

**NATIONAL BANK OF
UMM AL-QAIWAIN(PSC)
AND SUBSIDIARY**

**Review report and interim condensed consolidated
financial information
for the nine-month period ended 30 September 2025**

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors
National Bank of Umm Al-Qaiwain (PSC)
United Arab Emirates**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **National Bank of Umm Al-Qaiwain (PSC)** (the “Bank”) and its subsidiary (collectively referred as the “Group”) as of 30 September 2025, and the related interim condensed consolidated income statement, interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the nine months period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

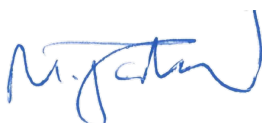
Conclusion

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

Other matter

The financial statements of the Bank for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 6 February 2025. The interim financial information for the period ended 30 September 2024 was reviewed by another auditor who expressed an unmodified conclusion on that information on 17 October 2024.

Deloitte & Touche (M.E.)



Mohammed Jallad
Registration No.: 1164
20 October 2025
Dubai
United Arab Emirates

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Interim condensed consolidated statement of financial position as at 30 September 2025

		30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Notes		
ASSETS			
Cash and balances with the Central Bank of the U.A.E	4	3,060,714	2,590,559
Due from other banks	5	6,557,855	5,294,105
Loans and advances and Islamic financing receivables	6	8,714,221	7,775,670
Investment securities	7	2,931,474	1,738,624
Customers' acceptances		237,123	195,937
Investment in an associate		-	252
Property and equipment		71,331	72,322
Other assets	8	228,660	212,991
Total assets		21,801,378	17,880,460
LIABILITIES			
Due to other banks	9	100,032	-
Customers' deposits and Islamic customers' deposits	10	14,727,303	11,405,816
Customers' acceptances		237,123	195,937
Other liabilities	11	333,840	292,772
Total liabilities		15,398,298	11,894,525
SHAREHOLDERS' EQUITY			
Share capital	12	2,000,000	2,000,000
Statutory reserve		1,019,266	1,019,266
General reserve	14	6,440	6,440
Impairment reserve -general	15	117,014	81,486
Cumulative change in fair values		796,601	515,167
Retained earnings		2,463,759	2,363,576
Total shareholders' equity		6,403,080	5,985,935
Total liabilities and shareholders' equity		21,801,378	17,880,460

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Nasser Rashid AbdulAziz AlMoalla
Vice Chairman and Chairman of Executive Committee

.....
Adnan Al Awadhi
Chief Executive Officer

The accompanying notes form an integral part of these interim condensed consolidated financial information. (2)

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Interim condensed consolidated income statement for the nine-month period ended 30 September 2025 (Unaudited)

		Three-month period ended 30 September		Nine-month period ended 30 September	
	Notes	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Interest income	17	242,443	224,131	692,486	672,407
Income from Islamic financing products		9,203	2,559	11,994	8,406
Total interest income and income from Islamic financing products		251,646	226,690	704,480	680,813
Interest expense	17	(81,010)	(69,571)	(224,395)	(186,969)
Distribution to depositors – Islamic products		(6,671)	(15)	(6,727)	(42)
Net interest income and income from Islamic products net of distribution to depositors		163,965	157,104	473,358	493,802
Net fees and commission income		9,115	7,156	25,209	21,824
Other operating income	18	32,032	7,706	146,926	81,695
Gross Income		205,112	171,966	645,493	597,321
Operating expenses		(59,362)	(44,666)	(152,162)	(129,742)
Investment gains		1,147	2,919	60,641	53,621
Operating Income		146,897	130,219	553,972	521,200
Share of loss from an associate		-	(123)	(257)	(74)
Profit for the period before impairment		146,897	130,096	553,715	521,126
Net impairment reversal/(losses)	19	18,664	(4,248)	(49,283)	(86,982)
Profit before tax		165,561	125,848	504,432	434,144
Income tax expense	20	(14,814)	(11,290)	(39,923)	(34,221)
Profit for the period		150,747	114,558	464,509	399,923
Basic and diluted earnings per share (AED)	21	0.08	0.06	0.23	0.20

The accompanying notes form an integral part of these interim condensed consolidated financial information. (3)

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Interim condensed consolidated statement of comprehensive income for the nine-month period ended 30 September 2025 (Unaudited)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Profit for the period	150,747	114,558	464,509	399,923
Other comprehensive income				
<i>Items that will not be reclassified subsequently to income statement</i>				
Net fair value gain on investment securities carried at FVTOCI - equity	18,836	76,045	313,087	81,952
Share of OCI from an associate	-	-	5	-
Related tax expense on other comprehensive income	-	(7,256)	(456)	(7,256)
Other comprehensive income for the period	18,836	68,789	312,636	74,696
Total comprehensive income for the period	169,583	183,347	777,145	474,619

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Interim condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2025 (Unaudited)

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Impairment reserve - general AED'000	Cumulative change in fair value AED'000	Retained earnings AED'000	Total AED'000
Balance as at 1 January 2024 (audited)	2,000,000	1,019,266	6,440	74,797	388,254	2,152,184	5,640,941
Profit for the period	-	-	-	-	-	399,923	399,923
Other comprehensive income for the period	-	-	-	-	74,696	-	74,696
Total comprehensive income for the period	-	-	-	-	74,696	399,923	474,619
Additional provision under U.A.E							
Central Bank requirement over IFRS 9 requirement	-	-	-	9,576	-	(9,576)	-
Sale of FVOCI equity	-	-	-	-	(12,636)	12,516	(120)
Dividend paid	-	-	-	-	-	(300,000)	(300,000)
Balance as at 30 September 2024 (unaudited)	2,000,000	1,019,266	6,440	84,373	450,314	2,255,047	5,815,440
Balance as at 1 January 2025 (audited)	2,000,000	1,019,266	6,440	81,486	515,167	2,363,576	5,985,935
Profit for the period	-	-	-	-	-	464,509	464,509
Other comprehensive income for the period	-	-	-	-	312,636	-	312,636
Total comprehensive income for the period	-	-	-	-	312,636	464,509	777,145
Additional provision under U.A.E Central Bank requirement over IFRS 9 requirement (Note 15)	-	-	-	35,528	-	(35,528)	-
Sale of FVOCI equity	-	-	-	-	(31,202)	31,202	-
Dividend paid (Note 13)	-	-	-	-	-	(360,000)	(360,000)
Balance as at 30 September 2025 (unaudited)	2,000,000	1,019,266	6,440	117,014	796,601	2,463,759	6,403,080

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

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Interim condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025 (Unaudited)

	Notes	Nine-month period ended 30 September 2025 AED '000	Nine-month period ended 30 September 2024 AED'000
Cash flows from operating activities			
Profit before tax		504,432	434,144
Adjustments for:			
Provision for expected credit losses	19	42,584	76,628
Provision for Impairment of assets acquired in settlement of debt	19	6,699	10,354
Depreciation of property and equipment		10,249	9,279
Depreciation of right of use asset		1,182	1,336
Provision for employee end of service benefits		3,650	3,000
Decrease in fair value of investment in securities		2,290	2,842
Discount amortized on investment securities		(888)	(2,110)
Dividend income	26	(62,484)	(54,340)
Loss/(gain) on disposal of property and equipment		55	(3,849)
Gain on disposal of assets acquired in settlement of debt		(3,850)	(4,112)
Share of loss from an associate		257	74
Finance cost on lease liability		41	68
Operating cash flows before changes in operating assets and liabilities		504,217	473,314
Increase in due from banks with original maturity greater than 3 months		(1,741,856)	(783,398)
Increase in statutory deposit with Central Bank of the U.A.E.		(274,908)	(147,995)
Increase in loans and advances and Islamic finance receivables		(983,242)	(349,417)
Payment of employee end of service benefits		(1,272)	(425)
Proceeds from disposal of assets acquired in settlement of debt		15,250	7,870
Increase in other assets		(33,768)	(28,638)
Increase in customers' deposits		3,321,487	1,441,267
Increase in other liabilities		44,467	69,995
		850,375	682,573
Tax paid		(45,025)	-
Net cash generated from operating activities		805,350	682,573
Cash flows from investing activities			
Purchase of property and equipment		(10,941)	(21,299)
Proceeds from disposal of property and equipment		447	17,516
Purchase of investment securities		(1,088,608)	(189,700)
Proceeds from maturity and disposal of investment securities		208,255	114,896
Dividend received from investment securities		62,484	54,340
Net cash used in investing activities		(828,363)	(24,247)
Cash flows from financing activities			
Dividends paid	13	(360,000)	(300,000)
Lease payments		(1,225)	(1,477)
Net cash flows used in financing activities		(361,225)	(301,477)
Net (decrease)/ increase in cash and cash equivalents		(384,238)	356,849
Cash and cash equivalents at the beginning of the period		5,302,881	3,927,853
Cash and cash equivalents at the end of the period	22	4,918,643	4,284,702

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Notes to the interim condensed consolidated financial information for the nine-month period ended 30 Sep 2025

1. GENERAL INFORMATION

National Bank of Umm Al-Qaiwain (PSC) (the “Bank”) is a Public Shareholding Company incorporated in the Emirate of Umm Al-Qaiwain (“UAQ”) in the United Arab Emirates (“U.A.E.”) by Amiri Decree Number (1) on 5 January 1982, issued by His Highness, the Ruler of Umm Al-Qaiwain, and commenced its operations with effect from 1 August 1982. National Bank of Umm Al-Qaiwain (PSC), and its subsidiary, Twin Towns Marketing Management L.L.C. are together referred to as the “Group”. The address of the Bank’s registered Head Office is P.O. Box 800, Umm Al-Qaiwain, United Arab Emirates.

The Bank is engaged in providing retail and corporate banking services through a network of 9 branches in the U.A.E. The Group carries out Islamic banking operations through Islamic banking window established in 2005 across all its branch network.

The interim condensed consolidated financial information of the Group for the nine months period ended 30 September 2025 were authorised and approved for issue by the Board of Directors on 20 October 2025 by circulation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

These interim condensed consolidated financial information are prepared in accordance with International Accounting Standard No. 34 - *Interim Financial Reporting* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E. including UAE Federal law No. 32 of 2021 and decretal Federal Law No. 14 of 2018.

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

The interim condensed consolidated financial information are presented in U.A.E. Dirhams (AED) as that is the functional currency in which the majority of the Group’s transactions are denominated. All financial information presented in AED has been rounded off to the nearest thousand, unless otherwise stated.

These interim condensed consolidated financial information do not include all the information and disclosures required for full annual consolidated financial statements and should be read in conjunction with the Group’s annual audited consolidated financial statements as at and for the year ended 31 December 2024. In addition, results for the interim period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial information comprise the financial statements of the Bank and of the subsidiary as disclosed in Note 1. The financial year end for the subsidiary is the same as that of the Bank using consistent accounting policies.

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

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied by the Group in the preparation of the interim condensed consolidated financial information are consistent with those applied by the Group in the annual consolidated financial statements for the year ended 31 December 2024, except for changes in accounting policies explained in Note 3.

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Notes to the interim condensed consolidated financial information for the nine-month period ended 30 September 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the interim condensed consolidated financial information requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may therefore differ resulting in future changes in these estimates. In preparing the interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for those stated below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have any material impacts on the interim condensed consolidated financial information of the Group.

3.1 APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

3.1.1 New and revised IFRS Accounting Standards applied with no material effect on the condensed consolidated financial information

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

3.1.2 New and revised IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements:

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments Disclosures</i> regarding the classification and measurement of financial instruments	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendment to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of the Group in the period of initial application.

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Notes to the interim condensed consolidated financial information for the nine-month period ended 30 September 2025

4. CASH AND BALANCES WITH CENTRAL BANK OF THE U.A.E

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>Balances with Central Bank of the U.A.E.:</i>		
Current account & Statutory cash reserve deposit *	950,299	814,393
Monetary Bills	464,926	714,703
Overnight deposits	1,550,000	975,000
	2,965,225	2,504,096
Cash in hand	95,489	86,463
	3,060,714	2,590,559

All the balances are classified as Stage 1 as at 30 September 2025 (31 December 2024: Stage 1).

* The statutory deposit with the Central Bank of the U.A.E is not available to finance the day-to-day operations of the Group and is excluded from cash and cash equivalents in Note 22.

5. DUE FROM OTHER BANKS

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Term deposits	5,112,879	3,675,609
Current accounts	15,080	26,824
Loan to banks	1,432,008	1,595,131
Total due from other banks	6,559,967	5,297,564
Provision for expected credit loss	(2,112)	(3,459)
Net due from other banks	6,557,855	5,294,105
Gross amounts due from other banks by geographical area:		
Within U.A.E.	2,824,601	2,301,907
Within GCC	2,351,385	1,761,810
Other countries	1,383,981	1,233,847
	6,559,967	5,297,564

As at 30 September 2025, AED 6,486,506 thousand of amounts due from other banks were classified as stage 1 and AED 73,460 thousand were classified as Stage 2 (As at 31 December 2024, AED 5,297,564 thousand as Stage 1) with corresponding ECL of AED 2,112 thousand (31 December 2024: AED 3,459 thousand). There was no inter-stage movement in gross balances due from other banks during the period (31 December 2024: no inter-stage movement).

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Notes to the interim condensed consolidated financial information for the nine-month period ended 30 September 2025

6. LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Loans	6,748,727	6,181,071
Overdrafts	667,301	787,151
Islamic financing products	76,832	112,909
Loans against trust receipts	235,514	346,104
Syndicated loans	931,600	501,978
Other	136,491	31,372
Total loans and advances and Islamic financing receivables	8,796,465	7,960,585
Provision for expected credit loss	(82,244)	(184,915)
Net loans and advances and Islamic financing receivables	8,714,221	7,775,670

Gross loans and advances and Islamic financing receivables by economic sector:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Real estate	3,194,182	2,830,709
Wholesale and retail trade	1,201,456	1,502,640
Financial institutions	831,289	775,838
Individual loans for business	718,626	740,173
Manufacturing	491,064	490,493
Personal loans and other	371,977	375,831
Transport and communication	576,934	340,628
Government	808,125	147,373
Construction	47,682	49,219
Other services	555,130	707,681
	8,796,465	7,960,585

Movement in the gross balances of loans and advances and Islamic financing receivables:

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross carrying amount:				
As at 1 January 2025	7,010,314	629,909	320,362	7,960,585
New assets originated	3,090,586	21,338	-	3,111,924
Assets derecognised/repaid	(1,964,821)	(65,687)	(98,174)	(2,128,682)
Transfer to Stage 2	(4,509)	4,509	-	-
Transfer to Stage 3	(284)	-	284	-
Write off	-	-	(147,362)	(147,362)
As at 30 September 2025 (Unaudited)	8,131,286	590,069	75,110	8,796,465

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Notes to the interim condensed consolidated financial information for the nine-month period ended 30 September 2025

6. LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES (CONTINUED)

Movement in the gross balances of loans and advances and Islamic financing receivables (continued)

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross carrying amount:				
As at 1 January 2024	6,023,514	660,706	488,344	7,172,564
New assets originated	3,003,323	117,625	1,017	3,121,965
Assets derecognised/repaid	(1,985,189)	(148,739)	(117,479)	(2,251,407)
Transfer to Stage 1	3,465	(3,465)	-	-
Transfer to Stage 2	(21,996)	21,996	-	-
Transfer to Stage 3	(12,803)	(18,214)	31,017	-
Write off	-	-	(82,537)	(82,537)
As at 31 December 2024 (Audited)	<u>7,010,314</u>	<u>629,909</u>	<u>320,362</u>	<u>7,960,585</u>

Movement in the provision for expected credit loss of loans and advances and Islamic financing receivables:

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
ECL allowances				
As at 1 January 2025	41,275	45,283	98,357	184,915
Net impairment charged during the period	(5,916)	(2,590)	94,689	86,183
Recoveries	-	-	(41,492)	(41,492)
Transfer to Stage 2	(24)	24	-	-
Transfer to Stage 3	(23)	-	23	-
Write off	-	-	(147,362)	(147,362)
As at 30 September 2025 (Unaudited)	<u>35,312</u>	<u>42,717</u>	<u>4,215</u>	<u>82,244</u>

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
ECL allowances				
As at 1 January 2024	47,727	33,347	100,736	181,810
Net impairment charged during the period	(5,876)	11,762	87,288	93,174
Recoveries	-	-	(7,532)	(7,532)
Transfer to Stage 1	59	(59)	-	-
Transfer to Stage 2	(582)	582	-	-
Transfer to Stage 3	(53)	(349)	402	-
Write off	-	-	(82,537)	(82,537)
As at 31 December 2024 (Audited)	<u>41,275</u>	<u>45,283</u>	<u>98,357</u>	<u>184,915</u>

The stage 3 loans as at 30 September 2025 amounted to AED 75,110 thousand (31 December 2024: AED 320,362 thousand) which is covered by collateral of AED 340,825 thousand (31 December 2024: AED 1,008,027 thousand) and provision for expected credit loss of AED 4,215 thousand (31 December 2024: AED 98,357 thousand) aggregating to AED 345,040 thousand (31 December 2024: AED 1,106,384 thousand) which is 4.59 times (31 December 2024: 3.45 times) of the stage 3 loans.

National Bank of Umm Al-Qaiwain (PSC) and Subsidiary

Notes to the interim condensed consolidated financial information for the nine-month period ended 30 September 2025

7. INVESTMENT SECURITIES

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Securities at FVTPL:		
Quoted equity securities	21,777	24,366
Discretionary funds managed by third parties - quoted equity securities	391	247
	22,168	24,613
Securities at FVOCI:		
Quoted equity securities	1,286,941	1,003,809
Unquoted equity securities	54,802	50,886
	1,341,743	1,054,695
Securities at amortised cost:		
Quoted debt instruments	1,568,986	661,553
Total investment securities	2,932,897	1,740,861
Provision for expected credit loss	(1,423)	(2,237)
Net investment securities	2,931,474	1,738,624
Gross investment securities by geographical area:		
Within U.A.E.	2,060,125	1,485,641
Within GCC	819,162	205,527
Other countries	53,610	49,693
	2,932,897	1,740,861

All debt investments are classified as Stage 1 (31 December 2024: Stage 1) with corresponding ECL of AED 1,423 thousand (31 December 2024: AED 2,237 thousand). There was no inter-stage movement in gross balances during the period (31 December 2024: no inter-stage movement).

Quoted debt securities aggregating AED 1,568,986 thousand (31 December 2024: AED 661,553 thousand) represent the Group's investments in bonds and notes which are quoted on recognized exchanges and prices of which are available on internationally recognized platforms of Reuters and Bloomberg and are liquid in normal market conditions.

8. OTHER ASSETS

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Assets acquired in settlement of debt*	56,683	65,126
Interest receivable	112,305	91,108
Prepayments and deposits	6,222	8,858
Cash in transit	43,792	28,610
Commission receivable	4,787	4,971
Sundry assets	4,871	14,318
	228,660	212,991

*The Group has recorded an impairment on its assets acquired in settlement of debt amounting to AED 6,699 thousand during period ended 30 September 2025 (31 December 2024: AED 9,918 thousand).

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Notes to the interim condensed consolidated financial information for the nine-month period ended 30 September 2025

9. DUE TO OTHER BANKS

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current accounts	32	-
Short term borrowings	100,000	-
	<u>100,032</u>	<u>-</u>

Due to other banks by geographical area:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Within U.A.E	100,000	-
Other countries	32	-
	<u>100,032</u>	<u>-</u>

10. CUSTOMERS' DEPOSITS AND ISLAMIC CUSTOMERS DEPOSITS

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Time deposits	7,098,230	5,669,693
Current accounts	5,188,727	4,190,182
Call deposits	1,210,802	1,271,658
Savings deposits	162,242	158,306
Islamic customers' deposits	1,014,470	73,392
Margin deposits	52,832	42,585
	<u>14,727,303</u>	<u>11,405,816</u>

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11. OTHER LIABILITIES

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Interest payable	103,964	97,926
Cheques on selves	81,134	44,982
Provision for Income tax	39,923	45,025
Accounts payable	26,541	28,063
Provision for employees' end of service benefits	26,846	24,469
Other staff benefits payable	4,397	1,915
Provision for expected credit loss on commitments and contingencies (Note 16)	11,003	11,146
Provision for expected credit loss on acceptance	427	230
Dividend payable	8,723	8,723
Lease liability	1,974	2,536
Deferred tax liability	1,194	738
Other	27,714	27,019
	333,840	292,772

12. SHARE CAPITAL

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Issued and fully paid:		
2,000 million ordinary shares of AED 1 each (2024: 2,000 million ordinary shares of AED 1 each)	2,000,000	2,000,000

13. DIVIDENDS

At the Annual General Meeting held on 10 March 2025, the shareholders approved dividend of 18% amounting to AED 360 million for the year ended 31 December 2024 (2023: dividend of 15% amounting to AED 300 million which was subsequently paid during 2024), which was paid during the current period.

14. GENERAL RESERVE

The Group maintains a general reserve and the contributions to this reserve are made at the discretion of the Directors. This reserve may be utilised for any purpose to be determined by a resolution of the shareholders of the Group at an Ordinary General Meeting.

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15. IMPAIRMENT RESERVE- GENERAL

The Central Bank issued the new Credit Risk Management Regulation and accompanying Standards, Circular No. 3/2024 dated 25 July 2024, which apply to all financial institutions licensed by the Central Bank that provide credit facilities. As per the clause 9.21 (b) and 9.26 of this circular, the reconciliation between prescribed minimum provision and provision computed under accounting standards are as follows:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Impairment reserve: General		
General provisions under circular No. 3/2024 of CBUAE	209,623	184,786
Less: Stage 1 & Stage 2 provisions under IFRS 9	(92,609)	(103,300)
Impairment Reserve: General*	117,014	81,486

*The amount is transferred to a dedicated non-distributable impairment reserve - general as an appropriation from the retained earnings.

16. COMMITMENTS AND CONTINGENCIES

a) The contractual amounts of the Group's commitments and contingencies are as follows:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Guarantees	1,546,694	1,510,937
Letters of credit	138,894	130,530
	1,685,588	1,641,467
Commitments to extend credit*	1,257,904	1,200,050
	2,943,492	2,841,517

*ECL for commitments to extend credit as at 30 September 2025 amounts to AED 2,994 thousand (31 December 2024: AED 4,495 thousand) out of which AED 880 thousand (31 December 2024: AED 1,910 thousand) pertains to loans and advances and AED 2,114 thousand (31 December 2024: AED 2,585 thousand) pertains to contingencies and commitments.

Gross commitments and contingent liabilities by geographical area:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Within U.A.E.	2,789,653	2,710,381
Outside U.A.E.	153,839	131,136
	2,943,492	2,841,517

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16. COMMITMENTS AND CONTINGENCIES (continued)

Movement in the gross balance of commitment and contingencies (excluding commitments to extend credit):

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross carrying amount:				
As at 1 January 2025	1,589,266	6,412	45,789	1,641,467
Increase in commitments	323,455	-	-	323,455
Decrease in commitments	(273,266)	(4,219)	(1,849)	(279,334)
Transferred to Stage 1	158	(158)		
Transferred to Stage 2	(458)	478	(20)	-
Transferred to Stage 3	(3)	-	3	-
As at 30 September 2025 (Unaudited)	1,639,152	2,513	43,923	1,685,588

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross carrying amount:				
As at 1 January 2024	1,632,332	1,724	71,145	1,705,201
Increase in commitments	316,660	-	-	316,660
Decrease in commitments	(358,341)	(1,174)	(20,879)	(380,394)
Transferred to Stage 2	(1,000)	5,862	(4,862)	-
Transferred to Stage 3	(385)	-	385	-
As at 31 December 2024 (Audited)	1,589,266	6,412	45,789	1,641,467

Movement in the expected credit loss of commitment and contingencies:

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
ECL allowances as at 1 January 2025	10,740	76	330	11,146
Increase in commitments	1,681	69	55	1,805
Decrease in commitments	(1,873)	(75)	-	(1,948)
As at 30 September 2025 (Unaudited)	10,548	70	385	11,003

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
ECL allowances as at 1 January 2024	6,382	-	-	6,382
Increase in commitments	10,023	52	363	10,438
Decrease in commitments	(5,663)	23	-	(5,640)
Transfer to Stage 2	(1)	1	-	-
Transfer to Stage 3	(1)	-	1	-
Write-off	-	-	(34)	(34)
As at 31 December 2024 (Audited)	10,740	76	330	11,146

The provision for ECL against the off-balance sheet exposures disclosed above, amounting to AED 11,003 thousand, (31 December 2024: AED 11,146 thousand) is classified under other liabilities.

b) Capital Commitments

At 30 September 2025, the Group has capital commitments of AED 7,032 thousand (31 December 2024: AED 5,865 thousand).

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17. INTEREST INCOME AND EXPENSE

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Interest Income		
Loans and advances	359,310	392,125
Deposits with the Central Bank of the U.A.E.	83,335	100,086
Due from other banks	210,633	163,166
Investment in debt securities	39,208	17,030
	<u>692,486</u>	<u>672,407</u>
Interest Expense		
Financial liabilities at amortised cost		
Customers' deposits	223,955	186,860
Interest expense other financial and non-financial liabilities	440	109
	<u>224,395</u>	<u>186,969</u>

18. OTHER OPERATING INCOME

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Recoveries from written off customers	129,966	59,349
Rental income	6,526	7,012
Foreign exchange income, net	5,346	3,809
Others	5,088	11,525
	<u>146,926</u>	<u>81,695</u>

19. NET IMPAIRMENT LOSSES

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Loans and advances and Islamic financing receivables	44,691	77,051
Due from other banks	(1,347)	1,200
Investment securities	(814)	471
Acceptances and off-balance sheet items	54	(2,094)
Impairment of asset acquired in settlement of debt	6,699	10,354
	<u>49,283</u>	<u>86,982</u>

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20. INCOME TAX EXPENSE

The components of income tax expense are as follows:

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Interim condensed consolidated income statement		
Current tax charge	39,923	34,221
Interim condensed consolidated statement of comprehensive income		
Deferred tax charge on unrealized gain on revaluation of FVOCI equity	456	7,256
Interim condensed consolidated statement of changes in equity		
Current tax charge on realized gain of FVOCI equity	-	120
Effective tax rate	7.91%	7.88%

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax return was filed by 30 September 2025. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

Current and deferred tax liabilities are recorded under other liabilities.

21. BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to shareholders by the average number of ordinary shares in issue during the year:

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Profit for the period (in AED '000)	464,509	399,923
Weighted average number of shares ('000)	2,000,000	2,000,000
Basic and diluted earnings per share (in AED)	0.23	0.20

There were no potential dilutive shares as at 30 September 2025 and 30 September 2024.

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22. CASH AND CASH EQUIVALENTS

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Cash and balances with the Central bank of the UAE (Note 4)	3,060,714	2,601,120
Due from other banks (Note 5)	6,559,967	4,570,805
	9,620,681	7,171,925
Statutory deposit	(1,029,947)	(630,919)
Due from other banks with original maturity greater than three months	(3,572,059)	(2,256,271)
Due to Other banks (Note 9)	(100,032)	(33)
	4,918,643	4,284,702

23. RELATED PARTY TRANSACTIONS

The Group carries out transactions in the ordinary course of business with related parties, defined as shareholders who have a significant equity interest in the Group, all Directors of the Group and companies in which such shareholders and Directors have significant interest and key management personnel of the Group.

During the period, the Group entered into the following significant transactions with related parties in the ordinary course of business.

	Period ended 30 September 2025 AED'000 (Unaudited)	Period ended 30 September 2024 AED'000 (Unaudited)
Transactions during the period		
Interest income	266	40
Interest expense	139,489	118,371
Other income	126	24
Directors' Fees and key management personnel's remuneration	6,564	5,932

The Group has entered into transactions with related parties which were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with third parties.

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23. RELATED PARTY TRANSACTIONS (CONTINUED)

Outstanding balances at the end of reporting date from transactions with related parties are as follows:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Balances with major shareholders		
Loans and advances	-	345
Deposits	6,120,329	4,887,348
Irrevocable commitments and contingent liabilities	3,302	3,022
Balances with directors and related companies		
Loans and advances	8,665	9,119
Deposits	176,223	174,958
Irrevocable commitments and contingent liabilities	106,830	103,827
Balances with key management personnel		
Loans and advances	237	60
Deposits	493	651

All loans and advances to related parties are classified as Stage 1 (31 December 2024: Stage 1) with corresponding ECL of AED 209 thousand (31 December 2024: AED 384 thousand). There was no inter-stage movement in gross balances during the period (31 December 2024: no inter-stage movement).

24. BUSINESS SEGMENTS

The Group is organised into two main business segments:

Retail and corporate banking - wherein retail banking comprises private customer current accounts, savings accounts, deposits, credit and debit cards, customer loans and mortgages. Corporate banking involves transactions with corporate bodies including government and public bodies and comprises loans, advances, deposits and trade finance transactions.

Treasury and investments - incorporating the activities of the dealing room, related money market, foreign exchange transactions with other banks and financial institutions including the U.A.E. Central Bank and operations by the Bank's Head Office as a whole, none of which mutually constitute a separately reportable segment.

Others- Other consists of assets, liabilities, income and expenses attributable to either head office or not directly related to business segments.

Transactions between the business segments are on normal commercial terms and conditions. There are no material items of income and expense arising between the business segments. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the condensed consolidated statement of financial position items.

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24. BUSINESS SEGMENTS (Continued)

Primary segment information:

Period ended 30 September 2025 (Unaudited)	Retail and corporate banking AED'000	Treasury and investments AED'000	Other AED'000	Total AED'000
Net interest income and income from Islamic products net of distribution to depositors	175,852	297,547	(41)	473,358
Net fees and commission income	23,363	643	1,203	25,209
Other operating income	134,840	4,810	7,276	146,926
Gross income	334,055	303,000	8,438	645,493
Operating expenses	(36,956)	(2,221)	(112,985)	(152,162)
Investment gains	-	60,641	-	60,641
Share of loss from an associate	-	-	(257)	(257)
Net impairment (losses)/reversal	(53,255)	3,972	-	(49,283)
Income tax expense	-	-	(39,923)	(39,923)
Segment result	243,844	365,392	(144,727)	464,509
As at 30 September 2025 (Unaudited)				
Segment assets	10,383,351	11,118,035	299,992	21,801,378
Segment liabilities and equity	14,288,755	100,032	7,412,591	21,801,378
Period ended 30 September 2024 (Unaudited)	Retail and corporate banking AED'000	Treasury and investments AED'000	Other AED'000	Total AED'000
Net interest income and income from Islamic products net of distribution to depositors	191,993	274,426	27,383	493,802
Net fees and commission income	23,929	-	(2,105)	21,824
Other operating income	331	4,183	77,181	81,695
Gross income	216,253	278,609	102,459	597,321
Operating expenses	(34,173)	(1,989)	(93,580)	(129,742)
Investment gains	-	53,621	-	53,621
Share of loss from an associate	-	-	(74)	(74)
Net impairment losses	(74,580)	(1,718)	(10,684)	(86,982)
Income tax expense	-	-	(34,221)	(34,221)
Segment result	107,500	328,523	(36,100)	399,923
As at 30 September 2024 (Unaudited)				
Segment assets	7,462,116	8,151,511	918,077	16,531,704
Segment liabilities and equity	10,385,697	33	6,145,974	16,531,704

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25. FAIR VALUE MEASUREMENTS

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

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

Fair value of financial instruments measured at amortised cost:

The fair value of the quoted debt instruments at amortised cost at 30 September 2025 amounted to AED 1,594,218 thousand (31 December 2024: AED 659,789 thousand). The fair value determination of the quoted debt instruments will fall under level 1 category wherein fair value is determined based on inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Except as detailed above, the management considers that the carrying amounts of financial assets and liabilities measured at amortised cost in the consolidated financial statements approximate their fair values.

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

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used for the year ended 31 December 2024.

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

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

	Fair value as at 30 September 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)	Fair value hierarchy
Financial assets			
Financial assets at FVTPL			
Quoted equity Securities	21,777	24,366	Level 1
Discretionary funds managed by third parties – quoted equity securities	391	247	Level 1
Financial assets at FVOCI			
Quoted equity securities	1,286,940	1,003,809	Level 1
Unquoted equity securities	1,193	1,193	Level 3
Unquoted equity securities	53,609	49,693	Level 2
Positive fair value of derivative	84	16	Level 2
Negative fair value of derivative	1	1	Level 2

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25. FAIR VALUE MEASUREMENTS (CONTINUED)

There were no transfers between each level during the year. There are no financial liabilities which should be categorised under any of the level in table above.

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

26. SEASONALITY OF RESULTS

Investment gains includes dividend income of AED 62,484 thousand for the nine months period ended 30 September 2025 (30 September 2024: AED 54,340 thousand), which is of a seasonal nature.

27. DERIVATIVES

	30 September 2025 (Unaudited)			31 December 2024 (Audited)		
	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000	Positive fair value AED 000	Negative fair value AED 000	Notional amount AED 000
Foreign currency forward contracts	84	1	16,520	16	1	14,467
Total	84	1	16,520	16	1	14,467

28. CAPITAL ADEQUACY RATIOS

Capital element	Basel III Minimum Requirement	As at 30 September 2025	As at 31 December 2024
Common equity tier 1 ratio	7.0%	33.43%	35.11%
Tier 1 capital ratio	8.5%	33.43%	35.11%
Capital adequacy ratio	10.5%	33.75%	36.23%