EMIRATES NBD BANK (P.J.S.C.)

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

EMIRATES NBD BANK (P.J.S.C.)

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EMIRATES NBD BANK (P.J.S.C.)

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Emirates NBD Bank (P.J.S.C.) (the "Bank") and its subsidiaries (together referred to as the "group") as at 30 June 2026 which comprise the condensed consolidated interim statement of financial position as at 30 June 2026 and the related condensed consolidated interim statement of income, condensed consolidated interim statement of comprehensive income for the three-month and six-month period then ended, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity for the six-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young Middle East (Dubai Branch)

Anthony O'Sullivan
Registration No: 687

22 July 2026

Dubai, United Arab Emirates

EMIRATES NBD BANK (P.J.S.C.)

بنك الإمارات دبي الوطني
Emirates NBD

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026 (UNAUDITED)

	Notes	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Assets			
Cash and deposits with central banks	3	121,066	124,647
Due from banks	4	164,584	136,147
Investment securities	5	207,514	206,608
Loans and receivables	6	746,357	632,847
Positive fair value of derivatives	18	15,949	12,413
Customer acceptances		9,187	9,350
Property and equipment		9,824	8,742
Goodwill and intangibles		7,005	5,620
Other assets	7	40,980	28,068
Total assets		**1,322,466**	**1,164,442**
Liabilities			
Due to banks		82,169	66,277
Customer deposits		892,070	786,024
Debt issued, sukuks payable and other borrowed funds	8	103,932	90,287
Negative fair value of derivatives	18	23,702	19,208
Customer acceptances		9,187	9,350
Other liabilities	9	52,504	48,477
Total liabilities		**1,163,564**	**1,019,623**
Equity			
Issued capital		6,317	6,317
Treasury shares		(46)	(46)
Tier 1 capital notes	11	9,129	9,129
Share premium reserve		17,954	17,954
Legal and statutory reserve		3,158	3,158
Other reserves		2,945	2,945
Fair value reserve		(979)	(1,122)
Currency translation reserve		(3,363)	(4,438)
Retained earnings		116,946	110,685
Total shareholders' equity		**152,061**	**144,582**
Non-controlling interests		6,841	237
Total equity		**158,902**	**144,819**
Total liabilities and equity		**1,322,466**	**1,164,442**

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements. The independent auditor's report on review of the Group condensed consolidated interim financial statements is set out on page 1.

Director | Director | Chief Executive Officer

22 JUL 2026

بنك الإمارات دبي الوطني
Emirates NBD

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Notes	Unaudited three months period ended 30 June 2026 AED million	Unaudited three months period ended 30 June 2025 AED million	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Interest and similar income		18,926	17,074	36,203	33,794
Interest and similar expense		(11,379)	(10,486)	(21,022)	(20,398)
Net interest income		**7,547**	**6,588**	**15,181**	**13,396**
Income from islamic financing and investment products		3,254	2,686	6,291	5,164
Distribution on islamic deposits and profit paid to sukuk holders		(1,262)	(898)	(2,445)	(1,729)
Net income from islamic financing and investment products		**1,992**	**1,788**	**3,846**	**3,435**
Net interest income and net income from islamic financing and investment products		**9,539**	**8,376**	**19,027**	**16,831**
Fee and commission income		4,346	3,810	8,564	7,379
Fee and commission expense		(2,004)	(1,798)	(3,823)	(3,479)
Net fee and commission income		**2,342**	**2,012**	**4,741**	**3,900**
Net gain on trading securities		1,040	502	1,215	696
Other operating income	12	611	1,173	2,902	2,511
Total operating income		**13,532**	**12,063**	**27,885**	**23,938**
General and administrative expenses	13	(4,153)	(3,587)	(8,342)	(7,263)
Operating profit before impairment		**9,379**	**8,476**	**19,543**	**16,675**
Net impairment	14	(581)	(187)	(1,407)	278
Operating profit before taxation and others		**8,798**	**8,289**	**18,136**	**16,953**
Hyperinflation adjustment on net monetary position	2	(778)	(611)	(1,889)	(1,510)
Profit for the period before taxation		**8,020**	**7,678**	**16,247**	**15,443**
Taxation charge	15	(1,582)	(1,372)	(3,397)	(2,918)
Profit for the period		**6,438**	**6,306**	**12,850**	**12,525**
Attributable to:					
Equity holders of the parent company		6,416	6,301	12,818	12,515
Non-controlling interests		22	5	32	10
Profit for the period		**6,438**	**6,306**	**12,850**	**12,525**
Earnings per share (AED)	17	**1.00**	**0.98**	**1.99**	**1.94**

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements. The independent auditor's report on review of the Group condensed consolidated interim financial statements is set out on page 1.

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Unaudited three months period ended 30 June 2026 AED million	Unaudited three months period ended 30 June 2025 AED million	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Profit for the period	6,438	6,306	12,850	12,525
<u>**Other comprehensive income**</u>				
Items that will not be reclassified subsequently to the statement of income:				
Movement in fair value reserve (equity instruments):				
- Net change in fair value	1	1	1	(2)
- Related current tax	-	(1)	-	(1)
Items that may be reclassified subsequently to the statement of income:				
Cost of hedging for forward element of a forward and currency basis spread excluded from hedge effectiveness testing:				
Net changes in the cost of hedging	7	(95)	31	(64)
Cash flow hedges:				
- Effective portion of changes in fair value	141	(399)	5	(203)
- Net amount transferred to the statement of income	428	25	533	29
- Related deferred tax	(49)	39	(46)	19
Fair value reserve (debt instruments):				
- Net change in fair value	810	348	(381)	388
- Net amount transferred to the statement of income	(44)	(40)	(105)	(107)
- Related deferred tax	(140)	(78)	105	(31)
Currency translation reserves	(851)	(483)	(2,050)	(1,448)
Hedge of a net investment in foreign operation	(20)	(5)	(11)	(5)
Hyperinflation adjustment (refer Note 2)	1,269	981	3,123	2,575
Other comprehensive income for the period	1,552	293	1,205	1,150
Total comprehensive income for the period	**7,990**	**6,599**	**14,055**	**13,675**
Attributable to:				
Equity holders of the parent company	7,981	6,594	14,036	13,665
Non-controlling interests	9	5	19	10
Total comprehensive income for the period	**7,990**	**6,599**	**14,055**	**13,675**

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GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Notes	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Operating activities			
Profit for the period before taxation		16,247	15,443
Adjustment for non-cash and other items	21	(288)	(1,180)
Operating profit before changes in operating assets and liabilities		**15,959**	**14,263**
(Increase) / decrease in interest free statutory deposits		15,777	(26,490)
(Increase) / decrease in certificate of deposits with central banks maturing after three months		-	(65)
(Increase) / decrease in amounts due from banks maturing after three months		3,871	(20,364)
Increase / (decrease) in amounts due to banks maturing after three months		(10,828)	3,009
(Increase) / decrease in other assets		(3,604)	930
Increase / (decrease) in other liabilities		(5,522)	(4,239)
(Increase) / decrease in positive fair value of derivatives		(2,546)	1,158
Increase / (decrease) in negative fair value of derivatives		3,733	(480)
Increase / (decrease) in customer deposits		64,029	69,937
(Increase) / decrease in loans and receivables		(74,139)	(43,784)
Net cash flows generated from / (used in) operations		**6,730**	**(6,125)**
Taxes paid		(1,152)	(951)
Net cash flows generated from / (used in) operating activities		**5,578**	**(7,076)**
Investing activities			
Acquisition of a subsidiary, net of cash acquired	24	(6,222)	-
(Increase) / decrease in investment securities		15,952	650
(Increase) / decrease of property and equipment		517	371
Dividend income received		11	9
Net cash flows generated from / (used in) investing activities		**10,258**	**1,030**
Financing activities			
Issuance of debt issued, sukuks payable and other borrowed funds	8	29,957	15,780
Repayment of debt issued, sukuks payable and other borrowed funds	8	(17,355)	(13,304)
Issuance of Tier 1 capital notes	11	2,754	3,664
Repayment of Tier 1 capital notes	11	(2,754)	(3,664)
Interest on Tier 1 capital notes		(246)	(282)
Dividends paid	10	(6,311)	(6,311)
Acquisition of non-controlling interest		-	(70)
Net cash flows generated from / (used in) financing activities		**6,045**	**(4,187)**
Increase / (decrease) in cash and cash equivalents	21	**21,881**	**(10,233)**

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements. The independent auditor’s report on review of the Group condensed consolidated interim financial statements is set out on page 1.

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	TOTAL SHAREHOLDERS' EQUITY											
	Issued capital AED million	**Treasury shares** AED million	**Tier 1 capital notes** AED million	**Share premium reserve** AED million	**Legal and statutory reserve** AED million	**Other reserve** AED million	**Fair value reserve** AED million	**Currency translation reserve** AED million	**Retained earnings** AED million	**Total** AED million	**Non-controlling interests** AED million	**Group total** AED million
Balance as at 1 January 2026	6,317	(46)	9,129	17,954	3,158	2,945	(1,122)	(4,438)	110,685	144,582	237	144,819
Profit for the period	-	-	-	-	-	-	-	-	12,818	12,818	32	12,850
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	143	1,075	-	1,218	(13)	1,205
Tier 1 capital notes issued during the period (refer Note 11)	-	-	2,754	-	-	-	-	-	-	2,754	-	2,754
Tier 1 capital notes redeemed during the period (refer Note 11)	-	-	(2,754)	-	-	-	-	-	-	(2,754)	-	(2,754)
Interest on Tier 1 capital notes	-	-	-	-	-	-	-	-	(246)	(246)	-	(246)
Acquisition of subsidiary - non-controlling interest	-	-	-	-	-	-	-	-	-	-	6,580	6,580
Change in non-controlling interests and others	-	-	-	-	-	-	-	-	-	-	5	5
Dividends paid* (refer Note 10)	-	-	-	-	-	-	-	-	(6,311)	(6,311)	-	(6,311)
Balance as at 30 June 2026	6,317	(46)	9,129	17,954	3,158	2,945	(979)	(3,363)	116,946	152,061	6,841	158,902
Balance as at 1 January 2025	6,317	(46)	9,129	17,954	3,158	2,945	(1,132)	(6,071)	93,736	125,990	224	126,214
Profit for the period	-	-	-	-	-	-	-	-	12,515	12,515	10	12,525
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	28	1,122	-	1,150	-	1,150
Tier 1 capital notes issued during the period (refer Note 11)	-	-	3,664	-	-	-	-	-	-	3,664	-	3,664
Tier 1 capital notes redeemed during the period (refer Note 11)	-	-	(3,664)	-	-	-	-	-	-	(3,664)	-	(3,664)
Interest on Tier 1 capital notes	-	-	-	-	-	-	-	-	(282)	(282)	-	(282)
Change in non-controlling interests and others	-	-	-	-	-	-	-	-	(52)	(52)	(7)	(59)
Dividends paid* (refer Note 10)	-	-	-	-	-	-	-	-	(6,311)	(6,311)	-	(6,311)
Balance as at 30 June 2025	6,317	(46)	9,129	17,954	3,158	2,945	(1,104)	(4,949)	99,606	133,010	227	133,237

*Dividends paid are net of the amount attributable to treasury shares.

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements.
The independent auditor’s report on review of the Group condensed consolidated interim financial statements is set out on page 1.

1 CORPORATE INFORMATION

Emirates NBD Bank (P.J.S.C.) (the Bank) was incorporated in the United Arab Emirates (UAE) on 16 July 2007 consequent to the merger between Emirates Bank International (P.J.S.C.) and National Bank of Dubai (P.J.S.C.), under the Commercial Companies Law (Federal Law No. 8 of 1984 as amended) as a Public Joint Stock Company.

The condensed consolidated interim financial statements for the period ended 30 June 2026 comprise the interim financial statements of the Bank and its subsidiaries (together referred to as the Group).

The Group is listed on the Dubai Financial Market (TICKER: EMIRATESNBD). The Group's principal business activities are Corporate and Institutional Banking, Retail Banking, treasury and islamic banking. The Bank's website is www.emiratesnbd.com.

The registered address of the Bank is Post Box 777, Dubai, UAE.

The parent of the Group is Investment Corporation of Dubai, which is wholly owned by the Government of Dubai.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

These Group condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting.

The accounting policies, including those pertaining to financial assets, cash and cash equivalents, islamic financing and investing assets and investment properties, applied by the Group in the preparation of the Group condensed consolidated interim financial statements are consistent with those applied by the Group in the annual consolidated financial statements for the year ended 31 December 2025.

These Group condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards - Accounting Standards (IFRS accounting standards) and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2025. In addition, results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2026.

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Hyperinflation

Türkiye has been determined a hyperinflationary economy under IAS 29 (Financial Reporting in Hyperinflationary Economies) with the previous three-year accumulated inflation exceeding 100 per cent. IAS 29 requires non-monetary assets and liabilities of DenizBank A.S.(DenizBank), the Group's subsidiary in Türkiye, to be restated to reflect their current prices using the Consumer Pricing Index (CPI) in the local currency of DenizBank before translation to the Group's functional currency.

As at 30 June 2026, the three-year cumulative inflation rate has been 206% (30 June 2025: 220%) based on the Turkish CPI. The consumer price index at the beginning of the reporting period was 110 and closed at 130 resulting in an increase of 18% (30 June 2025: 17%).

- Net non-monetary position (excluding equity) has been indexed by applying the difference in CPI from 31 December 2025 to 30 June 2026 resulting in a gain of AED 1.3 billion (30 June 2025: AED 1.2 billion) in the Group condensed consolidated interim statement of income to the extent determined to be recoverable.

- Monetary assets and liabilities are already reported at the current measuring unit and are not adjusted for inflation. However, the CPI index is applied to measure the loss of purchasing power and for the net monetary position, a hyperinflation adjustment is made in the Group condensed consolidated interim statement of income, amounting to AED 3.3 billion (30 June 2025: AED 2.6 billion) with an equal corresponding credit to OCI.

- Group condensed consolidated interim statement of income is indexed using the respective period index movement for the period. For the period ended 30 June 2026, the indexation impact on the Group condensed consolidated interim statement of income is as follows:

30 June 2026 **In AED billion**	**30 June 2026** **Hyperinflation Impact**	**30 June 2025** **Hyperinflation Impact**
Total operating income	0.33	0.33
General administrative expenses	(0.20)	(0.16)
Net impairment loss on financial assets	(0.17)	(0.09)
Taxation charge	(0.06)	0.01

During the six months period ended 30 June 2026, the loss due to hyperinflation accounting for DenizBank was AED 1.9 billion (30 June 2025: AED 1.5 billion) and is recognised in the Group condensed consolidated interim statement of income as hyperinflation adjustment on net monetary position. Overall, the hyperinflation adjustment results in a credit of AED 1.2 billion (30 June 2025: AED 1.1 billion) in Group condensed consolidated interim statement of comprehensive income after netting off loss on net monetary position recognised in the Group condensed consolidated interim statement of income.

The positive impact of 28 bps (30 June 2025: 30 bps), arising from the AED 3.4 billion (30 June 2025: AED 3.1 billion) non-monetary items credit adjustment to equity partially offset by AED 4.5 billion (30 June 2025: AED 5.2 billion) indexation impact on risk-weighted assets, has been excluded from the capital adequacy computations.

3 CASH AND DEPOSITS WITH CENTRAL BANKS

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Cash	6,655	7,303
Statutory and other deposits with central banks	91,717	107,494
Interest bearing placements with central banks	6,034	348
Murabahas and interest-bearing certificates of deposits with central banks	16,675	9,518
Less: Expected credit losses	(15)	(16)
	121,066	124,647

The reserve requirements which are kept with the central banks of the countries in which the Group operates are not available for use in the Group's day to day operations and cannot be withdrawn without the approval of the respective central banks. The level of reserves required changes periodically in accordance with the directives of the respective central banks.

4 DUE FROM BANKS

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Due from banks in UAE	23,135	22,819
Due from foreign banks	141,697	113,697
Less: Expected credit losses	(248)	(369)
	164,584	136,147

5 INVESTMENT SECURITIES

Unaudited 30 June 2026	Domestic* AED million	Regional** AED million	International*** AED million	Total AED million
Trading securities measured at FVTPL				
Government bonds	1,562	18,002	8,157	27,721
Corporate bonds	1,387	1,691	4,211	7,289
Equity	-	-	170	170
Others	-	-	2,802	2,802
	2,949	19,693	15,340	37,982
Designated as at FVTPL				
Equity	-	127	97	224
Others	-	4	5	9
	-	131	102	233
Measured at amortised cost				
Government bonds	54,363	25,357	34,261	113,981
Corporate bonds	4,672	5,230	1,257	11,159
	59,035	30,587	35,518	125,140
Less: Expected credit losses				(218)
				124,922
Measured at FVOCI - Debt instruments				
Government bonds	6,352	3,640	19,869	29,861
Corporate bonds	5,751	5,261	3,307	14,319
	12,103	8,901	23,176	44,180
Less: Expected credit losses				(48)
				44,132
Measured at FVOCI - Equity instruments				
Equity	119	30	96	245
	119	30	96	245
Gross investment securities	74,206	59,342	74,232	207,780
Net investment securities				207,514

As at 30 June 2026, the fair value of investment securities measured at amortised cost amounted to AED 121,740 million (31 December 2025: AED 132,109 million). These investments are classified as level 1.

5 INVESTMENT SECURITIES (CONTINUED)

Audited 31 December 2025	Domestic* AED million	Regional** AED million	International*** AED million	Total AED million
Trading securities measured at FVTPL				
Government bonds	2,525	12,459	7,570	22,554
Corporate bonds	2,983	3,119	1,531	7,633
Equity	-	-	170	170
Others	-	-	1,173	1,173
	5,508	15,578	10,444	31,530
Designated as at FVTPL				
Equity	-	127	2	129
Others	-	3	5	8
	-	130	7	137
Measured at amortised cost				
Government bonds	64,646	22,313	36,367	123,326
Corporate bonds	5,390	4,606	1,401	11,397
	70,036	26,919	37,768	134,723
Less: Expected credit losses				(221)
				134,502
Measured at FVOCI - Debt instruments				
Government bonds	5,443	4,004	16,605	26,052
Corporate bonds	6,230	4,461	3,544	14,235
	11,673	8,465	20,149	40,287
Less: Expected credit losses				(83)
				40,204
Measured at FVOCI - Equity instruments				
Equity	121	18	96	235
	121	18	96	235
Gross investment securities	87,338	51,110	68,464	206,912
Net investment securities				206,608

*Domestic: These are securities issued within the UAE.
**Regional: These are securities issued within the Middle East excluding the UAE.
***International: These are securities issued outside the Middle East region.

6 LOANS AND RECEIVABLES

By type	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Gross loans and receivables	771,276	657,771
Less: Expected credit losses	(24,919)	(24,924)
Net loans and receivables	746,357	632,847

At amortised cost	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Overdrafts	32,824	23,371
Time loans	491,947	424,517
Loans against trust receipts	14,849	12,315
Bills discounted	18,064	12,383
Credit card receivables	40,327	30,573
Gross loans - conventional	598,011	503,159
Murabaha	129,450	116,218
Ijara	39,004	36,117
Wakala	1,250	1,256
Istisna'a	2,539	2,149
Credit cards receivable	4,760	4,553
Others	4,244	1,994
Less: Deferred income	(7,982)	(7,675)
Gross islamic financing receivables	173,265	154,612
Gross loans and receivables	771,276	657,771
Total of credit impaired loans and receivables	16,422	15,614

Ijara assets amounting to AED 7.2 billion (2025: AED 7.3 billion) were securitised for the purpose of issuance of sukuks (refer Note 8).

6 LOANS AND RECEIVABLES (CONTINUED)

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Analysis by economic activity		
Manufacturing	50,362	38,695
Construction	16,628	14,530
Trade	54,215	46,898
Transport and communication	49,982	44,032
Utilities and services	45,143	34,475
Sovereign	79,005	75,624
Personal	234,124	199,014
Real estate	65,206	55,697
Hotels and restaurants	13,600	12,639
Management of companies and enterprises	59,347	57,010
Financial institutions and investment companies	56,151	49,015
Agriculture	15,854	10,730
Others	39,641	27,087
	779,258	665,446
Less: Deferred income	(7,982)	(7,675)
Gross loans and receivables	771,276	657,771
Less: Expected credit losses	(24,919)	(24,924)
Net loans and receivables	746,357	632,847

7 OTHER ASSETS

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Accrued interest receivable	11,405	9,231
Islamic profit receivable	529	491
Prepayments and other advances	5,127	3,421
Sundry debtors and other receivables	8,382	4,469
Inventory	3,082	3,869
Deferred tax asset	1,284	96
Investment properties	464	347
Others	10,707	6,144
	40,980	28,068

8 DEBT ISSUED, SUKUKS PAYABLE AND OTHER BORROWED FUNDS

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Medium term note programmes	73,375	61,290
Term loans from banks	17,533	15,394
Sukuks payable	9,850	10,181
Borrowings raised from loan securitisations	3,174	3,422
	103,932	90,287

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Balance as at 1 January	90,287	79,903
Additions through acquisition	610	-
New issuances	29,957	33,477
Repayments	(17,355)	(22,402)
Other movements*	433	(691)
Balance at end of period / year	103,932	90,287

*Represents exchange rate and fair value movements on debts issued in foreign currency. The Group hedges the foreign currency risk on public issuances through derivative financial instruments.

As at 30 June 2026 and 31 December 2025, the outstanding medium term notes, sukuks payable and borrowings are falling due as below:

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
2026	9,134	18,106
2027	13,412	17,056
2028	11,381	9,803
2029	12,468	9,986
2030	14,857	14,816
2031	25,766	4,719
Beyond 2031	16,914	15,801
	103,932	90,287

9 OTHER LIABILITIES

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Accrued interest payable	6,622	6,004
Profit payable to islamic depositors	945	834
Managers' cheques	3,166	3,458
Trade and other payables	14,975	10,606
Staff related liabilities	2,201	2,407
Provision for taxation	6,799	4,207
Others	17,796	20,961
	52,504	48,477

10 EQUITY HOLDER FUNDS

At the annual general meeting held on 17 February 2026, shareholders approved payment of a cash dividend of 100% of the issued and paid up capital (AED 1.00 per share) amounting to AED 6,317 million (30 June 2025: AED 6,317 million, AED 1.00 per share) which has been recognised in the Group condensed consolidated interim financial statements as of 30 June 2026.

11 TIER 1 CAPITAL NOTES

The Group has issued a number of regulatory tier 1 capital notes with details mentioned in the table below. The notes are perpetual, subordinated and unsecured. The Group can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and such event will not be considered an event of default. The notes carry no maturity date and have been classified as equity.

During the period ended, the Group has redeemed in full the USD 750 million Tier 1 notes that were issued in July 2020 and successfully issued USD 750 million Tier 1 notes refer below.

Issuance Month/Year	Issued Amount	Coupon Rate
May 2021	USD 750 million (AED 2.75 billion)	Fixed interest rate with a reset after six years
February 2025	USD 1 billion (AED 3.67 billion)	Fixed interest rate with a reset after six years
April 2026	USD 750 million (AED 2.75 billion)	Fixed interest rate with a reset after six years

12 OTHER OPERATING INCOME

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Dividend income on equity investments	11	9
Gain from sale of debt investment securities measured at FVOCI	105	107
Gain from investment securities designated at fair value through profit or loss	-	1
Rental income	24	30
Gain / (loss) on sale of investment properties / inventories	249	(41)
Foreign exchange and derivative income (net)*	1,895	1,980
Other income (net)	618	425
	2,902	2,511

*Foreign exchange income comprises of trading and translation gain / (loss) and gain / (loss) on dealings with customers. This also includes fair value loss on the structured derivatives transactions. The underlying assets' fair value gain is recorded in the net gain on trading securities.

13 GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Staff cost	4,983	4,520
Occupancy cost	195	193
Equipment & supplies	161	136
Information technology cost	549	449
Communication cost	244	219
Service, legal and professional fees	229	188
Marketing related expenses	143	128
Depreciation	701	567
Others	1,137	863
	8,342	7,263

14 NET IMPAIRMENT

The charge / (reversal) to the Group condensed consolidated interim statement of income for the net impairment is made up as follows:

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Net impairment of cash and deposits with central banks	(1)	2
Net impairment of due from banks	(119)	60
Net impairment of investment securities	(27)	34
Net impairment of loans and receivables	2,244	238
Net impairment of unfunded exposures	(425)	(182)
Bad debt written off / (recovery) - net	(239)	(464)
Net impairment on financial assets	1,433	(312)
Net impairment on non-financial assets	(26)	34
	1,407	(278)

15 TAXATION

The Group implemented UAE corporate tax from 1 January 2024 in line with Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses. The entities within the UAE corporate tax group were subject to 9% corporate tax.

The Group implemented UAE domestic minimum top-up tax from 1 January 2025 in line with Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises (Pillar Two legislation) which is applicable to multinational enterprises operating in the UAE with consolidated global revenues of EUR 750 million or more in at least two of the four financial years immediately preceding the financial year. The entities within scope are subject to an overall effective rate of 15%.

The overall minimum tax rate applied to UAE and other applicable profits is 15%.

Amendments to IAS 12 introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing Pillar Two. The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The tax charge for the period ended 30 June 2026 is AED 3,397 million (30 June 2025: AED 2,918 million), representing Group effective tax rate of 18.7% (30 June 2025: 17.2%). UAE effective tax rate is 14.7% (30 June 2025: 14.6%) and Türkiye effective tax rate is 35.3% (30 June 2025: 26.5%).

16 COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Letters of credit	21,176	18,789
Guarantees	128,105	106,914
Liability on risk participations	345	122
Irrevocable loan commitments*	66,922	59,559
	216,548	185,384

*Irrevocable loan commitments represent a contractual commitment to permit drawdowns on a facility within a defined period subject to conditions precedent and termination clauses. Since commitments may expire without being drawn down, and as conditions precedent to draw down have to be fulfilled the total contract amounts do not necessarily represent exact future cash requirements.

17 EARNINGS PER SHARE

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders (further adjusted for interest expense on Tier 1 capital notes) of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all diluted potential ordinary shares, if any.

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Profit for the period attributable to equity holders	12,818	12,515
Deduct: Interest on Tier 1 capital notes	(246)	(282)
Net profit attributable to equity holders	12,572	12,233
Weighted average number of equity shares in issue (million)	6,311	6,311
Earnings per share* (AED)	1.99	1.94
Adjusted earnings per share** (AED)	2.29	2.18

*The diluted and basic earnings per share were the same for the six months period ended 30 June 2026 and 30 June 2025.

**Adjusted EPS for the six months period ended 30 June 2026 and 30 June 2025 represent net profit for the period attributable to equity holders excluding the non-cash impact of hyperinflation adjustment on net monetary position divided by weighted average number of equity shares in issue.

18 DERIVATIVES

	Unaudited 30 June 2026			Audited 31 December 2025		
	Positive fair value AED million	Negative fair value AED million	Notional amount AED million	Positive fair value AED million	Negative fair value AED million	Notional amount AED million
Derivatives held for trading	15,267	(19,442)	1,593,259	11,823	(14,430)	1,250,671
Derivatives held as cash flow hedges	300	(707)	51,258	262	(1,189)	35,921
Derivatives held as fair value hedges	382	(3,553)	55,470	317	(3,589)	35,620
Derivatives held as hedge of a net investment in foreign operations	-	-	-	11	-	302
Total	15,949	(23,702)	1,699,987	12,413	(19,208)	1,322,514

19 OPERATING SEGMENTS

The Group is organised into the following main businesses:

(a) Corporate and Institutional Banking represents corporate loans, customer deposits, trade finance, islamic products (including Emirates Islamic Bank P.J.S.C.) and structured financing for the Group excluding DenizBank and RBL;

(b) Retail banking and Wealth Management represents retail loans, customer deposits, private banking and wealth management, islamic products (including Emirates Islamic Bank P.J.S.C.), equity broking services, asset management and consumer financing for the Group excluding DenizBank and RBL;

(c) Global Markets and Treasury activities comprise of managing the Group's portfolio of investments, funds management, islamic products (including Emirates Islamic Bank P.J.S.C.) and interbank treasury operations for the Group excluding DenizBank and RBL;

(d) DenizBank and RBL are managed as separate operating segments;

(e) Other operations of the Group include Emirates NBD Global Services LLC, property management, operations and support functions.

Transactions between operating segments is on an arm's-length basis in a manner similar to transactions with third parties.

Geographical segment:

The Group operates in four defined geographic segments i.e. UAE, Türkiye, India and international through a network of branches, subsidiaries and representative offices. Income, expense, asset and liabilities information presented in below section is based on origination of the operation booked.

19 OPERATING SEGMENTS (CONTINUED)

Unaudited 30 June 2026	Corporate and Institutional Banking	Retail Banking and Wealth Management	Global Markets and Treasury	DenizBank	RBL	Others	Total
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Net interest income and income from islamic products net of distribution to depositors	3,202	7,021	809	5,915	74	2,006	19,027
Net fees, commission and other income	2,161	3,470	584	1,865	67	711	8,858
Total operating income	5,363	10,491	1,393	7,780	141	2,717	27,885
General and administrative expenses	(502)	(3,020)	(129)	(3,075)	(49)	(1,567)	(8,342)
Net impairment	1,707	(1,493)	32	(1,741)	(24)	112	(1,407)
Hyperinflation adjustment on net monetary position	-	-	-	(1,889)	-	-	(1,889)
Profit for the period before taxation	6,568	5,978	1,296	1,075	68	1,262	16,247
Segment assets	544,596	246,735	243,435	195,706	74,177	17,817	1,322,466
Segment liabilities and equity	373,826	407,999	64,765	173,447	58,038	244,391	1,322,466

Unaudited 30 June 2025	Corporate and Institutional Banking	Retail Banking and Wealth Management	Global Markets and Treasury	DenizBank	RBL	Others	Total
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Net interest income and income from islamic products net of distribution to depositors	2,835	6,560	1,090	4,298	-	2,048	16,831
Net fees, commission and other income	1,762	3,034	154	2,082	-	75	7,107
Total operating income	4,597	9,594	1,244	6,380	-	2,123	23,938
General and administrative expenses	(425)	(2,817)	(122)	(2,419)	-	(1,480)	(7,263)
Net impairment	1,474	(482)	(40)	(1,059)	-	385	278
Hyperinflation adjustment on net monetary position	-	-	-	(1,510)	-	-	(1,510)
Profit for the period before taxation	5,646	6,295	1,082	1,392	-	1,028	15,443
Segment assets	437,829	223,730	238,481	175,028	-	10,573	1,085,641
Segment liabilities and equity	304,174	386,257	42,897	155,339	-	196,974	1,085,641

19 OPERATING SEGMENTS (CONTINUED)

Geographical segment:

Unaudited 30 June 2026	UAE	Türkiye	India	International	Total
	AED million	AED million	AED million	AED million	AED million
Net interest income and income from islamic products net of distribution to depositors	11,614	5,915	140	1,358	19,027
Net fees, commission and other income	6,324	1,865	112	557	8,858
Total operating income	17,938	7,780	252	1,915	27,885
General and administrative expenses	(4,244)	(3,075)	(108)	(915)	(8,342)
Net impairment	546	(1,741)	(30)	(182)	(1,407)
Hyperinflation adjustment on net monetary position	-	(1,889)	-	-	(1,889)
Profit for the period before taxation	14,240	1,075	114	818	16,247
Segment assets	924,555	195,706	81,199	121,006	1,322,466
Segment liabilities and equity	969,032	173,447	64,042	115,945	1,322,466

Unaudited 30 June 2025	UAE	Türkiye	India	International	Total
	AED million	AED million	AED million	AED million	AED million
Net interest income and income from islamic products net of distribution to depositors	11,395	4,298	43	1,095	16,831
Net fees, commission and other income	4,518	2,082	30	477	7,107
Total operating income	15,913	6,380	73	1,572	23,938
General and administrative expenses	(4,045)	(2,419)	(39)	(760)	(7,263)
Net impairment	1,268	(1,059)	(1)	70	278
Hyperinflation adjustment on net monetary position	-	(1,510)	-	-	(1,510)
Profit for the period before taxation	13,136	1,392	33	882	15,443
Segment assets	811,325	175,028	5,551	93,737	1,085,641
Segment liabilities and equity	836,366	155,339	4,498	89,438	1,085,641

20 RELATED PARTY TRANSACTIONS

Investment Corporation of Dubai (40.92%) together with Dubai Holding (14.83%), both of which are wholly owned by the Government of Dubai, hold a controlling interest in the Group.

Deposits from and loans to Dubai government related entities, other than those that have been individually disclosed, amount to 4% (December 2025: 4%) and 7% (December 2025: 7%) respectively, of the total deposits and loans of the Group.

These entities are independently run business entities, and all financial dealings with the Group are on commercial terms.

The Group has also entered into transactions with certain other related parties who are non-government related entities. Such transactions were also made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with third parties and do not involve more than a normal amount of risk.

Related party balances and transactions are as follows:

	Unaudited 30 June 2026 AED million	Audited 31 December 2025 AED million
Loans and receivables:		
To majority shareholder of the parent	33,490	36,504
To parent	2,200	2,200
To directors and related companies	2,714	2,228
	38,404	40,932
Customer and islamic deposits:		
From majority shareholder of the parent	17,788	16,459
From parent	1,441	2,163
	19,229	18,622
Investment in Government of Dubai bonds	6,287	6,307

20 RELATED PARTY TRANSACTIONS (CONTINUED)

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Payments made to other related parties	58	35
Fees received in respect of funds managed by the Group	9	12
Directors' sitting and other fee	10	11

The total amount of compensation paid to key management personnel of the Group during the period is as follows:

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
Key management compensation:		
Short term employment benefits	90	75
Post employment benefits	1	1

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

21 NOTES TO THE GROUP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of period	36,764	54,094
Net cash inflow / (outflow)	21,881	(10,233)
Balance at end of period	58,645	43,861
(b) Analysis of cash and cash equivalents		
Cash and deposits with central banks	121,066	134,642
Due from banks	164,584	142,855
Due to banks	(82,169)	(61,938)
	203,481	215,559
Less: deposits with central banks for regulatory purposes	(91,717)	(113,865)
Less: certificates of deposits with central banks maturing after three months	-	(92)
Less: amounts due from banks maturing after three months	(107,258)	(91,246)
Add: amounts due to banks maturing after three months	54,139	33,505
	58,645	43,861

21 NOTES TO THE GROUP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Unaudited six months period ended 30 June 2026 AED million	Unaudited six months period ended 30 June 2025 AED million
(c) Adjustment for non cash and other items		
Net impairment loss / (reversal) on cash and deposits with central banks	(1)	2
Net impairment loss / (reversal) on due from banks	(119)	60
Net impairment loss / (reversal) on investment securities	(27)	34
Net impairment loss / (reversal) on loans and receivables	2,244	238
Net impairment loss / (reversal) on unfunded exposures	(425)	(182)
Amortisation of fair value	62	54
(Discount) / premium on investment securities	(1,065)	(1,887)
Unrealised foreign exchange loss / (gain)	(3,531)	(2,326)
Depreciation / impairment on property and equipment / investment property	676	607
Dividend income on equity investments	(11)	(9)
Unrealised (gain) / loss on investments	164	(322)
Unrealised (gain) / loss on FV hedged item	103	997
(Gain) / loss on sale of investment properties / inventories	(249)	41
Amortisation of (discount) / premium on sukuks	2	3
Hyperinflation adjustment on net monetary position	1,889	1,510
	(288)	(1,180)

22 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Fair value of assets and liabilities

The table below analyses assets and liabilities measured at fair value on a recurring basis. The different levels in the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in principal markets for identified assets or liabilities.
- Level 2: valuation using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: valuation using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Unaudited 30 June 2026	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Investment securities				
Trading securities at FVTPL	37,934	48	-	37,982
FVOCI - Debt instruments	44,144	36	-	44,180
FVOCI - Equity instruments	30	-	215	245
Designated at FVTPL	73	-	160	233
	82,181	84	375	82,640
Derivatives				
Positive fair value of derivatives				
Derivatives held for trading	-	15,267	-	15,267
Derivatives held as cash flow hedges	-	300	-	300
Derivatives held as fair value hedges	-	382	-	382
Derivatives held as hedge of a net investment in foreign operations	-	-	-	-
	-	15,949	-	15,949
Negative fair value of derivatives				
Derivatives held for trading	-	(19,442)	-	(19,442)
Derivatives held as cash flow hedges	-	(707)	-	(707)
Derivatives held as fair value hedges	-	(3,553)	-	(3,553)
Derivatives held as hedge of a net investment in foreign operations	-	-	-	-
	-	(23,702)	-	(23,702)
	82,181	(7,669)	375	74,887
Audited 31 December 2025	71,889	(6,768)	273	65,394

22 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy.

	Trading securities at FVTPL	Designated at FVTPL	FVOCI – Debt instrument	FVOCI– Equity instrument	Total
	AED million	AED million	AED million	AED million	AED million
Balance as at 1 January 2026	-	65	-	208	273
Acquisition related movements	-	95	-	-	95
Total gains or losses:					
- in profit or loss	-	-	-	-	-
- in other comprehensive income	-	-	-	-	-
Purchases	-	-	-	7	7
Settlements and other adjustments	-	-	-	-	-
Balance as at 30 June 2026 (unaudited)	-	160	-	215	375
Balance as at 31 December 2025 (audited)	-	65	-	208	273

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 Group employs valuation techniques, depending on the instrument type and available market data. Any changes in the assumptions used for such instruments are not expected to have material impact on the financial statements

During the period ended 30 June 2026 and the year ended 31 December 2025, no financial assets measured at fair value were transferred from level 1 to level 2 or from level 2 to level 1.

For comparative information please refer to the Group's consolidated financial statements for the year ended 31 December 2025.

23 RISK MANAGEMENT

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

Stage-wise financing exposures and the related Expected Credit Losses (ECL) as at 30 June 2026 and 30 June 2025 are given below:

Loans and receivables

Unaudited 30 June 2026	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired*	Total
	AED million	AED million	AED million	AED million
Balance at 1 January	611,973	30,184	15,614	657,771
Transfers from stage 1	(14,066)	13,411	655	-
Transfers from stage 2	3,523	(8,327)	4,804	-
Transfers from stage 3	1	252	(253)	-
New financial assets, net of repayments (incl. acquired assets)	122,211	602	(2,155)	120,658
Amounts written off during the period	-	-	(1,898)	(1,898)
Exchange and other adjustments	(4,294)	(616)	(345)	(5,255)
Total gross loans and receivables	719,348	35,506	16,422	771,276
Expected credit losses	(6,367)	(5,033)	(13,519)	(24,919)
Carrying amount	712,981	30,473	2,903	746,357

*Lifetime ECL credit-impaired financial assets include Purchased or Originated Credit-Impaired (POCI) assets of AED 106 million, representing net acquired financial assets recognised as part of the acquisition of the subsidiary. These are presented within “New financial assets, net of repayments, including acquired assets”.

Unaudited 30 June 2025	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	AED million	AED million	AED million	AED million
Balance at 1 January	486,412	25,128	17,639	529,179
Transfers from stage 1	(11,287)	10,912	375	-
Transfers from stage 2	4,361	(8,648)	4,287	-
Transfers from stage 3	162	230	(392)	-
New financial assets, net of repayments	50,374	(810)	(2,779)	46,785
Amounts written off during the period	-	-	(2,572)	(2,572)
Exchange and other adjustments	(2,253)	(506)	(424)	(3,183)
Total gross loans and receivables	527,769	26,306	16,134	570,209
Expected credit losses	(5,292)	(5,195)	(14,549)	(25,036)
Carrying amount	522,477	21,111	1,585	545,173

23 RISK MANAGEMENT (CONTINUED)

Amounts arising from ECL

The following tables show reconciliations from the opening to the closing balance of the loss allowance for loans and receivables.

Unaudited 30 June 2026	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	AED million	AED million	AED million	AED million
Balance at 1 January	5,758	5,591	13,575	24,924
Transfers from stage 1	(256)	246	10	-
Transfers from stage 2	341	(877)	536	-
Transfers from stage 3	1	52	(53)	-
Allowances / (reversals) made during the period	572	104	3,605	4,281
Write back / recoveries made during the period	-	-	(2,037)	(2,037)
Amounts written off during the period	-	-	(1,898)	(1,898)
Exchange and other adjustments	(49)	(83)	(219)	(351)
Closing balance	6,367	5,033	13,519	24,919

Unaudited 30 June 2025	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	AED million	AED million	AED million	AED million
Balance at 1 January	5,767	6,223	15,562	27,552
Transfers from stage 1	(276)	274	2	-
Transfers from stage 2	277	(1,446)	1,169	-
Transfers from stage 3	1	76	(77)	-
Allowances / (reversals) made during the period	(467)	102	2,582	2,217
Write back / recoveries made during the period	-	-	(1,979)	(1,979)
Amounts written off during the period	-	-	(2,572)	(2,572)
Exchange and other adjustments	(10)	(34)	(138)	(182)
Closing balance	5,292	5,195	14,549	25,036

23 RISK MANAGEMENT (CONTINUED)

Amounts arising from ECL

In determining the expected credit loss ("ECL") for the period ended 30 June 2026, the Group considered the potential effects of the ongoing geopolitical developments in the region, based on the best available information and measures under Financial Institution Resilience Package (FIRP) issued by the Central Bank of UAE at the reporting date.

Reasonableness of forward-looking information and probability weightings

The measurement of ECL requires the application of judgment, particularly in determining forward-looking information and the probability weighting of multiple economic scenarios. The Group performs historical analysis to identify the key macroeconomic variables relevant to each portfolio and their impact on credit risk and ECL. Forecasts for these variables, including base, upside and downside scenarios, are obtained from external sources on a quarterly basis. During Q1 2026, in order to reflect the heightened uncertainty arising from prevailing conditions, the Group increased the weighting assigned to the downside scenario to 100% for Retail customers and 80% for Corporate customers in the UAE within its ECL assessment. Following the availability of updated macroeconomic forecasts in Q2 2026, the Group reverted to its standard multiple-scenario methodology comprising baseline, upside and downside scenarios, with probability weightings of 40%, 30% and 30%, respectively. Management concluded that the updated forecasts appropriately reflected the impact of the evolving geopolitical environment and, accordingly, no additional management overlay was required as at 30 June 2026.

Given the unprecedented nature of the current environment, the estimation of ECL remains highly judgmental and subject to significant inherent uncertainty. The Group will continue to monitor developments and reassess the assumptions and judgments applied in measuring ECL on a regular basis. Actual outcomes may differ materially from those reflected in the assumptions and estimates applied.

Significant increase in credit risk (SICR)

Under IFRS 9, financial assets are transferred from Stage 1 to Stage 2 where there has been a significant increase in credit risk since initial recognition. The assessment of significant increase in credit risk is based on changes in the risk of default over the expected life of the exposure and incorporates both quantitative and qualitative information.

The Group continues to closely monitor all portfolios, including retail, wholesale and SME, in order to assess whether any financial difficulties experienced by borrowers are temporary and liquidity-driven, arising from the extraordinary circumstances that commenced on 28 February 2026, or whether they are indicative of a more sustained deterioration in creditworthiness.

The Group has actively participated in the CBUAE-led FIRP, reflecting its determination to support customers through periods of uncertainty and to contribute to the stability and resilience of the UAE economy. As at 30 June 2026, payment deferral programmes, incorporating principal and interest deferrals in line with FIRP requirements, were operational. The level of deferrals granted by the Group was not considered material, reflecting limited customer demand and utilisation of the programme.

The Group continues to reassess the long-term viability of affected borrowers, and stage classification is determined in accordance with IFRS 9, the Credit Risk Management Standards ("CRMS"), the Group's internal policies and applicable CBUAE guidelines.

24 ACQUISITION OF RBL BANK LIMITED (RBL BANK) IN INDIA

On 18 June 2026, the Bank (the 'Acquirer') successfully acquired 60% stake in RBL Bank (RBL or the 'Acquiree') through the issuance of preferential equity shares for a purchase consideration of INR 260.1 billion (AED 10 billion). The acquisition supports the Group's strategic expansion into the Indian market.

In accordance with Indian capital markets regulations, the Bank also launched a mandatory tender offer to existing shareholders. However, no shareholders subscribed to the offer and, accordingly, there was no additional consideration and no change in the Group's ownership interest in RBL.

The transaction was completed on 18 June 2026 (the 'acquisition date'). The acquisition was accounted for as a business combination in accordance with *IFRS 3 Business Combination*. From the acquisition date, the Group obtained control over RBL Bank and consolidated its assets, liabilities, income and expenses.

The fair value of assets and liabilities acquired is given below:

Net assets acquired *(provisional)*	**AED million**
Assets	
Cash and deposits with Central Bank	3,782
Due from banks	7,411
Loans and receivables	41,615
Investment securities	15,823
Positive fair value of derivatives	849
Property and equipment	543
Other assets	3,461
Liabilities	
Due to banks	11,626
Customer deposits	42,017
Debt issued and other borrowed funds	610
Negative fair value of derivatives	761
Other liabilities	3,292
Fair value of Net assets acquired	**15,178**
Represented by:	
Purchase consideration	10,004
Non-controlling interest	6,580
Goodwill and Intangibles *(provisional)*	(1,406)
Total	**15,178**

Net cash flow on acquisition:	**AED million**
Cash and cash equivalents acquired	3,782
Purchase consideration	(10,004)
Net cash flow on acquisition	(6,222)

Provisional goodwill and intangibles represent the difference between fair value of assets acquired and purchase consideration. The fair value of the assets and liabilities have been determined by an external expert. A purchase price allocation exercise is currently in progress, and the goodwill and intangibles will be adjusted once the exercise is completed. The Bank measured non-controlling interests (NCI) in RBL at the NCI's proportionate share of the acquiree's identifiable net assets at the acquisition date and the measurement also includes RBL issued employee stock option plan (ESOP) balance that existed at the acquisition date.

Business combination related costs

Acquisition related costs of AED 60 million were included within general and administrative expenses.

Impact on Group's result

RBL Bank's revenue and profit included in the condensed consolidated interim income statement from the acquisition date to 30 June 2026 were AED 141 million and AED 49 million, respectively.

If the acquisition of RBL Bank had occurred on 1 January 2026, the condensed consolidated interim income statement would have included revenue of AED 2,100 million and profit of AED 189 million for the period ended 30 June 2026.

25 COMPARATIVE AMOUNTS

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