



Review Report and Condensed Interim Financial Statements for the nine months period ended 30 September 2026



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United Arab Bank P.J.S.C.

**Review report and condensed interim financial statements
For the nine months period ended 30 September 2026**

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Report on review of 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 30 September 2026 and the related condensed interim statements of income and comprehensive income for the three-month and nine-month periods then ended and the condensed interim statements of changes in equity and cash flows for the nine-month period then ended and 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 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers Limited Partnership - SHJ. BR

26 October 2026

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

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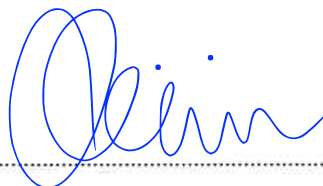
Licence no. 515115, Auditors' Registry no. FC0006-03, a branch of a DIFC entity.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

		<i>Unaudited</i> <i>30 September</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 the UAE Central Bank	5	1,605,320	2,489,611
Due from banks, net	6	695,247	1,141,048
Investments and Islamic instruments, net	7	9,097,749	7,860,419
Loans and advances and Islamic financing receivables, net	8	15,792,534	14,554,295
Customer acceptances		244,377	287,850
Other assets, net	9	631,758	412,058
Property, equipment and capital work-in-progress, net		230,809	186,662
Intangibles, net		67,603	68,033
TOTAL ASSETS		28,365,397	26,999,976
Liabilities and Equity			
Liabilities			
Due to banks	10	4,387,142	3,341,437
Customer deposits and Islamic customer deposits	11	18,283,964	17,808,581
Medium term borrowings	12	1,000,000	1,000,000
Customer acceptances		244,377	287,850
Other liabilities	13	446,545	530,453
Total liabilities		24,362,028	22,968,321
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	(235,103)	(16,268)
Retained earnings		311,728	121,179
Total equity		4,003,369	4,031,655
TOTAL LIABILITIES AND EQUITY		28,365,397	26,999,976

This condensed interim financial information was approved by the Board of Directors on 26 October 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 23 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 nine months period ended 30 September 2026

		Three months period ended 30 September (Unaudited)		Nine months period ended 30 September (Unaudited)	
		2026 AED '000	2025 AED '000	2026 AED '000	2025 AED '000
	Notes				
Interest income		300,556	287,464	869,118	840,241
Income from Islamic financing receivables		63,625	43,975	174,694	119,512
Total interest income and income from Islamic financing products		364,181	331,439	1,043,812	959,753
Interest expense		(157,225)	(155,719)	(463,516)	(459,841)
Distribution to Islamic depositors		(32,472)	(25,048)	(89,296)	(72,734)
Total interest expense and distribution to depositors		(189,697)	(180,767)	(552,812)	(532,575)
Net interest income and income from Islamic financing products net of distribution to depositors		174,484	150,672	491,000	427,178
Net fees and commission income		25,970	24,528	73,174	74,564
Foreign exchange income		13,206	14,351	41,201	36,172
Other operating income		13,703	17,263	42,819	42,443
Total operating income		227,363	206,814	648,194	580,357
Employee benefit expenses		(59,328)	(55,784)	(179,730)	(167,079)
Depreciation and amortization		(5,898)	(4,586)	(17,874)	(16,096)
Other operating expenses		(45,644)	(30,904)	(107,027)	(85,119)
Total operating expenses		(110,870)	(91,274)	(304,631)	(268,294)
Operating profit before impairment loss		116,493	115,540	343,563	312,063
Net impairment reversal	15	28,872	2,932	22,701	34,786
Profit for the period before tax		145,365	118,472	366,264	346,849
Tax expense	16	(13,089)	(10,648)	(32,951)	(31,283)
Net profit for the period		132,276	107,824	333,313	315,566
Earnings per share (basic and diluted in AED)	4	0.04	0.04	0.11	0.14

The notes on pages 7 to 23 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 COMPREHENSIVE INCOME

For the nine months period ended 30 September 2026

	<i>Three months period ended 30 September (Unaudited)</i>		<i>Nine months period ended 30 September (Unaudited)</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Net profit for the period	132,276	107,824	333,313	315,566
Other comprehensive (loss)/income				
Items that may be reclassified to the income statement:				
FVOCI investments:				
Net change in fair value	(213,486)	78,166	(266,321)	165,508
Reclassified to the income statement	42,218	(12,189)	20,342	(37,561)
Net change in allowance for expected credit loss	(782)	(3,782)	5,501	(18,170)
Total items that may be reclassified to the income statement	(172,050)	62,195	(240,478)	109,777
Related tax on other comprehensive (loss)/income (Note 16)	15,484	(5,598)	21,643	(9,880)
Other comprehensive (loss)/income for the period	(156,566)	56,597	(218,835)	99,897
Total comprehensive (loss)/income for the period	(24,290)	164,421	114,478	415,463

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 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>Fair value reserve AED'000</i>	<i>Retained earnings 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	-	-	-	-	-	-	-	333,313	333,313
Other comprehensive loss for the period	-	-	-	-	-	-	(218,835)	-	(218,835)
Total comprehensive income for the period	-	-	-	-	-	-	(218,835)	333,313	114,478
Coupon on Tier 1 instrument	-	-	-	-	-	-	-	(33,300)	(33,300)
Cash dividends paid (Note 14)	-	-	-	-	-	-	-	(109,464)	(109,464)
At 30 September 2026	3,093,826	550,875	121,904	150,828	9,311	-	(235,103)	311,728	4,003,369
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	-	-	-	-	-	-	-	315,566	315,566
Other comprehensive income for the period	-	-	-	-	-	-	99,897	-	99,897
Total comprehensive income for the period	-	-	-	-	-	-	99,897	315,566	415,463
Rights issue	1,031,276	-	-	-	-	-	-	-	1,031,276
Rights issue cost	-	-	-	-	-	-	-	(8,469)	(8,469)
Coupon on Tier 1 instrument	-	-	-	-	-	-	-	(33,300)	(33,300)
Treasury shares sold	-	-	-	-	-	3,008	-	(206)	2,802
At 30 September 2025 (unaudited)	3,093,826	550,875	78,118	107,042	9,311	-	1,666	118,419	3,959,257

The notes on pages 7 to 23 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 nine months period ended 30 September 2026

		<i>Nine months period ended 30 September (unaudited)</i>	
		<i>2026</i>	<i>2025</i>
		<i>AED'000</i>	<i>AED'000</i>
			<i>(Restated)*</i>
	<i>Notes</i>		
Operating activities			
Net profit for the period		333,313	315,566
Adjustments for:			
Depreciation and amortisation		17,874	16,096
Gain on sale of assets acquired in settlement of debt		(19,645)	(15,320)
Tax expense	16	32,951	31,283
Amortization of commission paid on medium term borrowing		1,530	1,377
Net impairment charge/(reversal)		2,843	(10,327)
Impairment on assets acquired in settlement of debt		-	5,950
Amortisation of premium paid on investments and Islamic instruments		5,233	3,072
Gain on sale of property and equipment		(27)	(30)
Net fair value gain on disposal of investments and Islamic instruments		(18,172)	(27,238)
Operating cash flows before movements in working capital		355,900	320,429
Changes in operating assets and liabilities:			
Loans and advances and Islamic financing receivables		(1,235,505)	(2,558,081)
Balances with the UAE Central Bank maturing after three months		(150,000)	(100,000)
Other assets and customer acceptances		(195,232)	154,189
Due from banks maturing after three months		(66,950)	(3,111)
Due to banks maturing after three months		677,713	659,375
Customer deposits and Islamic customer deposits		475,383	792,174
Other liabilities and customer acceptances		(87,831)	(124,123)
Net cash used in operating activities		(226,522)	(859,148)
Investing activities			
Purchase of property, equipment and capital work-in-progress		(61,590)	(53,010)
Purchase of investments and Islamic instruments		(2,277,859)	(1,813,529)
Proceeds from redemption / sale of investments and Islamic instruments		760,694	565,481
Net proceeds from sale of assets acquired in settlement of debt		43,885	29,000
Proceeds from sale of property and equipment		27	30
Net cash used in investing activities		(1,534,843)	(1,272,028)
Financing activities			
Rights issue cost		-	(8,469)
Proceeds from rights issue		-	1,031,276
Net sale of treasury shares		-	2,802
Coupon paid on Tier 1 instrument		(44,401)	(44,401)
Cash dividend paid		(109,464)	-
Net cash (used in)/ generated from financing activities		(153,865)	981,208
Net decrease in cash and cash equivalents		(1,915,230)	(1,149,968)
Cash and cash equivalents at 1 January		2,152,995	704,593
Cash and cash equivalents at 30 September	23	237,765	(445,375)

* 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 has complied with the applicable provisions of this law as on 30 September 2026.

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 nine months period ended 30 September 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.

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

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 nine-months period ended</i>	
	<i>30 September</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Net profit for the period	333,313	315,566
<i>Number of ordinary shares:</i>		
Number of shares of AED 1 each outstanding for the period	3,093,825,974	2,062,550,649
Effect of rights issue of 1,031,275,325 weighted shares	-	192,655,830
Weighted number of shares of AED 1 each outstanding for the period	3,093,825,974	2,255,206,479
Basic earnings per share	AED 0.11	AED 0.14

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

5 CASH AND BALANCES WITH THE UAE CENTRAL BANK

	<i>Unaudited</i> 30 September 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
Cash on hand	70,530	49,525
Balances and statutory reserve requirements with UAE Central Bank	934,790	940,086
Overnight Deposit Facility and Certificate of Deposits	600,000	1,500,000
	1,605,320	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 are 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> 30 September 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
Demand deposits	345,383	816,380
Term deposits	350,000	325,000
Less: expected credit loss	(136)	(332)
	695,247	1,141,048

Due from banks includes AED 323,131 thousand as at 30 September 2026 (31 December 2025: AED 807,290 thousand) placed with foreign banks outside the UAE. AED 72,007 thousand as at 30 September 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 nine months period ended 30 September 2026

7 INVESTMENTS AND ISLAMIC INSTRUMENTS, NET

	<i>Unaudited</i> 30 September 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	1,681,185	-	1,681,185	1,620,227	-	1,620,227
Overseas	3,802,709	-	3,802,709	3,225,249	-	3,225,249
Amortised cost						
Local	1,833,332	-	1,833,332	1,327,300	-	1,327,300
Overseas	1,792,878	-	1,792,878	1,701,991	-	1,701,991
Total debt securities	9,110,104	-	9,110,104	7,874,767	-	7,874,767
Equity:						
FVOCI						
Local	-	1,538	1,538	-	1,225	1,225
Overseas	-	76	76	-	76	76
Total equities	-	1,614	1,614	-	1,301	1,301
Total investments	9,110,104	1,614	9,111,718	7,874,767	1,301	7,876,068
Expected credit loss and reserve			(13,969)			(15,649)
Net investments			9,097,749			7,860,419

The Bank holds a stage 1 ECL allowance on its investment securities classified under FVOCI amounting to AED 16,489 thousand as at 30 September 2026 (31 December 2025: AED 10,953 thousand).

Included in the above are investment securities amounting to AED 3,571,830 thousand as at 30 September 2026 (31 December 2025: 1,867,039 thousand) secured under repurchase agreement with the lenders. The Banks holds an ECL allowance of AED 9,495 thousand as at 30 September 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> 30 September 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
<i>(a) By type:</i>		
Term loans (medium and short term)	14,547,989	13,029,711
Overdrafts	759,118	979,853
Loans against trust receipts	534,353	649,843
Bills discounted	112,370	91,455
Other cash advances	17,811	18,370
Bills drawn under letters of credit	100,417	214,079
Gross amount of loans and advances and Islamic financing receivables	16,072,058	14,983,311
Less: provision for impairment on loans and advances and Islamic financing receivables	(279,524)	(429,016)
Net loans and advances and Islamic financing receivables	15,792,534	14,554,295

Term loans (medium and short term) includes retail loans of AED 2,815,743 thousand as at 30 September 2026 (31 December 2025: AED 3,079,973 thousand).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

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

	<i>Unaudited</i> 30 September 2026 <i>AED'000</i>	<i>Audited</i> 31 December 2025 <i>AED'000</i>
<i>(b) By economic sector:</i>		
Real estate	3,073,078	2,875,599
Personal –mortgage	2,281,788	2,432,116
Government and public sector	692,870	802,548
Trade	1,401,596	829,308
Personal loans (individual and business)	694,634	979,700
Manufacturing	1,285,766	923,810
Construction	93,455	70,257
Services	2,531,014	2,435,947
Financial institutions	3,925,842	3,563,862
Transport and communication	80,220	69,054
Others	11,795	1,110
Gross loans and advances and Islamic financing receivables	16,072,058	14,983,311

Islamic financing gross receivables amount to AED 3,244,309 thousand as at 30 September 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	(16,476)	9,688	6,788	-
Transferred from Stage 2	63,897	(97,867)	33,970	-
Transferred from Stage 3	-	-	-	-
Net of new assets originated or repaid	1,632,767	(171,934)	(225,328)	1,235,505
Write-offs	-	-	(146,758)	(146,758)
As at 30 September 2026	15,868,424	116,005	87,629	16,072,058
	<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

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 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	(7,721)	2,164	5,557	-
Transferred from lifetime ECL not credit impaired	13,722	(19,352)	5,630	-
Transferred from lifetime ECL credit-impaired	-	-	-	-
Net impairment charge/(release) to income statement	104,169	(76,609)	(30,294)	(2,734)
Write-offs	-	-	(146,758)	(146,758)
As at 30 September 2026	200,411	35,289	43,824	279,524

	<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

9 OTHER ASSETS, NET

	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
Interest receivable	247,570	210,445
Positive fair value of derivatives (Note 21)	80,296	22,865
Prepayments and other assets	290,576	152,658
Deferred tax asset	11,466	-
Assets repossessed in settlement of debts, net (refer below)	1,850	26,090
	631,758	412,058

During the period, the Bank recognized a gain of AED 19,645 thousand as at 30 September 2026 (2025: AED 15,320 thousand) on its properties which had a net carrying value of AED 24,240 thousand as at 30 September 2026 (2025: AED 13,680 thousand) at the time of sale. During the nine-month period ended 30 September 2026, the bank has recognized an impairment of AED Nil (30 September 2025: AED 5,950 thousand).

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

10 DUE TO BANKS

	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
Demand deposits	35,555	16,256
Term deposits	4,351,587	3,325,181
	<u>4,387,142</u>	<u>3,341,437</u>

Term deposits include borrowings through repurchase agreements of AED 3,062,870 thousand as at 30 September 2026 (31 December 2025: AED 1,690,002 thousand). Demand deposits include AED 29,495 thousand as at 30 September 2026 (31 December 2025: AED 12,854 thousand) held as margin for derivative transactions.

11 CUSTOMER DEPOSITS AND ISLAMIC CUSTOMER DEPOSITS

	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
Term deposits	10,312,635	11,335,947
Current accounts	7,559,189	5,949,144
Call and savings accounts	412,140	523,490
	<u>18,283,964</u>	<u>17,808,581</u>

Customer deposits include Islamic customer deposits amounting to AED 3,480,694 thousand as at 30 September 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 985 thousand as at 30 September 2026 (31 December 2025: AED Nil) and profit equalization reserve for AED 896 thousand as at 30 September 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.

13 OTHER LIABILITIES

	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
Interest payable	172,696	173,901
Negative fair value of derivatives (Note 21)	5,542	14,890
ECL on off-balance sheet exposures (Note 17)	16,487	19,271
Staff related provisions	26,997	25,410
Accrued expenses	32,366	64,954
Un-presented cheques	94,444	33,647
Corporate tax liability	33,615	44,026
Deferred tax liability	-	10,177
Others	64,398	144,177
	<u>446,545</u>	<u>530,453</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

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).

(d) Fair value reserve

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 235,103 thousand as of 30 September 2026 (31 December 2025: negative AED 16,268 thousand).

15 NET IMPAIRMENT LOSSES

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

	<i>Nine months period ended 30 September (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	(1,967)	40
Contingent liabilities (Note 17)	2,784	5,304
Investments and Islamic instruments	(3,856)	4,900
Due from banks	196	83
Recovery on bad debts written-off	25,544	30,409
Impairment on non-financial assets	-	(5,950)
Net impairment reversal	22,701	34,786

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>Nine months period ended 30 September (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	32,951	31,283
Statement of other comprehensive income:		
Deferred tax release/(charge) on items that may be reclassified to income statement	21,643	(9,880)

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

16 TAX EXPENSE (continued)

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

	<i>Nine months period ended 30 September (Unaudited)</i>	
	<i>2026</i>	<i>2025</i>
	<i>AED'000</i>	<i>AED'000</i>
Net profit before tax	366,264	346,849
Effect of corporate income tax @ 9%	32,964	31,216
Tax effects of:		
Expense not deductible for tax purposes	21	101
Effect of standard exemption	(34)	(34)
Income tax expense	32,951	31,283

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 8.99% (30 September 2025: 9.02%).

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 30 September 2026.

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 30 September 2026 AED'000</i>	<i>Audited 31 December 2025 AED'000</i>
<i>Contingent liabilities</i>		
Letters of credit	654,415	605,433
Guarantees	3,397,838	3,055,110
	4,052,253	3,660,543
<i>Commitments</i>		
Undrawn loan commitments	3,250,971	2,777,810

Movement in the gross balance of contingent liabilities

	<i>Stage 1 AED'000</i>	<i>Stage 2 AED'000</i>	<i>Stage 3 AED'000</i>	<i>Total 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	(17,613)	17,613	-	-
Transferred from Stage 2	6,621	(6,621)	-	-
Transferred from Stage 3	-	-	-	-
Net of originated/(expired) during the period	406,464	(12,548)	(2,206)	391,710
As at 30 September 2026	3,974,912	77,341	-	4,052,253

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

17 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Movement in the gross balance of contingent liabilities (continued)

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
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

Movement in the provision for impairment of commitments and contingent liabilities

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
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	(7)	7	-	-
Transferred from lifetime ECL not credit impaired	485	(485)	-	-
Net impairment charge/(release) to income statement (Note 15)	(452)	(1,254)	(1,078)	(2,784)
As at 30 September 2026	4,608	11,879	-	16,487

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
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 charge/(release) 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.

United Arab Bank P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

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 sukuks and interbank treasury operations including transactions for foreign exchange, derivatives, margin FX and hedging strategies

Segmental information for the nine months period ended 30 September 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	308,821	48,436	133,743	491,000
Other operating income	126,702	1,619	28,873	157,194
Operating expenses	(165,295)	(62,470)	(76,866)	(304,631)
Net impairment reversal/(losses)	32,340	(5,979)	(3,660)	22,701
Net profit for the period before tax	302,568	(18,394)	82,090	366,264
Capital expenditure - Property and equipment	32,422	8,079	21,089	61,590
As at 30 September 2026				
Segment assets	14,603,071	3,008,040	10,754,286	28,365,397
Segment liabilities	16,330,013	3,722,717	4,309,298	24,362,028

Segmental information for the nine months period ended 30 September 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	260,214	43,820	123,144	427,178
Other operating income	89,203	14,555	49,421	153,179
Operating expenses	(146,183)	(54,878)	(67,233)	(268,294)
Net impairment reversal	27,019	2,833	4,934	34,786
Net profit for the period before tax	230,253	6,330	110,266	346,849
Capital expenditure - Property and equipment	27,906	6,953	18,151	53,010
As at 31 December 2025				
Segment assets	13,412,625	3,394,293	10,193,058	26,999,976
Segment liabilities	16,424,918	3,311,021	3,232,382	22,968,321

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.

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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>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
<u><i>Shareholders:</i></u>		
Due from banks	149	152
Due to banks	5,954	76,563
Commitments and contingencies	9,423	7,618
Loans and advances and Islamic financing receivables	117,799	7,672
Customer deposits and Islamic customer deposits	7,834	7,691
Tier 1 Instrument	550,875	550,875
Accrued coupon on Tier 1 instrument	-	11,101
	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
<u><i>Directors:</i></u>		
Loans and advances and Islamic financing receivables	1,010	1,305
Customer deposits and Islamic customer deposits	103,440	16,090
Commitments and contingencies	-	4
<u><i>Other related entities of shareholders and Directors:</i></u>		
Loans and advances and Islamic financing receivables	43,644	86,458
Due from banks	19	17
Due to banks	103	7
Investments and Islamic instruments	36,083	-
Customer deposits and Islamic customer deposits	909,956	217,171
Acceptances	1,513	729
Commitments and contingencies	61,448	35,213
	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>AED'000</i>
<u><i>Key management personnel of the Bank:</i></u>		
Loans and advances and Islamic financing receivables	17,420	18,152
Customers' deposits and Islamic customer deposits	12,482	10,252
<u><i>Shareholders, Directors, their related entities and key management personnel:</i></u>		
Accrued interest income	680	2,220
Accrued interest expense	15,297	1,458

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For the nine months period ended 30 September 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 nine months period ended 30 September</i>	
	<i>2026</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>
<u>Shareholders, Directors, their related entities and key management personnel</u>		
Interest income	7,552	2,958
Interest expense	22,553	3,836
Fee and commission	1,413	17,211
Professional fees and other administrative expenses	245	144
Coupon paid on Tier 1 instrument	44,401	44,401
	<i>Unaudited nine months period ended 30 September</i>	
	<i>2026</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>
<u>Key management personnel</u>		
Number of key management personnel	14	13
Salaries and other short term benefits	25,844	21,758
Employees' end of service benefits	1,166	637
Total compensation to key management personnel	27,010	22,395

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 nine month's period ended 30 September 2026 amounted to AED 1,070 thousand (30 September 2025: AED 1,085 thousand). The property rentals are negotiated each year at market rates.

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.

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For the nine months period ended 30 September 2026

20 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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>
30 September 2026				
Investments	5,483,894	-	1,614	5,485,508
Derivative assets	-	80,296	-	80,296
	<u>5,483,894</u>	<u>80,296</u>	<u>1,614</u>	<u>5,565,804</u>
Derivative liabilities	-	5,542	-	5,542
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 30 September 2026 amounted to AED 3,585,918 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.

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.

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For the nine months period ended 30 September 2026

21 DERIVATIVES (continued)

Derivatives held for risk management (continued)

30 September 2026

30 September 2026	Notional amounts by term to maturity						
	Positive fair value	Negative fair value	Notional amount	Within 3 months	3-12 months	1-5 years	Over 5 years
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Forward and spot contracts	10,316	(2,384)	5,351,614	3,535,812	1,765,812	49,990	-
Interest rate swaps	759	(759)	281,195	-	-	281,195	-
Foreign currency options	2,399	(2,399)	73,450	-	73,450	-	-
	13,474	(5,542)	5,706,259	3,535,812	1,839,262	331,185	-

31 December 2025

31 December 2025	Notional amounts by term to maturity						
	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000	Within 3 months AED'000	3-12 months AED'000	1-5 years AED'000	Over 5 years AED'000
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 30 September 2026, 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:

				Notional amounts by term to maturity			
	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000	Within 3 months AED'000	3-12 months AED'000	1-5 years AED'000	Over 5 years AED'000
30 September 2026							
Hedge of investments	66,822	-	1,378,734	-	128,537	515,697	734,500
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 1,340,802 thousand as at 30 September 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>30 September 2026</i>		<i>30 September 2025</i>	
	<i>Change in value AED'000</i>	<i>Effectiveness recognised in profit and loss AED'000</i>	<i>Change in value AED'000</i>	<i>Effectiveness recognised in profit and loss AED'000</i>
On hedging instruments	52,307	3,868	(23,932)	(6,953)
On hedged items	(48,439)		16,979	

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22 CAPITAL ADEQUACY RATIO

	<i>Unaudited</i> <i>30 September</i> <i>2026</i>	<i>Audited</i> <i>31 December</i> <i>2025</i>
Common equity Tier 1 capital ratio	16.8%	17.4%
Tier 1 capital ratio	19.6%	20.3%
Capital adequacy ratio	20.7%	21.5%

23 CASH AND CASH EQUIVALENTS

	<i>Unaudited</i> <i>30 September</i> <i>2026</i> <i>AED'000</i>	<i>Unaudited</i> <i>30 September</i> <i>2025</i> <i>AED'000</i>
Cash and balances with UAE Central Bank	1,605,320	1,505,829
Due from banks	695,383	484,852
Due to banks	(4,387,142)	(4,482,677)
	<u>(2,086,439)</u>	<u>(2,491,996)</u>
Adjustments for:		
Balances with UAE Central bank maturing after three months	(350,000)	(100,000)
Due from banks maturing after three months	(72,008)	(3,328)
Due to banks maturing after three months	2,746,212	2,149,949
Total cash and cash equivalents	<u>237,765</u>	<u>(445,375)</u>

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 30 September 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 30 September 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:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months period ended 30 September 2026

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	(231,908)	131,908	(100,000)
Net cash from operating activities	(991,056)	131,908	(859,148)
Net change in cash and cash equivalents	(1,281,876)	131,908	(1,149,968)
Cash and cash equivalents at 1 January	12,573	692,020	704,593
Cash and cash equivalents at 30 September	(1,269,303)	823,928	(445,375)

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 nine-month period ended 30 September 2026.

26 REGIONAL GEOPLITICAL DEVELOPMENTS

The regional geopolitical landscape continues to introduce macroeconomic uncertainty across the UAE. The Bank continues to maintain active business continuity frameworks and rigorous risk management practices to safeguard its operations. In response to these conditions, the Central Bank of the UAE ("CBUAE") introduced the Financial Institution Resilience Package ("FIRP") on 18 March 2026 and subsequently extended till 15 January 2027.

The Financial Institution Resilience Package provides temporary liquidity and capital flexibility measures to eligible banks. As part of the Package, Banks may benefit from the Reserve Balance Measure allowing penalty-free drawdown of up to 30 % of minimum reserve requirements, enhancing liquidity management flexibility, if required.

The Bank has considered the impact in the forward looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL measurement. The bank has also incorporated adequate post-model overlays based on sectors and borrowers where there is likely to be any residual volatility and sector-specific risks that were not fully captured by the statistical models.

The Bank remains fully committed to participating in the CBUAE led Resilience Program, reflecting its determination to support customers through periods of uncertainty and to contribute to the stability and resilience of the UAE economy. No significant payment deferrals were granted during the period, noting minimal usage and having no significant impact from a credit risk perspective as on 30 September 2026 and were subject to customer eligibility and demand. The Bank continues to reassess the long-term viability of affected borrowers, and stage classification is determined in accordance with IFRS 9, the Credit Risk Management Standards ("CRMS"), the Bank's internal policies and applicable CBUAE guidelines.