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البنك العربي المتحد
UNITED ARAB BANK



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years united

**Review Report and Condensed Interim
Financial Statements**
for the three months period ended 31 March 2026

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United Arab Bank P.J.S.C.

**Review report and condensed interim financial statements
For the three months period ended 31 March 2026**

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Review report on condensed interim financial information

To the Board of Directors of United Arab Bank P.J.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Arab Bank P.J.S.C. (the “Bank”) as at 31 March 2026 and the related condensed interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. The Directors are responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this condensed 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 the condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”).

PricewaterhouseCoopers Limited Partnership – SHJ. BR
22 April 2026

Jigesh Ashokkumar Shah
Registered Auditor Number: 5621
Place: Sharjah, United Arab Emirates

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United Arab Bank P.J.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

		<i>Unaudited</i> <i>31 March</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
	<i>Notes</i>		
Assets			
Cash and balances with UAE Central Bank	5	1,940,761	2,489,611
Due from banks, net	6	596,375	1,141,048
Investments and Islamic instruments, net	7	8,273,918	7,860,419
Loans and advances and Islamic financing receivables, net	8	15,080,930	14,554,295
Customer acceptances		259,920	287,850
Other assets, net	9	471,565	412,058
Property, equipment and capital work-in-progress, net		205,522	186,662
Intangibles, net		63,945	68,033
TOTAL ASSETS		26,892,936	26,999,976
Liabilities and Equity			
Liabilities			
Due to banks	10	4,751,027	3,341,437
Customer deposits and Islamic customer deposits	11	16,652,250	17,808,581
Medium term borrowings	12	1,000,000	1,000,000
Customer acceptances		259,920	287,850
Other liabilities	13	387,666	530,453
Total liabilities		23,050,863	22,968,321
Shareholders' equity			
Share capital	14	3,093,826	3,093,826
Tier 1 instrument	14	550,875	550,875
Special reserve		121,904	121,904
Statutory reserve		150,828	150,828
General reserve		9,311	9,311
Fair value reserve	14	(160,348)	(16,268)
Retained earnings		75,677	121,179
Total equity		3,842,073	4,031,655
TOTAL LIABILITIES AND EQUITY		26,892,936	26,999,976

This condensed interim financial information was approved by the Board of Directors on 22 April 2026 and signed on its behalf by:



HH Sheikh Mohammed Bin Faisal Bin Sultan Al Qassimi
Chairman



Shirish Bhide
Chief Executive Officer

The notes on pages 7 to 24 form an integral part of the condensed interim financial information. The independent auditors' report on review of the Bank's condensed interim financial information is set out on page 1.

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF INCOME

For the three months period ended 31 March 2026

		<i>Three months period ended</i>	
		<i>31 March (Unaudited)</i>	
		<i>2026</i>	<i>2025</i>
		<i>AED'000</i>	<i>AED'000</i>
	<i>Notes</i>		
Interest income		281,375	256,292
Income from Islamic financing receivables		53,162	33,868
Total interest income and income from Islamic financing products		334,537	290,160
Interest expense		(150,343)	(148,263)
Distribution to Islamic depositors		(26,970)	(24,659)
Total interest expense and distribution to depositors		(177,313)	(172,922)
Net interest income and income from Islamic financing products net of distribution to depositors		157,224	117,238
Net fees and commission income		20,320	25,068
Foreign exchange income		13,682	10,821
Other operating income		1,378	12,257
Total operating income		192,604	165,384
Employee benefit expenses		(60,270)	(55,103)
Depreciation and amortization		(6,083)	(5,352)
Other operating expenses		(25,914)	(27,176)
Total operating expenses		(92,267)	(87,631)
Operating profit before impairment loss		100,337	77,753
Net impairment (loss)/reversal	15	(17,887)	33,910
Profit for the period before tax		82,450	111,663
Tax expense	16	(7,387)	(10,099)
Net profit for the period		75,063	101,564
Earnings per share (basic and diluted in AED)	4	0.02	0.05

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended 31 March 2026

	<i>Three months period ended</i>	
	<i>31 March (Unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Net profit for the period	75,063	101,564
Other comprehensive (loss)/income		
Items that may be reclassified to the income statement:		
FVOCI investments:		
Net change in fair value	(163,425)	37,898
Reclassified to the income statement	1,635	(5,000)
Net change in allowance for expected credit loss	3,460	(13,948)
Total items that may be reclassified to the income statement	(158,330)	18,950
Related tax on other comprehensive income (Note 16)	14,250	(1,705)
Other comprehensive (loss)/income for the period	(144,080)	17,245
Total comprehensive (loss)/income for the period	(69,017)	118,809

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2026

	<i>Share capital AED'000</i>	<i>Tier 1 instrument AED'000</i>	<i>Special reserve AED'000</i>	<i>Statutory reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Treasury shares AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Retained earnings/ (Accumulated Losses) AED'000</i>	<i>Total AED'000</i>
At 1 January 2026	3,093,826	550,875	121,904	150,828	9,311	-	(16,268)	121,179	4,031,655
Net profit for the period	-	-	-	-	-	-	-	75,063	75,063
Other comprehensive loss for the period	-	-	-	-	-	-	(144,080)	-	(144,080)
Total comprehensive loss for the period	-	-	-	-	-	-	(144,080)	75,063	(69,017)
Coupon on Tier 1 instrument	-	-	-	-	-	-	-	(11,101)	(11,101)
Cash dividends paid (Note 14)	-	-	-	-	-	-	-	(109,464)	(109,464)
At 31 March 2026	3,093,826	550,875	121,904	150,828	9,311	-	(160,348)	75,677	3,842,073
At 1 January 2025	2,062,550	550,875	78,118	107,042	9,311	(3,008)	(98,231)	(155,172)	2,551,485
Net profit for the period	-	-	-	-	-	-	-	101,564	101,564
Other comprehensive income for the period	-	-	-	-	-	-	17,245	-	17,245
Total comprehensive income for the period	-	-	-	-	-	-	17,245	101,564	118,809
Coupon on Tier 1 instrument	-	-	-	-	-	-	-	(11,101)	(11,101)
Rights issue costs	-	-	-	-	-	-	-	(32)	(32)
Treasury shares acquired	-	-	-	-	-	168	-	92	260
At 31 March 2025 (unaudited)	2,062,550	550,875	78,118	107,042	9,311	(2,840)	(80,986)	(64,649)	2,659,421

The notes on pages 7 to 24 form an integral part of the condensed interim financial information. The independent auditors' report on review of the Bank's condensed interim financial information is set out on page 1.

United Arab Bank P.J.S.C.
INTERIM STATEMENT OF CASH FLOWS
For the three months period ended 31 March 2026

		<i>Three months period ended 31 March (unaudited)</i>	
		<i>2026</i>	<i>2025</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Restated)*</i>	
<i>Notes</i>			
Operating activities			
		75,063	101,564
		Adjustments for:	
		6,083	5,352
		-	(15,320)
	16	7,387	10,099
		510	459
		28,391	(17,657)
		1,513	814
		(10)	(13)
		190	(26)
		119,127	85,272
Changes in operating assets and liabilities:			
		(544,093)	(930,241)
		(700,000)	(200,000)
		(33,615)	99,926
		(44,671)	(16,251)
		304,296	1,117,760
		(1,156,331)	1,364,972
		(157,245)	(150,993)
		(2,212,532)	1,370,445
Investing activities			
		(20,855)	(13,550)
		(616,798)	(1,019,942)
		38,274	239,729
		-	29,000
		10	13
		(599,369)	(764,750)
Financing activities			
		-	(32)
		-	260
		(22,200)	-
		(109,464)	-
		(131,664)	228
		(2,943,565)	605,923
		2,152,995	704,592
	23	(790,570)	1,310,515

* Refer to Note 24 for details of restated comparative financial information.

1 LEGAL STATUS AND ACTIVITIES

United Arab Bank P.J.S.C. (the “Bank”) was incorporated in 1975 as a Private Joint Stock Company in the Emirate of Sharjah. The legal form of the Bank was converted to a public company with limited liability in 1982 by a decree of His Highness the Ruler of Sharjah and has been registered as a Public Joint Stock Company under the UAE Commercial Companies Law No. (8) of 1984 (as amended). The Bank’s registered office is located in the Emirate of Sharjah, United Arab Emirates. The address of the registered office is PO Box 25022, Sharjah, United Arab Emirates.

On 8 September 2025, the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business was issued and came into effect on 16 September 2025 which repealed the UAE Federal Law No. 14 of 2018. The Bank must within a period not exceeding one year from the date of the enforcement of its provisions from 16 September 2025 (“the transitional period”) comply with the provisions of the UAE Federal Decree Law No. (6) of 2025.

The Bank carries out the business of commercial banking through its offices and branches in the United Arab Emirates. The Bank also carries out Islamic banking operations through Islamic banking windows at selected branches.

The condensed interim financial statements of the Bank have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of laws of the United Arab Emirates.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed interim financial information of the Bank has been prepared in accordance with the IFRS Accounting Standards, International Accounting Standard (IAS) 34: Interim Financial Reporting as issued by International Accounting Standard Board (IASB).

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Bank’s audited financial statements as at and for the year ended 31 December 2025. In addition, results for the three months 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.

In preparing this condensed interim financial information, significant judgments made by the management in applying the Bank’s accounting policies and the key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2025 as explained in Note 3.2.

2.2 Material accounting policies

The accounting policies applied by the Bank in the preparation of the condensed interim financial statements are consistent with those applied by the Bank in the annual audited financial statements for the year ended 31 December 2025, except for changes in accounting policies explained in Note 3.1.

3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

3.1 Changes in accounting policies

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Bank’s annual financial information for the year ended 31 December 2025. The Bank has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these condensed interim financial statements. Other amendments and interpretations apply for the first time in 2026, but do not have an impact on the Bank’s condensed interim financial statements.

3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS (continued)

3.1 Changes in accounting policies (continued)

Standards, amendments and interpretations that are effective for the Bank's accounting period beginning on 1 January 2026

The following amendments to existing standards have been applied by the Bank in preparation of these condensed interim financial statements. The adoption of these new standards does not have significant impact on the condensed interim financial statements.

Description	Effective from
Classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026

Standard Issued but not yet effective

The new and amended standards and interpretations that are issued but not yet effective, up to the date of issuance of the Bank's interim condensed consolidated financial statements are described below.

Description	Effective from
Presentation and disclosures in financial statements (IFRS 18)	1 January 2027

The Bank is currently evaluating these amendments. The Bank will adopt it when the amendment becomes effective.

3.2 Key accounting estimates and judgments

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

4 EARNINGS PER SHARE

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

	<i>Unaudited three months period ended 31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Net profit for the period	75,063	101,564
<i>Number of ordinary shares:</i>		
Number of shares of AED 1 each outstanding for the period	3,093,825,974	2,060,557,249
Basic earnings per share	AED 0.02	AED 0.05

The diluted earnings per share are the same as basic earnings per share as the Bank has not issued any instruments which would have a dilutive impact on earnings per share if or when exercised.

The total number of shares outstanding excludes Nil treasury shares (31 Mar 2025: 1,993,400) which is deducted for the purpose of computing earnings per share

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

5 CASH AND BALANCES WITH THE UAE CENTRAL BANK

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> <i>31 December</i> 2025 <i>AED'000</i>
Cash on hand	49,993	49,525
Balances and statutory reserve requirements with UAE Central Bank	990,768	940,086
Overnight Deposit Facility and Certificate of Deposits	900,000	1,500,000
	1,940,761	2,489,611

As per the CBUAE regulations, the Bank is allowed to draw their balances under specified conditions held in the UAE reserve account, while ensuring that they meet the reserve requirements over a 14 day period.

The UAE Central Bank balances are high grade in nature. Cash and balances with UAE Central Bank is classified under stage 1 as per IFRS 9. However, these instruments are low credit risk and therefore expected credit losses is considered to be immaterial and no provision has been recognised.

6 DUE FROM BANKS, NET

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> <i>31 December</i> 2025 <i>AED'000</i>
Demand deposits	596,630	816,380
Term deposits	-	325,000
Less: expected credit loss	(255)	(332)
	596,375	1,141,048

Due from banks includes AED 567,670 thousand as at 31 March 2026 (31 December 2025: AED 807,290 thousand) placed with foreign banks outside the UAE. AED 49,728 thousand as at 31 March 2026 (31 December 2025: AED 5,057 thousand) is held with other banks as margin for derivative transactions.

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

7 INVESTMENTS AND ISLAMIC INSTRUMENTS, NET

	<i>Unaudited</i> 31 March 2026			<i>Audited</i> 31 December 2025		
	<i>Quoted</i> <i>AED'000</i>	<i>Unquoted</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Quoted</i> <i>AED'000</i>	<i>Unquoted</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Debt:						
FVOCI						
Local	1,753,341	-	1,753,341	1,620,227	-	1,620,227
Overseas	3,111,955	-	3,111,955	3,225,249	-	3,225,249
Amortised cost						
Local	1,628,963	-	1,628,963	1,327,300	-	1,327,300
Overseas	1,793,527	-	1,793,527	1,701,991	-	1,701,991
Total debt securities	8,287,786	-	8,287,786	7,874,767	-	7,874,767
Equity:						
FVOCI						
Local	-	1,601	1,601	-	1,225	1,225
Overseas	-	76	76	-	76	76
Total equities	-	1,677	1,677	-	1,301	1,301
Total investments	8,287,786	1,677	8,289,463	7,874,767	1,301	7,876,068
Expected credit loss and reserve			(15,545)			(15,649)
Net investments			8,273,918			7,860,419

The Bank holds a stage 1 ECL allowance on its investment securities classified under FVOCI amounting to AED 14,413 thousand as at 31 March 2026 (31 December 2025: AED 10,953 thousand).

Included in the above are investment securities amounting to AED 2,861,589 thousand as at 31 March 2026 (31 December 2025: 1,867,039 thousand) secured under repurchase agreement with the lenders. The Banks holds an ECL allowance of AED 8,061 thousand as at 31 March 2026 (31 December 2025: AED 5,632 thousand) on these investment securities secured under repurchase agreements.

Investments and Islamic instruments are classified under stage 1 as per IFRS 9.

8 LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES, NET

The composition of loans and advances and Islamic financing receivables portfolio is as follows:

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
<i>(a) By type:</i>		
Overdrafts	1,079,631	979,853
Term loans (medium and short term)	13,591,131	13,029,711
Loans against trust receipts	476,740	649,843
Bills discounted	88,799	91,455
Other cash advances	16,247	18,370
Bills drawn under letters of credit	254,674	214,079
Gross amount of loans and advances and Islamic financing receivables	15,507,222	14,983,311
Less: provision for impairment on loans and advances and Islamic financing receivables	(426,292)	(429,016)
Net loans and advances and Islamic financing receivables	15,080,930	14,554,295

Term loans (medium and short term) includes retail loans of AED 3,161,571 thousand as at 31 March 2026 (31 December 2025: AED 3,079,973 thousand).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

8 LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES, NET (continued)

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
<i>(b) By economic sector:</i>		
Real estate	2,735,890	2,875,599
Personal –mortgage	2,440,057	2,432,116
Government and public sector	765,989	802,548
Trade	1,055,221	829,308
Personal loans (individual and business)	1,035,472	979,700
Manufacturing	933,894	923,810
Construction	109,922	70,257
Services	2,449,124	2,435,947
Financial institutions	3,794,929	3,563,862
Transport and communication	83,050	69,054
Others	103,674	1,110
Gross loans and advances and Islamic financing receivables	15,507,222	14,983,311

Islamic financing gross receivables amount to AED 2,448,571 thousand as at 31 March 2026 (31 December 2025: AED 2,385,457 thousand) recognized through the Bank's Shari'a - compliant Islamic window.

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

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount as at 31 December 2025	14,188,236	376,118	418,957	14,983,311
<i>Changes due to financial assets recognized in the opening balance that have</i>				
Transferred from Stage 1	(9,713)	8,669	1,044	-
Transferred from Stage 2	37,295	(43,398)	6,103	-
Transferred from Stage 3	-	-	-	-
Net of new assets originated or repaid	565,615	(20,945)	(539)	544,131
Write-offs	-	-	(20,220)	(20,220)
As at 31 March 2026	14,781,433	320,444	405,345	15,507,222

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount as at 31 December 2024	11,392,369	216,525	465,234	12,074,128
<i>Changes due to financial assets recognized in the opening balance that have</i>				
Transferred from Stage 1	(387,346)	178,198	209,148	-
Transferred from Stage 2	10,625	(14,782)	4,157	-
Transferred from Stage 3	-	12,777	(12,777)	-
Net of new assets originated or repaid	3,172,588	(16,600)	(70,715)	3,085,273
Write-offs	-	-	(176,090)	(176,090)
As at 31 December 2025	14,188,236	376,118	418,957	14,983,311

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

8 LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES, NET (continued)

Movement in provision for impairment of loans and advances:

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2025	90,241	129,086	209,689	429,016
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	(4,623)	3,818	805	-
Transferred from lifetime ECL not credit impaired	12,395	(17,123)	4,728	-
Transferred from lifetime ECL credit-impaired	-	-	-	-
Net impairment charge/(release) to income statement	16,399	(6,600)	7,697	17,496
Write-offs	-	-	(20,220)	(20,220)
As at 31 March 2026	114,412	109,181	202,699	426,292
	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2024	102,087	117,510	328,174	547,771
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	(71,226)	12,807	58,419	-
Transferred from lifetime ECL not credit-impaired	252	(1,050)	798	-
Transferred from lifetime ECL credit-impaired	-	11,473	(11,473)	-
Net impairment charge/(release) to income statement	59,128	(11,654)	9,861	57,335
Write-offs	-	-	(176,090)	(176,090)
As at 31 December 2025	90,241	129,086	209,689	429,016

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

9 OTHER ASSETS, NET

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
Interest receivable	224,754	210,445
Positive fair value of derivatives (Note 21)	29,986	22,865
Prepayments and other assets	186,662	152,658
Deferred tax asset	4,073	-
Assets repossessed in settlement of debts, net (refer below)	26,090	26,090
	471,565	412,058

During the period, the Bank recognised a gain of AED Nil thousand as at 31 March 2026 (2025: AED 15,320 thousand) on its properties which had a net carrying value of AED Nil thousand as at 31 March 2026 (2025: AED 13,680 thousand) at the time of sale.

10 DUE TO BANKS

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
Demand deposits	21,889	16,256
Term deposits	4,729,138	3,325,181
	4,751,027	3,341,437

Term deposits include borrowings through repurchase agreements of AED 2,593,111 thousand as at 31 March 2026 (31 December 2025: AED 1,690,002 thousand). Demand deposits include AED 17,074 thousand as at 31 March 2026 (31 December 2025: AED 12,854 thousand) held as margin for derivative transactions.

11 CUSTOMER DEPOSITS AND ISLAMIC CUSTOMER DEPOSITS

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
Term deposits	10,499,324	11,335,947
Current accounts	5,736,686	5,949,144
Call and savings accounts	416,240	523,490
	16,652,250	17,808,581

Customer' deposits include Islamic customer deposits amounting to AED 2,613,644 thousand as at 31 March 2026 (31 December 2025: AED 2,607,891 thousand) undertaken through the Bank's Shari'a - compliant Islamic window.

The Bank maintains an investment risk reserve for AED 446 thousand as at 31 March 2026 (31 December 2025: AED Nil) and profit equalization reserve for AED 436 thousand as at 31 March 2026 (31 December 2025: AED Nil), which represents a portion of the depositors' share of profits.

12 MEDIUM TERM BORROWINGS

The Bank has arranged a term loan facility amounting to AED 1,000,000 thousand during 2025. The facility carries a floating interest rate, being margin over EIBOR and is repayable in full in December 2027.

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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13 OTHER LIABILITIES

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
Interest payable	170,956	173,901
Negative fair value of derivatives (Note 21)	9,001	14,890
ECL on off-balance sheet exposures (Note 17)	21,324	19,271
Staff related provisions	26,201	25,410
Accrued expenses	21,763	64,954
Un-presented cheques	54,552	33,647
Corporate tax liability	51,413	44,026
Deferred tax liability	-	10,177
Others	32,456	144,177
	387,666	530,453

14 SHARE CAPITAL AND RESERVES

(a) *Share capital*

The issued and fully paid-up share capital of the Bank comprises 3,093,825,974 (31 December 2025: 3,093,825,974) shares of AED 1 each.

(b) *Tier 1 instrument*

On 30 March 2023, the Bank has issued a perpetual, non-callable 5.5 years Tier 1 Instrument (“instrument”) of USD 150 million (AED 551 million) which qualifies to be included as regulatory Tier 1 capital. The instrument constitutes direct, unsecured, non-convertible and sub-ordinated obligations of the Bank. Under the terms and conditions of the issue, the Bank may elect not to pay a coupon and has the option to call back the Instrument at the contractual reset date subject to Central Bank of UAE approval.

(c) *Dividends*

At the Annual General Meeting held on 03 March 2026, shareholders approved payment of a cash dividend of 25% of the net profit (AED 0.035 per share) amounting to AED 109,464 thousand (2025: AED Nil) which has been recognised in the condensed interim financial statements as of 31 March 2026.

(d) *Cumulative changes in fair value*

Cumulative changes in fair value reserve includes the net change in fair value of FVOCI assets, deferred tax and the net change in allowance for expected credit loss. This reserve has a balance of negative AED 160,348 thousand as of 31 March 2026 (31 December 2025: negative AED 16,268 thousand).

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months period ended 31 March 2026

15 NET IMPAIRMENT LOSSES

Provision for credit losses recognized in the condensed interim statement of income is as follows:

	<i>Three months period ended</i>	
	<i>31 March (Unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Net impairment of financial assets on:		
Loans and advances and Islamic financing receivables and other financial assets	(23,059)	15,326
Contingent liabilities (Note 17)	(2,053)	2,492
Investments and Islamic instruments	(3,356)	-
Due from banks	77	(165)
Recovery on bad debts written-off	10,504	16,257
Net impairment (loss)/reversal	(17,887)	33,910

16 TAX EXPENSE

The Bank calculates the period income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense in the condensed interim financial statement of profit or loss are:

	<i>Three months period ended</i>	
	<i>31 March (Unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Tax expense for the period:		
Statement of profit or loss:		
Current tax charge	7,387	10,099
Statement of other comprehensive income:		
Deferred tax on items that may be reclassified to income statement	14,250	(1,705)

Reconciliation of Bank's tax on profit based on accounting and profit as per tax law is as follows:

	<i>Three months period ended</i>	
	<i>31 March (Unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Net profit before tax	82,450	111,663
Effect of corporate income tax @ 9%	7,421	10,050
Tax effects of:		
Expense not deductible for tax purposes	-	83
Effect of standard exemption	(34)	(34)
Income tax expense	7,387	10,099

For determining the tax expense for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purpose include items relating to both income and expense. After giving effect to these adjustments, the average effective tax rate is estimated to 8.96% (31 March 2025: 9.04%)

The Bank is domiciled in the UAE and does not qualify as a Multinational Enterprises under UAE Pillar Two rules. Therefore, there are no related Pillar Two implications for the period ended 31 March 2026.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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17 COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities represent credit related commitments under letters of credit and guarantees that are designed to meet the requirements of the Bank's customers towards third parties. Commitments represent credit facilities that are undrawn as on the date of the condensed interim statement of financial position. The Bank has the following gross credit related commitments:

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
<i>Contingent liabilities</i>		
Letters of credit	587,054	605,433
Guarantees	3,084,452	3,055,110
	3,671,506	3,660,543
<i>Commitments</i>		
Undrawn loan commitments	2,255,028	2,777,810

Movement in the gross balance of contingent liabilities

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount				
As at 31 December 2025	3,579,440	78,897	2,206	3,660,543
<i>Changes due to financial assets recognized in the opening balance that have:</i>				
Transferred from Stage 1	(17,593)	17,593	-	-
Transferred from Stage 2	1,298	(1,301)	3	-
Transferred from Stage 3	-	-	-	-
Net of originated/(expired) during the period	22,736	(11,173)	(600)	10,963
As at 31 March 2026	3,585,881	84,016	1,609	3,671,506
Gross carrying amount				
As at 31 December 2024	2,425,790	107,092	105,167	2,638,049
<i>Changes due to financial assets recognized in the opening balance that have:</i>				
Transferred from Stage 1	(160)	160	-	-
Transferred from Stage 2	14,408	(16,613)	2,205	-
Transferred from Stage 3	-	-	-	-
Net of originated/(expired) during the year	1,139,402	(11,742)	(105,166)	1,022,494
As at 31 December 2025	3,579,440	78,897	2,206	3,660,543

United Arab Bank P.J.S.C.

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For the three months period ended 31 March 2026

17 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Movement in the provision for impairment of commitments and contingent liabilities

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2025	4,582	13,611	1,078	19,271
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	(1)	1	-	-
Transferred from lifetime ECL not credit impaired	210	(210)	-	-
Net impairment release/(charge) to income statement (Note 15)	1,595	458	-	2,053
As at 31 March 2026	6,386	13,860	1,078	21,324
	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2024	3,100	16,564	80,486	100,150
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	-	-	-	-
Transferred from lifetime ECL not credit impaired	605	(868)	263	-
Net impairment release/(charge) to income statement	877	(2,085)	(79,671)	(80,879)
As at 31 December 2025	4,582	13,611	1,078	19,271

In the normal course of business, certain litigations were filed by or against the Bank. However, based on management's assessment, none of the litigations have a material impact on Bank's financial results.

The bank seeks to comply with all applicable laws and regulations by which it is governed and is not aware of any material fines or penalties that warrant disclosure in the financial statements.

18 SEGMENTAL INFORMATION

For the purposes of reporting to the chief operating decision makers, the Bank is organized into three segments:

Corporate banking	-	principally handling loans including Islamic financing receivables and other credit facilities and deposit and current accounts for corporate and institutional customers.
Personal banking	-	principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit card facilities and funds transfer facilities as well as Islamic banking services
Treasury and capital markets	-	principally managing the Bank's portfolio of investments along with Islamic sukuk and interbank treasury operations including transactions for foreign exchange, derivatives, margin FX and hedging strategies

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For the three months period ended 31 March 2026

18 SEGMENTAL INFORMATION (continued)

Segmental information for the three months period ended 31 March 2026 is as follows:

	<i>Corporate banking AED'000</i>	<i>Personal banking AED'000</i>	<i>Treasury and capital markets AED'000</i>	<i>Total AED'000</i>
Net interest income and income from Islamic products net of distribution to depositors	94,678	17,431	45,115	157,224
Other operating income	25,394	196	9,790	35,380
Operating expenses	(48,981)	(20,103)	(23,183)	(92,267)
Net impairment reversal/(losses)	2,768	(17,377)	(3,278)	(17,887)
Net profit for the period before tax	<u>73,859</u>	<u>(19,853)</u>	<u>28,444</u>	<u>82,450</u>
Capital expenditure - Property and equipment	<u>10,978</u>	<u>2,735</u>	<u>7,142</u>	<u>20,855</u>
As at 31 March 2026				
Segment assets	<u>13,635,756</u>	<u>3,404,248</u>	<u>9,852,932</u>	<u>26,892,936</u>
Segment liabilities	<u>14,637,893</u>	<u>3,478,159</u>	<u>4,934,811</u>	<u>23,050,863</u>

Segmental information for the three months period ended 31 March 2025 was as follows:

	<i>Corporate banking AED'000</i>	<i>Personal banking AED'000</i>	<i>Treasury and capital markets AED'000</i>	<i>Total AED'000</i>
Net interest income and income from Islamic products net of distribution to depositors	67,273	9,661	40,304	117,238
Other operating income	34,341	8,511	5,294	48,146
Operating expenses	(47,554)	(17,142)	(22,935)	(87,631)
Net impairment reversal/(losses)	29,619	4,456	(165)	33,910
Net profit for the period before tax	<u>83,679</u>	<u>5,486</u>	<u>22,498</u>	<u>111,663</u>
Capital expenditure - Property and equipment	<u>7,026</u>	<u>1,548</u>	<u>4,976</u>	<u>13,550</u>
As at 31 December 2025				
Segment assets	<u>13,412,625</u>	<u>3,394,293</u>	<u>10,193,058</u>	<u>26,999,976</u>
Segment liabilities	<u>16,424,918</u>	<u>3,311,021</u>	<u>3,232,382</u>	<u>22,968,321</u>

The Bank operates in only one geographic area, the Middle East. Accordingly, no further geographical analysis of operating income, net profit and net assets is given.

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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19 RELATED PARTY TRANSACTIONS

The Bank carries out transactions in the ordinary course of business with related parties, defined as shareholders who have a significant equity interest in the Bank, Directors of the Bank, key management personnel of the Bank and companies over which such shareholders and Directors exercise control or significant influence either directly or indirectly.

The significant balances outstanding are as follows:

	<i>Unaudited</i> <i>31 March</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
<i>Shareholders:</i>		
Due from banks	106	152
Due to banks	4,592	76,563
Commitments and contingencies	9,601	7,618
Loans and advances and Islamic financing receivables	7,471	7,672
Customer deposits and Islamic customer deposits	7,788	7,691
Tier 1 Instrument	550,875	550,875
Accrued coupon on Tier 1 instrument	11,101	11,101
	<i>Unaudited</i> <i>31 March</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
<i>Directors:</i>		
Loans and advances and Islamic financing receivables	1,149	1,305
Customer deposits and Islamic customer deposits	18,431	16,090
Commitments and contingencies	4	4
<i>Other related entities of shareholders and Directors:</i>		
Loans and advances and Islamic financing receivables	201,022	86,458
Due from banks	17	17
Due to banks	11	7
Investments and Islamic instruments	36,616	-
Customer deposits and Islamic customer deposits	784,125	217,171
Acceptances	263	729
Commitments and contingencies	18,886	35,213
	<i>Unaudited</i> <i>31 March</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
<i>Key management personnel of the Bank:</i>		
Loans and advances and Islamic financing receivables	18,153	18,152
Customers' deposits and Islamic customer deposits	11,593	10,252
<i>Shareholders, Directors, their related entities and key management personnel:</i>		
Accrued interest income	4,721	2,220
Accrued interest expense	15,561	1,458

United Arab Bank P.J.S.C.

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For the three months period ended 31 March 2026

19 RELATED PARTY TRANSACTIONS (continued)

The income, expenses, purchase and sale of investments in respect of related parties during the period included in the interim statement of income are as follows:

	<i>Unaudited three months period ended 31 March</i>	
	<i>2026 AED'000</i>	<i>2025 AED'000</i>
<u><i>Shareholders, Directors, their related entities and key management personnel</i></u>		
Interest income	3,967	684
Interest expense	6,304	1,035
Fee and commission	189	1,187
Professional fees and other administrative expenses	240	10
Coupon paid on Tier 1 instrument	22,200	-
	<i>Unaudited three months period ended 31 March</i>	
	<i>2026 AED'000</i>	<i>2025 AED'000</i>
<u><i>Key management personnel</i></u>		
Number of key management personnel	14	14
Salaries and other short term benefits	8,795	7,433
Employees' end of service benefits	476	215
Total compensation to key management personnel	9,271	7,648

Terms and conditions of transactions with related parties

The above mentioned outstanding balances and transactions arose from the ordinary course of business and have been conducted on an arm's length. The interest charged to, and by, related parties is at normal commercial rates.

The Bank has leased office space in various premises owned by a related party. The property leases and associated expenses for the three month's period ended 31 March 2026 amounted to AED 377 thousand (31 March 2025: AED 386 thousand). The property rentals are negotiated each year at market rates.

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20 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

Financial instruments and assets recorded at fair value

The following table shows an analysis of financial instruments and assets recorded at fair value by level of the fair value hierarchy:

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
31 March 2026				
Investments	4,865,296	-	1,677	4,866,973
Derivative assets	-	29,986	-	29,986
	<u>4,865,296</u>	<u>29,986</u>	<u>1,677</u>	<u>4,896,959</u>
Derivative liabilities	-	9,001	-	9,001
31 December 2025				
Investments	4,845,476	-	1,301	4,846,777
Derivative assets	-	22,865	-	22,865
	<u>4,845,476</u>	<u>22,865</u>	<u>1,301</u>	<u>4,869,642</u>
Derivative liabilities	-	14,890	-	14,890

There was no other movement between the levels of financial instruments during the period (2025: Nil).

The basis for determining the fair value of the financial instruments in the table above is explained in the financial statements for the year ended 31 December 2025.

Financial instruments not recorded at fair value

The fair values of financial instruments not recorded at fair value includes cash and balances with the UAE Central Bank, due from banks, loans and advances and Islamic financing receivables, investments and Islamic instruments held at amortised cost, customer acceptances, other assets (excluding derivative assets), due to banks, customer deposits and Islamic customer deposits, medium term borrowings and other liabilities (excluding derivative liabilities) that are categorised as level two based on market observable inputs. The fair values of financial instruments not recorded at fair value are not materially different to their carrying values.

Financial instruments carried at amortised cost

The fair value of the quoted debt instruments at amortised cost as at 31 March 2026 amounted to AED 3,440,676 thousand (31 December 2025: AED 3,044,112 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.

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21 DERIVATIVES
Derivatives held for risk management

The tables below show the fair values of derivative financial instruments for risk management and hedging purposes, recorded as Other Assets and Other Liabilities, together with their notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are neither indicative of the market risk nor credit risk.

31 March 2026

	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amount</i>	<i>Notional amounts by term to maturity</i>			
				<i>Within 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>Over 5 years</i>
				<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Forward and spot contracts	11,169	(7,000)	5,158,006	1,693,451	3,314,583	149,972	-
Interest rate swaps	388	(388)	389,865	5,000	-	384,865	-
Foreign currency options	1,613	(1,613)	66,041	7,281	58,760	-	-
	13,170	(9,001)	5,613,912	1,705,732	3,373,343	534,837	-

31 December 2025

	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amount</i>	<i>Notional amounts by term to maturity</i>			
				<i>Within 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>Over 5 years</i>
				<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Forward and spot contracts	5,987	(12,528)	5,381,167	1,246,334	3,402,869	731,964	-
Interest rate swaps	792	(792)	410,000	-	10,000	400,000	-
Foreign currency options	1,561	(1,561)	58,760	-	58,760	-	-
	8,340	(14,881)	5,849,927	1,246,334	3,471,629	1,131,964	-

As at 31 March 2025, the Bank held the following interest rate swaps as hedging instruments in fair value hedges of interest rate risk, along with amounts relating to hedged items:

	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amount</i>	<i>Notional amounts by term to maturity</i>			
				<i>Within 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>Over 5 years</i>
				<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
31 March 2026							
Hedge of investments	16,816	-	884,686	238,713	128,537	517,436	-
31 December 2025							
Hedge of investments	14,525	(9)	886,426	-	238,713	647,713	-

The carrying amount of the hedged items are included in the line item 'Investments' on the statement of financial position with the notional amount totaling to AED 871,256 thousand as at 31 March 2026 (31 December 2025: AED 833,119 thousand). These hedged items comprise of debt instruments which are held as FVOCI.

The Bank has recognised the following gains/(losses) relating to hedge ineffectiveness calculated as follows:

	<i>31 March 2026</i>		<i>31 March 2025</i>	
	<i>Change in value</i>	<i>Effectiveness recognised in profit and loss</i>	<i>Change in value</i>	<i>Effectiveness recognised in profit and loss</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
On hedging instruments	2,300	665	(12,146)	(7,146)
On hedged items	(1,635)	-	5,000	-

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22 CAPITAL ADEQUACY RATIO

	<i>Unaudited</i> 31 March 2026	<i>Audited</i> 31 December 2025
Common equity Tier 1 capital ratio	16.4%	17.4%
Tier 1 capital ratio	19.2%	20.3%
Capital adequacy ratio	20.4%	21.5%

23 CASH AND CASH EQUIVALENTS

	<i>Unaudited</i> 31 March 2026 <i>AED'000</i>	<i>Unaudited</i> 31 March 2025 <i>AED'000</i> <i>Restated</i>
Cash and balances with UAE Central Bank	1,940,761	2,472,847
Due from banks	596,630	662,246
Due to banks	(4,751,027)	(4,216,442)
	(2,213,636)	(1,081,349)
Adjustments for:		
Balances with UAE Central bank maturing after three months	(900,000)	(200,000)
Due from banks maturing after three months	(49,729)	(16,470)
Due to banks maturing after three months	2,372,795	2,608,334
Total cash and cash equivalents	(790,570)	1,310,515

24 RESTATEMENT OF COMPARATIVE FIGURES

Management has re-evaluated the classification of the UAE Central Bank statutory reserve balance in “Balances with UAE Central bank maturing after three months” in the statements of cash flows in the prior years to determine if such transactions and balances have been classified appropriately under International Financial Reporting Standards (“IFRS”).

As a result, management restated the comparatives to correct the misstatements detailed above in the condensed interim financial statements for the period ended 31 March 2025 as prior year restatements.

This reclassification relates to the UAE Central Bank statutory reserve balance previously presented under “Balances with UAE Central bank maturing after three months”, being moved from Operating activities to Cash and Cash Equivalents.

In previous years, the Bank had classified changes in the UAE Central Bank statutory reserve balance in “Cash and balances with UAE Central Bank” within “Net cash from operating activities”. According to the UAE Central Bank regulations, the Bank is allowed to draw on the statutory deposit with the UAE Central Bank on any day up to 100%, while ensuring that it meets the reserve requirements over a 14-day period. International Accounting Standard 7- Statement of cash flows require demand deposit to be classified as “Cash and cash equivalents” in the statement of cash flows.

For the period ended 31 March 2026, the Bank re-assessed the nature of the UAE Central Bank statutory reserve balance in “Cash and balances with UAE Central Bank” and concluded that the balances are available on demand and meet the definition of Cash and cash equivalents, and therefore should be classified as cash and cash equivalents in the statement of cash flows.

The above misstatement has been corrected by restating each of the affected condensed interim financial statement line items for the prior periods as follows:

24 RESTATEMENT OF COMPARATIVE FIGURES (continued)

	<i>Before restatement AED'000</i>	<i>Restatement AED'000</i>	<i>Adjusted AED'000</i>
Cash flows from operating activities:			
Changes in operating assets and liabilities:			
Balances with UAE Central bank maturing after three months	(244,546)	44,546	(200,000)
Net cash from operating activities	1,325,899	44,546	1,370,445
Net change in cash and cash equivalents	561,377	44,546	605,923
Cash and cash equivalents at 1 January	12,573	692,019	704,592
Cash and cash equivalents at 31 March	573,950	736,565	1,310,515

25 SUBSEQUENT EVENTS

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

26 REGIONAL GEOPLITICAL DEVELOPMENTS

During the three-month period ended 31 March 2026, developments arising from geopolitical tensions and military activity in parts of the Middle East increased volatility and uncertainty in the regional economic environment. The ongoing nature of these developments has resulted in indirect effects across several jurisdictions, including the UAE, with limited disruptions to business activity and broader macroeconomic conditions.

The Bank has undertaken ongoing monitoring of these developments and evaluated their potential implications for its operating environment, sectoral exposures, and counterparty risk profile. As part of this evaluation, management reviewed exposures to sectors that may be more sensitive to such conditions, and assessed both qualitative and quantitative indicators relevant to credit risk and impairment.

In estimating expected credit losses (“ECL”) as at 31 March 2026, the Bank performed sensitivity analysis of the model inputs and assumptions to assess elevated uncertainty and volatility in forward-looking macroeconomic variables. The sensitivity applied increased the adverse scenario by 10% with a corresponding decrease of 10% in upside.

The Bank continues to maintain its business continuity and enterprise risk management frameworks, which remain available to address potential operational or business disruptions should conditions evolve further.

The Bank has also considered applicable regulatory guidance, including relief measures issued by the Central Bank of the UAE. As at 31 March 2026, such measures are expected to be applied selectively on a case-by-case basis, if required. No material utilisation of these measures from a credit risk perspective had occurred as at the reporting date. Subsequent to 31 March 2026, the bank has continued to monitor developments in the region and has not identified any events that would materially affect the amounts reported in the condensed interim financial statements for the three-month period ended 31 March 2026.