consumption (2025)

**304,212 kWh**

Energy Consumption per employee (2025)

**2,897 kWh**



Total Drinking Water Consumption (2025)

**36.61 KiloLiters**

Drinking Water Consumption (2025) per employee

**0.35 KiloLiters**

## GHG Emissions

We carefully monitor CO2 emissions while we operate our business. It allows us to identify and improve on points and plan interventions as needed while assessing our impact on the environment.



GHG Emission from Electricity Consumed (2025)

**121,680 kgCO2e**



GHG Emission (2025) Intensity

**1,159 kgCO2e/employee**

# Our Sustainability Journey



Eco-friendly toner is used in copiers, featuring less harmful materials. The copiers switch to standby mode to save energy, and light printing settings reduce ink usage.



Utilizing biodegradable disposable items, including cups, plates, and garbage bags.



The thermostat is set to 22–24°C during the summer to conserve energy.



## Waste Management

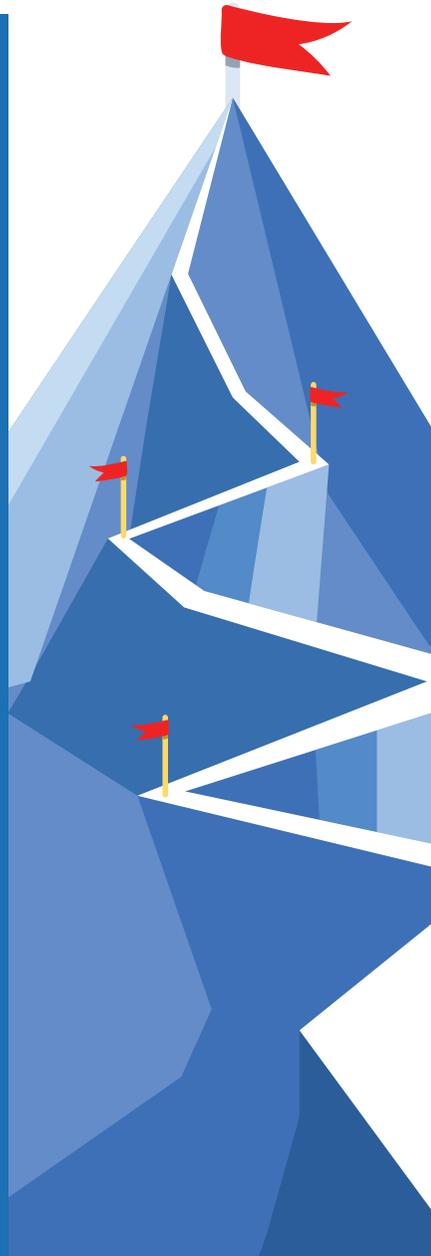
We remain dedicated to advancing energy and resource efficiency, promoting health and well-being, and implementing responsible waste management practices at our facilities. To actively support environmental sustainability, we have established on-site recycling bins for paper and plastic, ensuring alignment with Festival Tower’s environmental principles.

As a bank, we are deeply committed to making a positive difference. These initiatives are not just routine practices; they represent our unwavering dedication to preserving the UAE’s natural environment and contributing to the well-being of our local community. Sustainability is at the heart of everything we do as we strive for a better future.

# Environmental Stewardship 2026 Goals

Looking ahead to 2026, Emirates Investment Bank remains constant in its commitment to guiding environmental actions at every level. We will continue to emphasize the collective responsibility shared by our employees, shareholders, and clients, fostering a culture where sustainability is deeply embedded in our values and decision-making.

Our vision for the future includes advancing initiatives that enhance our environmental performance, promoting the efficient use of natural resources, and prioritizing the protection of ecosystems. Through these efforts, we aim to strengthen our role as a responsible corporate citizen, contributing meaningfully to the preservation of the UAE's environment and the well-being of our local community.



## Our Goals

### 01. Paperless Operations and Digital Innovation

We are committed to reducing paper usage and streamlining our internal operations through automation and digital solutions. By leveraging Microsoft Power Apps, we will automate key processes, and several services will be migrated to the cloud. Additionally, critical operations such as client onboarding will be fully digitalized, eliminating paper-based procedures.

### 02. Waste Prevention and Promotion of Recycling

We aim to minimize waste generation and actively promote the recycling and reuse of materials within our organization. Initiatives will focus on reducing unnecessary consumption and enhancing our recycling infrastructure to ensure more materials are repurposed.

### 03. Go Plastic-Free

As part of our commitment to sustainability, we will work towards eliminating single-use plastics across the organization. This includes encouraging the use of reusable bags, insulated water bottles, and sustainable cutlery to reduce plastic waste.

### 04. Reduce Carbon Footprint

We will take proactive measures to reduce our carbon emissions by adopting energy-efficient practices and technologies. This includes choosing green electronics, promoting greener commuting options for employees, and installing efficient lighting systems to minimize energy consumption.

### 05. Responsible Purchasing

Our purchasing decisions will prioritize sustainability, focusing on products with minimal waste, minimal packaging, and environmentally friendly materials. We will also focus on sourcing sustainable stationery and other office supplies to further reduce our environmental impact.

### 06. Green Your Home: Employee Empowerment

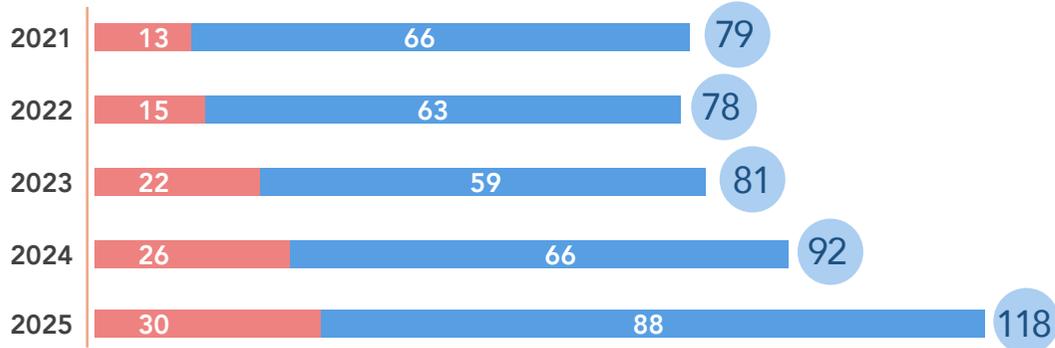
We will encourage employees to adopt green practices at home by promoting energy-efficient products and solutions. This includes the use of programmable thermostats, energy-saving lightbulbs, and improving indoor air quality to contribute to a healthier environment both at work and at home.

# 04 Social Stewardship

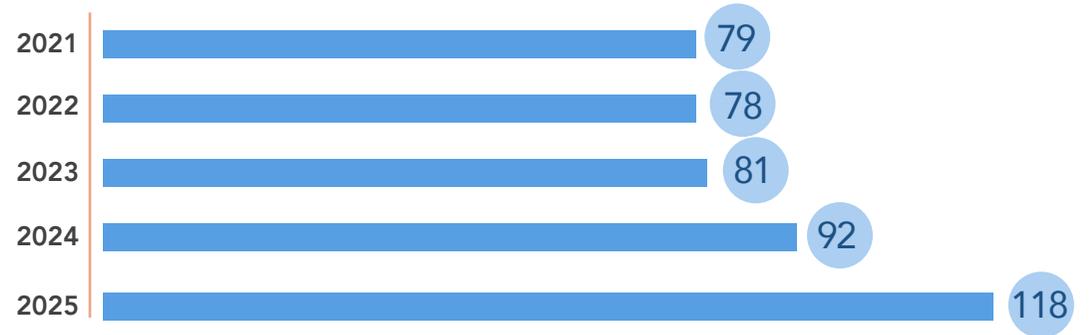
## Human Assets

Our employees are our pillars of strength. It is their hard work and dedication that defines our success. We have consistently been providing an atmosphere that encourages their overall growth. At EIBank, we promote diversity, pay competitively and proactively promote and support the employment of women. We are proud that over 20% of new hires in 2025 were women. We also provide an open learning environment for employees to develop their knowledge and skillsets.

Total Number of Male & Female Employees



Total Number of Employees



# Equal Opportunity & Diversity

**118**

Employees

**15**

Nationalities

**25%**

Female

At EIBank, we embrace diversity, recognizing that diversity of talent brings different perspectives and experiences, which in turn has the potential for increased productivity. As a client-serving institution, we know that a diversified workforce helps deliver a better experience for our clients too. Internally, exposure to cross-cultural understanding and being challenged by contrasting ideas, provides employees with ongoing development that results in increased employee engagement. Our workforce is diverse and comprises of 118 people who represent 15 different nationalities, 25% of which are female. We follow comprehensive policies and a robust code of conduct that not only sets expected standards of performance, but demands an environment where relationships are based on mutual respect, free of discriminatory behaviors.



## Emiratization

Emirates Investment Bank is proud of its deep Emirati roots. UAE nationals have always been an integral part of the Bank's journey and are represented across the various levels and functions of the Bank. We are committed to developing our growing team of Emirati talent through professional training programmes that aim to further enhance their financial knowledge and help them with career progression.

We are also committed to attracting Emiratis to the financial sector and to us through our ongoing employment drives and collaborations with the designated government departments. We are proud to play an active role in promoting the participation of Emirati talent in the private sector, and during 2025, UAE Nationals formed over 20% of the new joiners, with a focus on enhancing the banking sector with fresh graduate trainees and those who are new to banking.

### Number of UAE Nationals in Emirates Investment Bank

2021	2022	2023	2024	2025
9	10	15	20	23

## Supporting Women

At EIBank, we support gender equality with equal opportunities and encouragement to pursue roles at every level of the corporate ladder.

Our retention strategy has included opening up internal mobility opportunities, facilitating career development with a combination of on-the-job as well as structured learning. An enhanced maternity leave policy is an additional retention tool, encouraging women to return to the workplace with peace of mind.

A continued focus on proactively targeting women for vacant positions has resulted in 35% of job offers being issued to females.

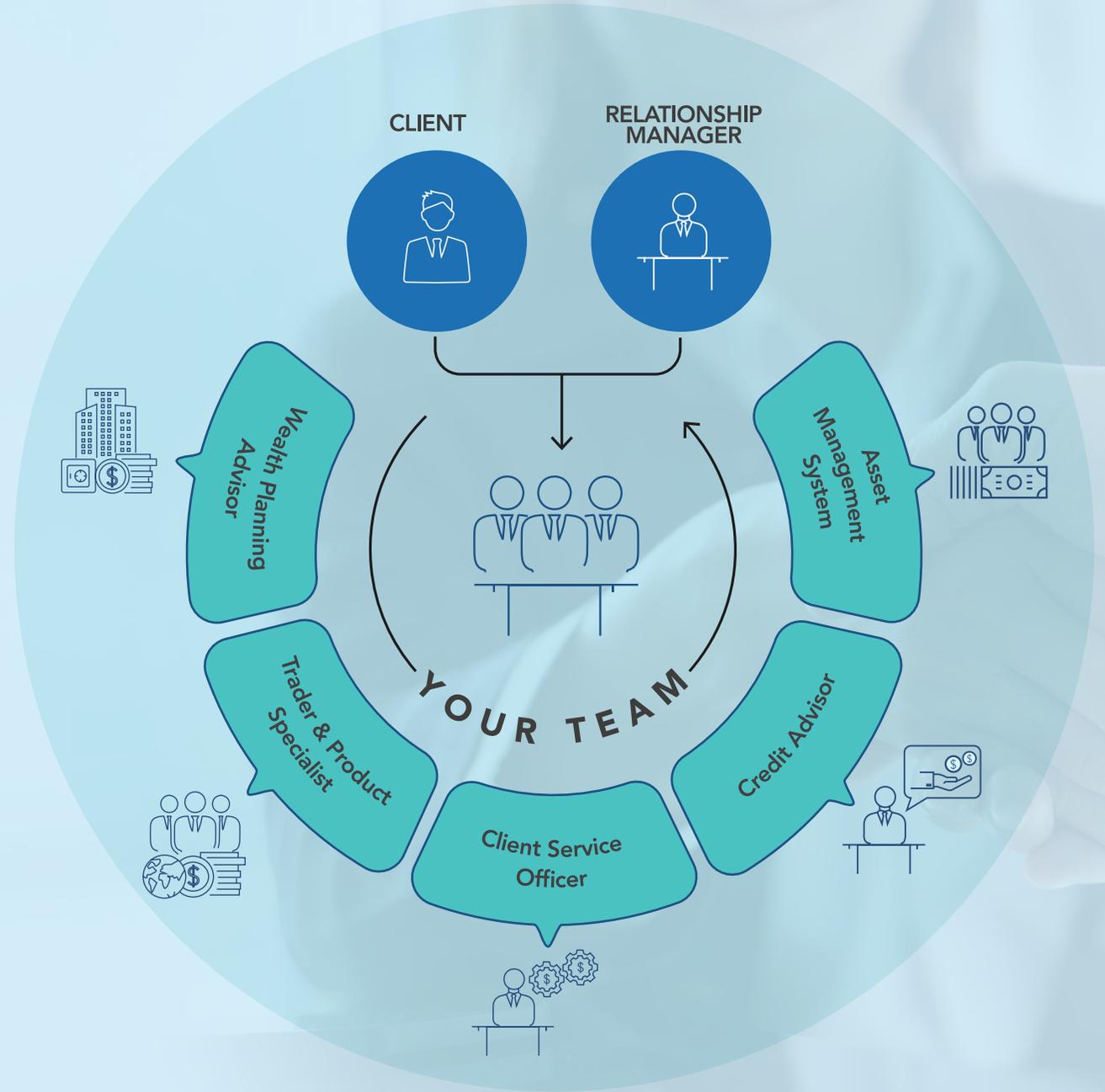
**Events and celebrations:** International Women's day, Emirati Women's day, Mother's day, Breast Cancer awareness month.

# Our Outstanding Client Service

Our strong client service is backed by our extremely experienced team of financial experts. We ensure each client's needs and expectations are completely understood before providing them with tailor-made solutions and services. We are a relationship-driven bank, focused on building long-term partnerships based on a foundation of trust, stability and integrity with our clients.

## Client Complaints

On our website, customers are able to make a complaint at any time and our dedicated team is fully committed to investigating and resolving the issue with the concerned department. As of 2025, no complaints have been filed regarding breaches of customer privacy or data loss.



# Employee wellbeing

Our company is dedicated to fostering employee well-being through thoughtful initiatives that create a positive and inclusive workplace. Occasional greetings during special events, such as celebrating National Day and other milestones, help strengthen connections and promote a sense of unity. We also organize events that encourage team building and personal growth, along with training sessions that empower employees to enhance their skills and well-being. Additionally, we share regular health messages promoting physical fitness, mental wellness, and preventive care.

Sustainability is another integral part of our commitment. By hosting events and sharing resources that encourage eco-friendly practices, we inspire our team to adopt greener habits both at work and in their personal lives. This emphasis on sustainability reinforces our dedication to the environment and builds a collective sense of responsibility. Through these initiatives, we aim to nurture a workplace that values holistic wellness, inclusivity, and a sustainable future.



# Social Stewardship 2026 Goals



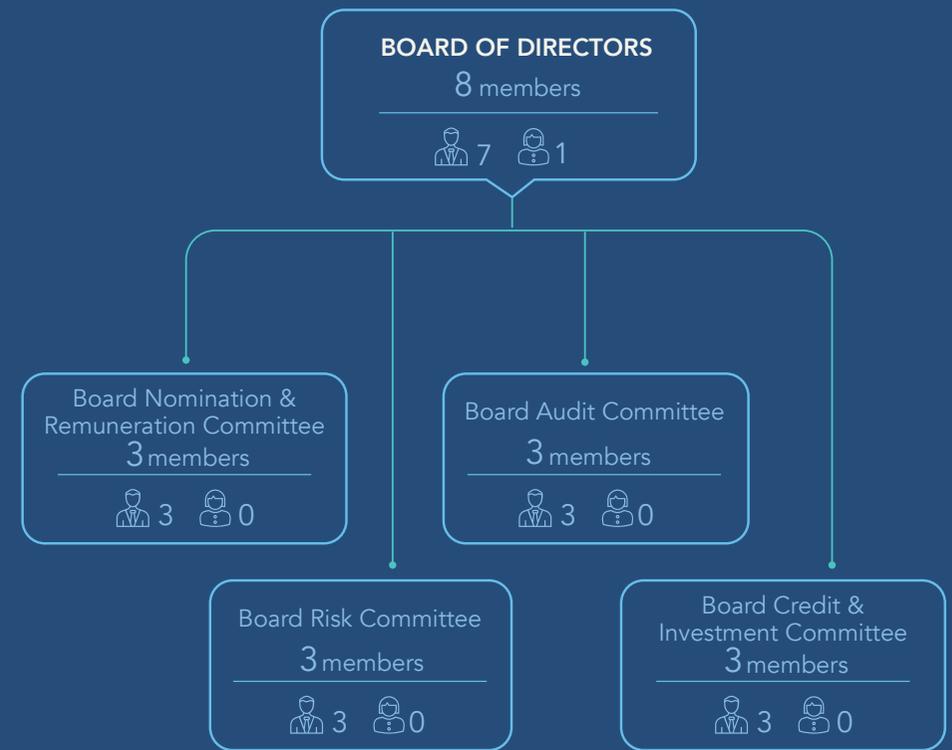
# 05 Ethical Governance

At Board Level, the Board of Directors approves the Bank's strategy and supervises the Bank's activities in accordance with the requirements of the Corporate Governance Regulations of the Central Bank and the Securities & Commodities Authority. The Board is assisted, for the on-going supervision and guidance, by the following Committees appointed by the Board:

## Board of Directors



## Board Committees Structure



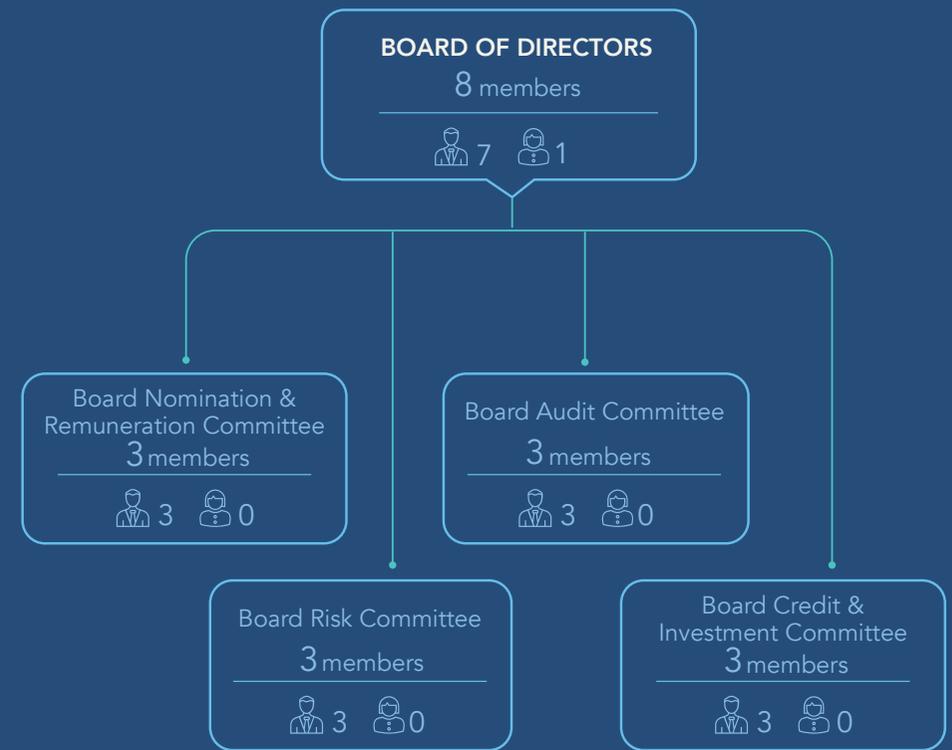
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## Board of Directors



## Board Committees Structure



# Organizational Structure



# Bank's Committees Structure

The Bank's Executive Committee directs Emirates Investment Bank's daily activities and leads our growth strategy. It is mandated with continually exploring innovative ways to enhance our capabilities and ensure we effectively serve our clients' evolving requirements.

At Management Level, the Executive Committee (Exco) supports the Chief Executive Officer in executing the strategy and plans that are adopted by the Board of Directors from time to time. The Exco is assisted, for day-to-day supervision and guidance, by the following management committees appointed by the Exco:



# 06

# Sustainable Management

## Stakeholder Consultation

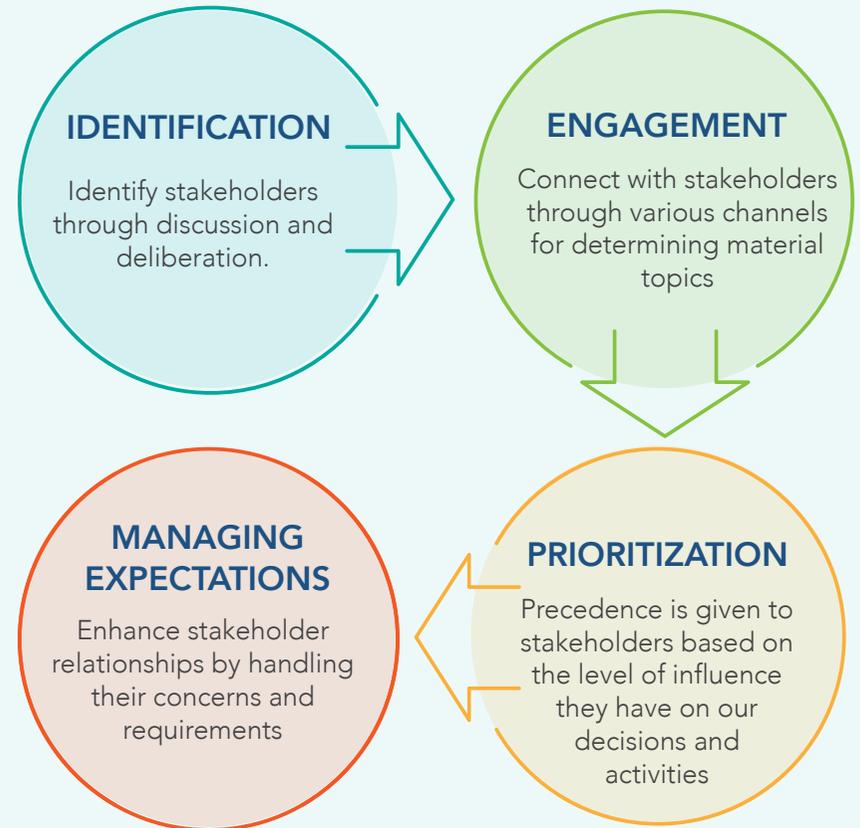
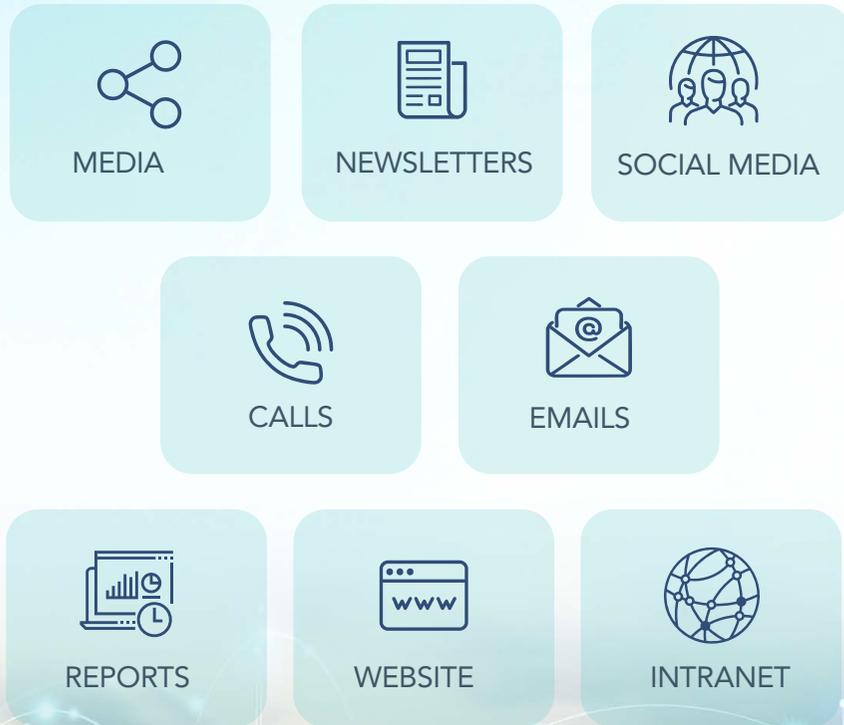
We highly value our stakeholders and their feedback, recognizing their importance to our organization. To build long lasting relationships, we take regular stock of their reviews in our day to day interactions and incorporate their recommendations in line with provided guidelines. Transparency is central to our communication, as we believe it is vital for fostering trust and maintaining

long-term connections. The Bank's activities have a direct impact on various stakeholders, making engagement and analysis essential. This process helps us identify key issues, assess our operations, products, and services, mitigate reputational risks, and positively influence both our internal and external environments.

- ✔ Employees
- ✔ Board of Directors
- ✔ Investors
- ✔ Clients
- ✔ Suppliers
- ✔ Local Community
- ✔ Government
- ✔ Environmental Organizations
- ✔ Media



We interact with all our stakeholder groups on an ongoing basis through the following methods:



# Understanding the Sustainable Banking Framework

## KEY DRIVERS

They enable us to capitalise on our assets and expand our focus on creating improved socio-economic shared value.

United Nations Sustainable Development Group

Dubai Declaration on Sustainable Finance

UAE Vision 2021

The Paris Climate Agreement

UAE Strategy 2050

DFM ESG Guidelines



## ENABLERS

Since inception, Enablers are the areas we have invested in, to a great extent. The five areas of investments have grown to be reliable assets and are a foundation to create an impact.

✓ Robust Governance

✓ Technological upgrade

✓ Organization and people

✓ Ecosystem integration

✓ Regulatory Policies

## FOCUS AREAS

Sustainability and the creation of long-term socio-economic impact is the ultimate area of focus that is integral for our growth and success. It ultimately contributes to our vision and values. To continue as a sustainable and responsible business, as a chief factor, we must measure the value and impact beyond financial outcomes. For this, we report on the socio-economic shared value of our stakeholders.

✓ Client Experience

✓ Environmental Responsibility

✓ Social Impacts

✓ Sustainable Growth

✓ Digital Transformation

✓ Sustainable Finance and Green Investments

## IMPACT

Comprehensive Socio-economic value generation

# Materiality Analysis

We conduct Materiality Analysis to understand the material issues and define the primary concern in a manner that is unbiased. We stay aware of our stakeholders' social, environmental and economic concerns that may have impact on our operations. It is crucial to focus on issues for the present and the future.



## IDENTIFICATION

Relevant issues using internal and external sources, peer benchmarks, GRI Standards, DFM standards and our ability to influence UAE's sustainable development goals.



## ASSESSMENT

Shortlisting materials based on feedback gathered through the Bank's primary stakeholder engagement. A comprehensive methodology on ranking the material topics.



## PRIORITIZATION

Prioritizing the shortlisted material topics based on their relevance with our business activities.

بنك الإمارات  
للاستثمار

EMIRATES INVESTMENT BANK

[www.eibank.com](http://www.eibank.com)