EMIRATES DEVELOPMENT BANK PJSC
Review report and condensed consolidated interim financial information
for the three-month period ended 31 March 2026

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of the Emirates Development Bank PJSC

Introduction

We have reviewed the accompanying 31 March 2026, condensed consolidated interim financial information of Emirates Development Bank PJSC ("the Bank") and its subsidiaries (the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2026;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of other comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2026; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Maher AlKatout
Registration No.: 5453
Abu Dhabi, United Arab Emirates

Date: 22 JUN 2026

KPMG Professional License No.: CN 1001280

Condensed consolidated interim statement of financial position
As at

	Notes	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Assets			
Cash and balances with the UAE Central Bank	20	**1,657,098**	1,070,680
Balances and deposits with banks	5	**3,410,072**	5,186,190
Loans and advances to customers	6	**6,812,422**	6,142,615
Islamic financing	7	**118,553**	124,802
Investment securities	8	**5,232,731**	4,786,049
Investment in associates	9	**67,520**	20,847
Investment properties	10	**521,585**	521,585
Derivative financial instruments	14	**23,981**	55,428
Intangibles	15	**9,110**	8,553
Property and equipment	15	**36,114**	37,505
Other assets		**191,646**	198,326
Total assets		**18,080,832**	18,152,580
Liabilities			
Due to banks		**367,300**	437,300
Derivative financial instruments	14	**28,073**	17,158
Deposits and funds	11	**4,165,657**	4,567,268
Term borrowings	12	**5,920,203**	5,594,289
Other liabilities	24	**671,059**	642,763
Total liabilities		**11,152,292**	11,258,778
Equity			
Share capital	13	**4,768,390**	4,758,390
Statutory reserve		**687,297**	687,297
Retained earnings		**1,231,126**	1,149,148
Impairment reserve		**78,616**	92,893
Investment revaluation reserve		**145,256**	188,219
Revaluation surplus		**17,855**	17,855
Total equity		**6,928,540**	6,893,802
Total liabilities and equity		**18,080,832**	18,152,580

To the best of our knowledge, the condensed consolidated interim financial information presents fairly in all material respects the financial condition, financial performance, and cash flows of the Group as of, and for, the periods presented therein. This condensed consolidated interim financial information was approved by the Board of Directors and authorized for issuance on 22 JUN 2026 and were signed on its behalf by:

H.E. Dr. Sultan Ahmed Al Jaber	**Ahmed Mohamed Al Naqbi**	**David Trafford**
Chairman	Chief Executive Officer	Chief Financial Officer

The accompanying notes form an integral part of this condensed consolidated interim financial information.
The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Condensed consolidated interim statement of profit or loss

	Notes	Three-month period ended 31 March 2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Income			
Interest income	16	193,932	192,277
Interest expense	17	(75,383)	(71,673)
Net interest income		118,549	120,604
Profit from Islamic financing		2,107	1,967
Net interest income and profit from Islamic financing		120,656	122,571
Investment income	18	15,370	16,008
Fees and commission income		20,373	11,979
Other income, net		11,876	1,876
Total operating income		168,275	152,434
Expenses			
Salaries and employee benefits		(46,938)	(44,788)
Depreciation and amortization		(3,048)	(3,285)
Operating and administrative expenses		(21,882)	(21,484)
Impairment (charge) /recoveries, net	19	(23,825)	20,712
Profit before tax for the period		72,582	103,589
Income tax expense	23	(4,881)	(6,021)
Net profit for the period		67,701	97,568

The accompanying notes form an integral part of this condensed consolidated interim financial information.
The independent auditors' report on review of condensed consolidated interim financial information is set out on pages 1 to 2.

Condensed consolidated interim statement of other comprehensive income

	Notes	Three-month period ended 31 March 2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Net profit for the period		**67,701**	97,568
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Fair value (loss)/ gain on financial assets measured at FVTOCI, net of tax		**(29,560)**	28,486
Items that are or may be reclassified subsequently to profit or loss			
Fair value (loss)/ gain on financial assets measured at FVTOCI		**(13,403)**	1,722
Other comprehensive (loss)/ income for the period, net of tax		**(42,963)**	30,208
Total comprehensive income for the period		**24,738**	**127,776**

The accompanying notes form an integral part of this condensed consolidated interim financial information.
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Condensed consolidated interim statement of changes in equity

	Paid up capital AED'000	Statutory reserve AED'000	Retained earnings AED'000	Impairment Reserve AED'000	Investment revaluation reserve AED'000	Revaluation surplus AED'000	Total equity AED'000
Balance at 1 January 2025 (audited)	4,708,390	655,925	895,369	64,632	96,974	17,855	6,439,145
Net profit for the period	-	-	97,568	-	-	-	97,568
Fair value gain on financial assets measured at FVTOCI, net of tax	-	-	-	-	30,208	-	30,208
Total comprehensive income for the period	-	-	97,568	-	30,208	-	127,776
Transfer to IFRS reserve	-	-	(8,201)	8,201	-	-	-
Increase in paid up capital (note 13)	30,000	-	-	-	-	-	30,000
Balance at 31 March 2025 (unaudited)	4,738,390	655,925	984,736	72,833	127,182	17,855	6,596,921
Balance at 1 January 2026 (audited)	**4,758,390**	**687,297**	**1,149,148**	**92,893**	**188,219**	**17,855**	**6,893,802**
Net profit for the period	-	-	**67,701**	-	-	-	**67,701**
Fair value loss on financial assets measured at FVTOCI, net of tax	-	-	-	-	**(42,963)**	-	**(42,963)**
Total comprehensive (loss) income for the period	-	-	**67,701**	-	**(42,963)**	-	**24,738**
Transfer from IFRS reserve	-	-	**14,277**	**(14,277)**	-	-	-
Increase in paid up capital (note 13)	**10,000**	-	-	-	-	-	**10,000**
Balance at 31 March 2026 (unaudited)	**4,768,390**	**687,297**	**1,231,126**	**78,616**	**145,256**	**17,855**	**6,928,540**

The accompanying notes form an integral part of this condensed consolidated interim financial information.
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Condensed consolidated interim statement of cash flows

	Three-month period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net profit for the period	**67,701**	97,568
Adjustments for:		
Depreciation and amortisation	**3,048**	3,285
Dividend income	**(16,059)**	(14,527)
Fair value changes on financial assets classified at FVTPL	**194**	(1,481)
Amortisation of discount on investment securities	**(3,897)**	(3,078)
Fair value change in derivatives of financial instruments	**704**	-
Impairment charge / (recoveries) on financial assets	**23,825**	(20,712)
Share of profit in associates	**(209)**	-
Amortisation of issuance cost on term borrowings	**273**	196
Income tax expense	**4,881**	6,021
Provision for employees' end of service benefits	**1,230**	1,150
Operating cash flow before changes in working capital	**81,691**	68,422
Working capital changes:		
Deposits with banks maturing after three months	**1,210,620**	1,414,668
Deposits and funds	**(401,611)**	978,191
Loans and advances to customers	**(683,525)**	(374,838)
Due to banks	**(70,000)**	-
Islamic financing	**(2,016)**	(369)
Other assets	**20,381**	62,877
Other liabilities	**23,203**	88,762
Cash generated from operating activities	**178,743**	2,237,713
Employee benefits paid	**(406)**	(189)
Net cash generated from operating activities	**178,337**	2,237,524
Cash flows from investing activities		
Acquisition of property and equipment	**(1,357)**	(3,368)
Acquisition of Intangible assets	**(857)**	-
Investment in associates	**(46,464)**	-
Dividend received	**2,360**	3,878
Investment securities purchased	**(487,819)**	(1,008,963)
Investment securities sold	-	73,864
Net cash used in investing activities	**(534,137)**	(934,589)
Cash flows from financing activities		
Increase in share capital	**10,000**	30,000
Proceeds from term borrowing	**367,300**	-
Repayment of lease liability	**(880)**	(572)
Net cash generated from financing activities	**376,420**	29,428
Net increase in cash and cash equivalents	**20,620**	1,332,363
Cash and cash equivalents as at 1 January (Note 20)	**2,906,357**	2,651,457
Cash and cash equivalents as at 31 March (Note 20)	**2,926,977**	3,983,820

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Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026

1. Legal status and principal activities

Emirates Development Bank ("EDB" or "the Bank"), was incorporated as a shareholding company, fully owned by the Federal Government of United Arab Emirates as per the decree issued by the President, Sheikh Khalifa bin Zayed Al Nahyan, Federal Law No. 7 (the "EDB Law") issued on 18 September 2011, by merging the operations and assets and liabilities of Emirates Industrial Bank ("EIB") and Real Estate Bank ("REB"), both existing Federal banks that were established under separate laws ("the merged banks"). The EDB Law became effective from 30 September 2011.

The main objectives of the Bank are to enable UAE's industrial development, accelerate the adoption of advanced technologies, empower the growth of SMEs in the UAE, encourage entrepreneurship and innovation.

The Bank together with its subsidiaries, Emirates Integrated Registries Company ("EIRC") and Emirates Growth Fund Holding Limited ("EGF Holding"), (together referred to as the "Group") is engaged in providing industrial loans, managing the integrated registries services, and facilitating access to equity financing for industrial SMEs, through a patient approach in UAE. The Federal Government of United Arab Emirates is the Ultimate Parent Company and Controlling Party of the Group.

EGF Holding was incorporated on 05 April 2024 (a fully owned subsidiary of the Bank) in the jurisdiction of Abu Dhabi Global Market as a private company limited by shares as a special purpose vehicle to be incorporated under the applicable regulations and sub-ordinate rules of the Abu Dhabi Global Market.

The registered address of the Bank is P.O. Box 51515, Abu Dhabi, United Arab Emirates.

2. Basis of preparation

The condensed consolidated interim financial information is prepared in accordance with International Accounting Standard 34. "*Interim Financial Reporting*" issued by the International Accounting Standards Board and the applicable requirements of the Federal Decree Law No. 7 issued on 18 September 2011, and Federal Law No. 32 of 2021, as amended, on Commercial Companies Law.

The condensed consolidated interim financial information does not include all the information required for a complete set of IFRS consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements as at and for the year ended 31 December 2025.

Additionally, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2026.

Functional and presentation currency

This condensed consolidated interim financial information are presented in United Arab Emirates Dirham (AED), which is the Group's functional and presentation currency. Amounts have been rounded to the nearest thousand (AED'000) except where otherwise indicated.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

2. Basis of preparation (continued)

Basis of measurement

This condensed consolidated interim financial information has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income (FVTOCI) and financial assets and liabilities at fair value through profit or loss (FVTPL) and derivatives which are carried at fair value.

The accounting policies applied by the Group in the presentation of this condensed consolidated interim financial information are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2025, except for changes in accounting policies explained in note 3.

Use of judgement and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Increased geopolitical uncertainty prompted EDB to reassess its borrowers credit risk profiles. The availability of reliable forward-looking information remains limited and, accordingly, the estimation of ECL is subject to uncertainty. Consequently, EDB recalibrated its ECL macroeconomic scenario weightings, increasing the downside probability to 60% and reducing the upside to 0%, resulting in an AED 8 million management overlay.

EDB continues to proactively monitor the potential impact of these developments on its borrowers, and credit risk profile. EDB has implemented a four-pillar relief framework to support clients' liquidity and operational resilience in line with CBUAE Financial Institution Resilience Package (FIRP) guidelines.

3. Summary of material accounting policies

The Group has consistently applied the accounting policies used in preparation of the condensed consolidated financial information consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2025, except for the adoption of certain new and revised standards that became effective in the current period as set out below.

3.1 New accounting standards or amendments for accounting periods beginning on or after 1 January 2026

The following amendments to existing standards and framework that are mandatorily effective for accounting periods that begin on or after 1 January 2026 have also been applied in this condensed consolidated interim financial information. The adoption of these amended standards below did not have any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7.
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7.
- Annual Improvements to IFRS Accounting Standards -Volume 11.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

3. Summary of material accounting policies (continued)

3.2 Standards and interpretations in issue but not yet effective and not early adopted

The following new standards and amendments to the existing standards are applicable to annual reporting periods beginning on or after 1 January 2027 and early application is permitted. The Group is currently evaluating the impact of the new standards and amendments to the existing standards and expects to adopt them on the effective date.

New accounting standards or amendments	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely

4. Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month periods ended 31 March 2026 and 31 March 2025.

5. Balances and deposits with banks

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Money market placements	**3,348,826**	5,146,759
Current and call accounts	**61,512**	39,997
	3,410,338	5,186,756
Less: allowance for impairment	**(266)**	(566)
	3,410,072	5,186,190

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

6. Loans and advances to customers

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Government entities	**1,583,875**	1,692,125
Industrial finance	**5,230,188**	4,432,824
Mortgage retail loans	**110,778**	119,642
Gross loans and advances to customers	**6,924,841**	6,244,591
Less: allowance for impairment	**(112,419)**	(101,976)
	6,812,422	6,142,615

The total non-performing loans amounted to AED 80 million *(31 December 2025: AED 89* million*)*. The specific provisions held against those loans amounted to AED 79 million *(31 December 2025: AED 77 million)*.

7. Islamic financing

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Ijarah	**120,344**	123,089
Estisnaa	**8,349**	8,400
Wakala Murabaha finance	**25,558**	20,746
Gross Islamic financing	**154,251**	152,235
Less: allowance for impairment	**(35,698)**	(27,433)
	118,553	124,802

Islamic financing takes the form of Ijarah. These are lent to UAE nationals for the purpose of purchasing or construction of their home. The total non-performing Islamic financing amounted to AED 34.1 million (*31 December 2025: AED 35.1 million)*. The specific provisions held against those loans amounted to AED 30.9 million *(31 December 2025: AED 23.4 million)*.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

8. Investment securities

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Investment securities at FVTPL	**88,281**	88,719
Investment securities at FVTOCI		
- Investment securities designated as at FVOCI - equity investments	**439,419**	454,148
- Investment securities measured at FVOCI - debt instruments	**1,668,625**	1,653,992
Investment securities measured at amortised cost	**3,040,925**	2,593,158
Gross Investments	**5,237,250**	4,790,017
Less: allowance for impairment on amortised cost securities	**(4,519)**	(3,968)
	5,232,731	4,786,049

The financial assets at fair value through other comprehensive income (FVTOCI) are comprising of the following:

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Investment securities designated as at FVOCI - equity investments		
- Quoted equity shares	**330,455**	345,184
- Un-quoted equity shares	**108,964**	108,964
Investment securities measured at FVOCI - debt instruments	**1,668,625**	1,653,992
	2,108,044	2,108,140

The financial assets at fair value through other comprehensive income, which consist of quoted and unquoted equity securities, are denominated in UAE Dirhams. The fair values of quoted equity shares and debt instruments are categorised under level 1, and the fair values of unquoted equity shares are categorised under level 3 of the fair value hierarchy.

Investment securities measured at fair value through other comprehensive income (FVTOCI) consist of US Dollar denominated bonds that carry coupon rates between 1.38% to 9.75% p.a. with maturities between 03 April 2026 to 10 November 2035 (31 December *2025: coupon rates between 1.26% to 9.75% p.a. with maturities between 16 January 2026 to 10 November 2035*).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

8. Investment securities (continued)

The financial asset at amortised cost comprises of the following:

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Bonds and sukuks	**1,244,528**	1,343,164
Treasury bills issued by the UAE Central Bank	**1,796,397**	1,249,994
	3,040,925	2,593,158
Less: allowance for impairment	**(4,519)**	(3,968)
	3,036,406	2,589,190

Investment securities measured at amortised cost consist of US Dollar denominated bonds that carry coupon rates between 1.7% to 6.75% p.a. with maturities between 28 April 2026 to 01 August 2035 (31 December *2025: coupon rates between 1.38% to 7.00% p.a. with maturities between 26 January 2026 to 01 August 2035*).

Market treasury bills issued by the central Bank of the United Arab Emirates (CBUAE), having carrying value of AED 1,796 million, with yield ranges between 3.80% to 4.53% p.a. and having maturities ranging between 01 April 2026 to 16 September 2026 (2025: yield ranges between 3.82% to 4.7% p.a. and having maturities ranging between 07 January 2026 to 16 September 2026).

9. Investment in associates

Emirates Growth Fund Limited referred to as "EGF" (a subsidiary of Emirates Growth Holding Company referred to as "EGF Holding"), as part of their mandate, participated in the equity funding aimed at supporting business expansion and financing.

The Group determined that it has significant influence over the investees by virtue of its 20% shareholding and representation on the Board of Directors. Accordingly, the investment has been accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The associates are not material to the Group, and the results for the period have no material impact on the condensed consolidated interim financial information.

Associate name	Country of incorporation	Acquisition date	Holding %	Principal activity	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Tarmeem Healthcare Holding Ltd	UAE	09 September 2025	20.00%	Health Care	**21,056**	20,847
Carnistore Holdings Ltd	UAE	13 March 2026	23.05%	Food Security	**46,464**	-
					67,520	20,847

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

10. Investment properties

	Land AED'000	Buildings AED'000	Properties under development AED'000	Total AED'000
At 1 January 2025	120,390	309,112	74,200	503,702
Change in fair value during the year	12,655	(1,172)	6,400	17,883
At 31 December 2025 (audited)	133,045	307,940	80,600	521,585
Change in fair value during the period	-	-	-	-
At 31 March 2026 (unaudited)	**133,045**	**307,940**	**80,600**	**521,585**

Investment properties are stated at fair value, which have been determined based on valuations performed by an independent valuer as at 31 December 2025.

The valuation, conforms with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards ("RICS") and the relevant statements of the International Valuations Standards, was arrived at by using recognised valuation methods comprising the comparable method of valuation, the investment valuation method and the residual valuation method.

The fair values of investment property are categorised under level 3 of the fair value hierarchy. The fair values of investment properties are based on the highest and best use of the properties, which is their current use.

As at the valuation date of 31 December 2025, significant unobservable inputs include comparable sales price of office and land plots which ranges from AED 78 to 3,953 per sq./ft. and apartment building which ranges from AED 1,066 to 1,673 per sq./ft. and capitalization rate between 7.75% to 8.00%.

11. Deposits and funds

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Deposits from governmental institutions		
Term deposits	**2,106,608**	2,202,018
Funds from governmental institutions		
Call account	**641,960**	538,339
Current account	**465,435**	499,772
Corporate deposits		
Term deposits	**518,008**	998,565
Other deposits	**433,646**	328,574
	4,165,657	4,567,268

As at 31 March 2026, time deposits range from a term of 60 to 364 days, with interest rate range of 3.50% to 4.15% per annum (*31 December 2025: 30 to 365 days, with interest rate range of* 3.70% to 4.15% *per annum*).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

12. Term borrowings

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
USD senior bonds*	**2,754,750**	2,754,750
Treasury Borrowing**	**367,300**	-
	3,122,050	2,754,750
Less: Issuance cost	**(856)**	(1,128)
	3,121,194	2,753,622
Borrowing from a related party*** (note 25)	**2,800,000**	2,800,000
Fair value hedge adjustment	**(991)**	40,667
	5,920,203	5,594,289

*In February 2019, the Bank established a Euro Medium Term Note Programme for USD 3,000 million (the "Programme"). As part of the Programme, the first issuance amounted to USD 750 million (AED 2,755 million) carried a coupon rate of 3.516% per annum payable semi-annually and was listed in Nasdaq Dubai on 6 March 2019. The notes have been matured during March 2024. The second issuance under the Programme amounted to USD 750 million (AED 2,755 million) and was listed in Nasdaq Dubai on 15 June 2021. The notes are due in 2026 and carry a coupon rate of 1.639% per annum payable semi-annually.

**In January 2026, the Bank has obtained a treasury borrowing from ADEX for a period of 3 years of USD 100 million. The borrowing will mature in January 2029 and carry a variable SOFR coupon rate of 4.396% per annum for first 3 months and 4.428% per annum for remaining period payable quarterly with principal payment at maturity.

***In January 2025, the Bank has obtained a borrowing from Ministry of Finance (MoF) for a period of 5 years of AED 2,800 million. The borrowing will mature in January 2029 and carry a fixed coupon rate of 4.627% per annum for first 6 months and 4.37% per annum for remaining period payable semi-annually with principal payment at maturity.

The Group hedges borrowings from MoF amounting to AED 2,800 million for interest rate risks using interest rate swaps and designates these swaps as fair value hedges. The positive fair value of these swaps as at 31 March 2026 was AED 1 million and negative fair value change of hedged item was AED 1 million resulted in net gain of Nil recognized in condensed consolidated interim statement of profit or loss.

13. Share capital

As per the EDB Law, the authorized share capital is 10 billion shares at AED 1 each with share capital of AED 4.8 billion as at 31 March 2026, the issued share capital comprises of 5 billion ordinary shares of AED 1 each *(31 December 2025: 5 billion ordinary shares of AED 1 each)*. The shares are not yet fully paid . During the period, additional capital was injected by the Federal Government amounting to AED 10 million *(31 December 2025: AED 50 million)*.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

14. Derivative financial instruments

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

	Positive fair value AED'000	Negative fair value AED'000	Notional Value AED'000
31 March 2026			
Derivatives designated as fair value hedges			
Interest rate swaps	-	**(991)**	**2,800,000**
Derivatives not designated for hedges			
Interest rate swaps	**27,082**	**(27,082)**	**1,661,435**
Credit value adjustment	**(3,101)**	-	-
	23,981	**(28,073)**	**4,461,435**

	Positive fair value AED'000	Negative fair value AED'000	Notional Value AED'000
31 December 2025			
Derivatives designated as fair value hedges			
Interest rate swaps	40,667	-	2,800,000
Derivatives not designated for hedges			
Interest rate swaps	17,158	(17,158)	1,621,962
Credit value adjustment	(2,397)	-	-
	55,428	(17,158)	4,421,962

15. Property and equipment: During the period, the Group incurred capital expenditure of AED 1.3 million (2025: AED 4.7 million), mainly relating to computers, furniture and fixtures, and work-in-progress.

Intangibles: During the period, the Group incurred capital expenditure of AED 0.8 million (2025: AED 16 million), mainly relating to work-in-progress.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

16. Interest income

	Three-month period ended 31 March	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Balances and deposits with banks	**43,391**	57,720
Loans and advances to customers	**87,975**	76,507
Fixed income securities	**48,877**	42,715
Cash and balances with the UAE Central Bank	**13,689**	15,335
	193,932	192,277

17. Interest expense

	Three-month period ended 31 March	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Term borrowings	**45,918**	42,073
Deposits and funds - government institutions	**21,477**	19,140
Due to banks and corporate deposits	**10,769**	4,470
Others	**262**	1,000
Net interest (income)/ expense on derivatives	**(3,043)**	4,990
	75,383	71,673

18. Investment income

	Three-month period ended 31 March	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Dividend income	**16,059**	14,527
Share of income from associates	**209**	-
Credit value adjustment	**(704)**	-
Fair value (loss)/ gain on bonds and sukuks	**(194)**	1,481
	15,370	16,008

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

19. Impairment (charge) / recoveries - net

	Three-month period ended 31 March	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Allowance for impairment (losses)/ reversal on:		
- Loans and advances to customers	**(13,717)**	630
- Islamic Financing	**(8,265)**	967
- Credit guarantees	**(1,592)**	(5,568)
- Balances and deposits with banks	**300**	117
- Investment securities at amortised cost	**(551)**	(72)
Write backs and recoveries	-	24,638
	(23,825)	20,712

20. Cash and cash equivalents

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents comprise:

	31 March 2026 AED'000 (unaudited)	31 March 2025 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Cash and balances with the UAE Central Bank*	**1,657,098**	1,681,946	1,070,680
Balances and deposits with banks, net	**3,410,072**	4,923,086	5,186,190
	5,067,170	6,605,032	6,256,870
Less: balances with original maturities over three-months, net	**(2,140,193)**	(2,621,212)	(3,350,513)
	2,926,977	3,983,820	2,906,357

* This includes overnight placements with the UAE Central Bank amounting to AED 1,631 million (31 December 2025: AED 1,023 million) at a rate of 3.65% (31 December 2025: 3.65%)

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

21. Fair value of financial instruments

All financial assets and liabilities are measured at amortised cost except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are measured at fair value by reference to published price quotations in an active market.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Group measures the fair values of its quoted financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss using the quoted market price (unadjusted) in active market for an identical instrument (Level 1). For the unquoted financial assets at FVTOCI, the Group measures its fair value based on Level 3, using a market comparison technique which is mainly based on market multiples derived from financial information of companies comparable to the investee and the expected EBITDA of the investee, among others. The estimate is adjusted for the effect of non-marketability of the equity securities.

The fair values of balance with the UAE Central Bank, balances and deposits with banks, deposits from government authorities and corporate customers, which are predominantly short term in tenure and issued at market rates, are considered to reasonably approximate their carrying amount. The Group estimates that the fair value of its conventional housing portfolio and Ijarah and Estisnaa portfolios not to be materially different from it carrying amount since all these balances carry floating market rates of interest and are re-priced on semiannual basis.

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

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

21. Fair value of financial instruments (continued)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
As at 31 March 2026 (unaudited)				
Financial assets at FVTPL	**88,281**	-	-	**88,281**
Financial assets at FVTOCI	**1,999,080**	-	**108,964**	**2,108,044**
Derivative financial instruments (assets)	-	**23,981**	-	**23,981**
	2,087,361	**23,981**	**108,964**	**2,220,306**
Derivative financial instruments (liabilities)	-	**27,082**	-	**27,082**
Term borrowings	-	**991**	-	**991**
	-	**28,073**	-	**28,073**
As at 31 December 2025 (audited)				
Financial assets at FVTPL	88,719	-	-	88,719
Financial assets at FVTOCI	1,999,176	-	108,964	2,108,140
Derivative financial instruments (assets)	-	55,428	-	55,428
	2,087,895	55,428	108,964	2,252,287
Derivative financial instruments (liabilities)	-	17,158	-	17,158
Term borrowings	-	40,667	-	40,667
		57,825		57,825

As at 31 March 2026, the fair values of the investments classified as financial assets measured at amortised cost amounted to AED 2.8 billion *(31 December 2025: AED 2.7 billion)*. As at 31 March 2026, the fair value of the term borrowings amounted to AED 5.6 billion *(31 December 2025: AED 5.3 billion)*. During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Management considers that the carrying amounts of financial assets and liabilities recognised in the condensed consolidated interim financial information do not materially differ from their fair values.

The valuation techniques and inputs used in this condensed consolidated interim financial information is same as those prescribed in the Group's consolidated financial statements as at and for the year ended 31 December 2025.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

22. Commitments and contingent liabilities

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Unwithdrawn credit commitments – revocable	**3,132,346**	1,756,614
Guarantees and letter of credits	**1,407,217**	1,253,313

The Group has issued financial guarantees in favor of other lending banks who have granted loans to the customers of Mohammad Bin Rashid Innovation Fund (the "MBRIF"). The Group also have a reciprocal arrangement with Ministry of Finance to claim the guarantee amount in case of any default by the customer. As at 31 March 2026, MBRIF related guarantees amounted to AED 13.9 million *(2025: AED 14.9 million).*

23. Income Tax

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 1, 2023.

The tax rate applicable in the UAE is 9% for taxable profits exceeding AED 375,000. The Group will be subject to the application of the Global Minimum Tax rate of 15%.

The income tax charge of the group for the period ended 31 March 2026 is AED 4.9 million (31 March 2025: AED 6 million), representing Effective Tax Rate ("ETR") of 6.725% (31 March 2025: 5.54%).

The current tax liability has been presented as part of other liabilities in the condensed consolidated interim financial information.

24. Other Liabilities

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Unsettled trade liability	**200,376**	92,150
Home finance portfolio settlement liability	**131,049**	176,017
Accrued expenses	**58,133**	55,392
Accrual for staff costs and others	**57,465**	80,472
Interest payable against term borrowings	**46,293**	61,827
Corporate tax payable	**40,332**	36,776
Interest payable against deposits and funds	**33,953**	30,597
Lease liability	**25,622**	26,501
Others	**25,161**	34,341
Impairment allowance on credit guarantees	**22,598**	21,006
Customer settlement account	**18,787**	18,848
Deferred rent income	**6,102**	4,528
Accrual for directors' remuneration	**3,963**	3,100
Customer deposits towards reserving residence	**1,225**	1,208
	671,059	642,763

25. Related party transactions and balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise key higher management personnel and the board of directors, and their related companies and the institutions. The Group operates in a market dominated by entities directly or indirectly controlled by the Government of the UAE through its government authorities, agencies, affiliations and other organizations, collectively referred to as government related entities. In the normal course of business, the Group had various transactions with its related parties. Transactions are entered into with related parties on terms and conditions approved by the Group's management.

The Group has applied the exemption in IAS 24 'Related Party Disclosures' that allows presentation of reduced related party disclosures regarding transactions with government related parties.

These transactions are conducted in the ordinary course of business, on terms comparable to those with other entities that are not government related and are not individually or collectively significant.

Significant balances and transactions with related parties during the year were as follows:

	31 March 2026 (Unaudited)				31 December 2025 (audited)			
	Major Shareholder (AED'000)	**Key Management (AED'000)**	**Others (AED'000)**	**Total (AED'000)**	Major Shareholder (AED'000)	Key Management (AED'000)	Others (AED'000)	Total (AED'000)
a) Related parties' balances								
Cash and balances with the UAE Central Bank	-	-	1,657,098	1,657,098	-	-	1,070,680	1,070,680
Treasury bills issued by the UAE Central Bank	-	-	1,796,397	1,796,397	-	-	1,249,994	1,249,994
Loans and advances – *gross*	-	-	1,583,875	1,583,875	-	-	1,692,125	1,692,125
Other assets	1,650	-	4,457	6,107	155	-	15,230	15,385
Deposits	(656,608)	-	(1,450,000)	(2,106,608)	(652,018)	-	(1,550,000)	(2,202,018)
Funds	(1,824)	-	(1,105,571)	(1,107,395)	(1,824)	-	(1,036,287)	(1,038,111)
Borrowing	(2,799,009)	-	-	(2,799,009)	(2,840,667)	-	-	(2,840,667)
Other liabilities	(31,464)	(3,963)	(23,042)	(58,469)	(59,820)	(3,100)	(19,903)	(82,823)
Off balance sheet exposure	14,473	-	-	14,473	14,882	-	-	14,882
	31 March 2026 (Unaudited)				31 March 2025 (Unaudited)			
b) Related parties' transactions								
Interest income	-	-	19,240	19,240	-	-	24,865	24,865
Interest expense	(36,581)	-	(15,486)	(52,067)	(36,342)	-	(14,320)	(50,662)
Fee income	1,048	-	3,750	4,798	1,048	-	3,748	4,796
Directors' remunerations	-	(893)	-	(893)	-	(775)	-	(775)
Key management compensation	-	(6,723)	-	(6,723)	-	(7,102)	-	(7,102)
Share capital received	10,000	-	-	10,000	30,000	-	-	30,000

As at 31 March 2026, the ECL allowance held against related parties balances amounted to AED 0.3 million (31 December 2025 AED 0.3 million).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

26. Credit quality per stage for financial assets

The details of gross outstanding of financial assets and their expected credit losses per stage was as follows:

	Gross outstanding				Expected credit loss (ECL)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 March 2026 (unaudited)								
Cash and balances with the UAE Central Bank	1,657,098	-	-	1,657,098	-	-	-	-
Balance and deposits with banks	3,410,338	-	-	3,410,338	(266)	-	-	(266)
Loans and advances to customers	6,741,799	102,757	80,285	6,924,841	(25,299)	(11,202)	(75,918)	(112,419)
Islamic financing	92,921	27,232	34,098	154,251	(424)	(4,292)	(30,982)	(35,698)
Investment securities - debt	4,797,831	-	-	4,797,831	(4,519)	-	-	(4,519)
Derivative financial instruments	-	23,981	-	23,981	-	-	-	-
Other assets	110,998	1,261	580	112,839	-	-	-	-
	16,810,985	155,231	114,963	17,081,179	(30,508)	(15,494)	(106,900)	(152,902)
Contingent liabilities and commitments (unfunded)	1,386,990	11,114	16,967	1,415,071	(7,757)	(913)	(13,928)	(22,598)

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2026 (continued)

26. Credit quality per stage for financial assets (continued)

	Gross outstanding				Expected credit loss (ECL)			
	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2025 (audited)								
Cash and balances with the UAE Central Bank	1,070,680	-	-	1,070,680	-	-	-	-
Balance and deposits with banks	5,186,756	-	-	5,186,756	(566)	-	-	(566)
Loans and advances to customers	5,983,707	171,724	89,160	6,244,591	(15,446)	(9,334)	(77,196)	(101,976)
Islamic financing	95,144	22,013	35,078	152,235	(617)	(3,377)	(23,439)	(27,433)
Investment securities - debt	4,335,869	-	-	4,335,869	(3,968)	-	-	(3,968)
Derivative financial instruments	-	55,428	-	55,428	-	-	-	-
Other assets	97,304	32,054	611	129,969	-	-	-	-
	16,769,460	281,219	124,849	17,175,528	(20,597)	(12,711)	(100,635)	(133,943)
Contingent liabilities and commitments (unfunded)	1,233,746	10,752	17,166	1,261,664	(5,902)	(1,025)	(14,079)	(21,006)

27. Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed consolidated interim financial information as at and for the three-month period ended 31 March 2026.

28. Comparative information

Certain comparative amounts have been reclassified wherever necessary to conform to the current presentation.