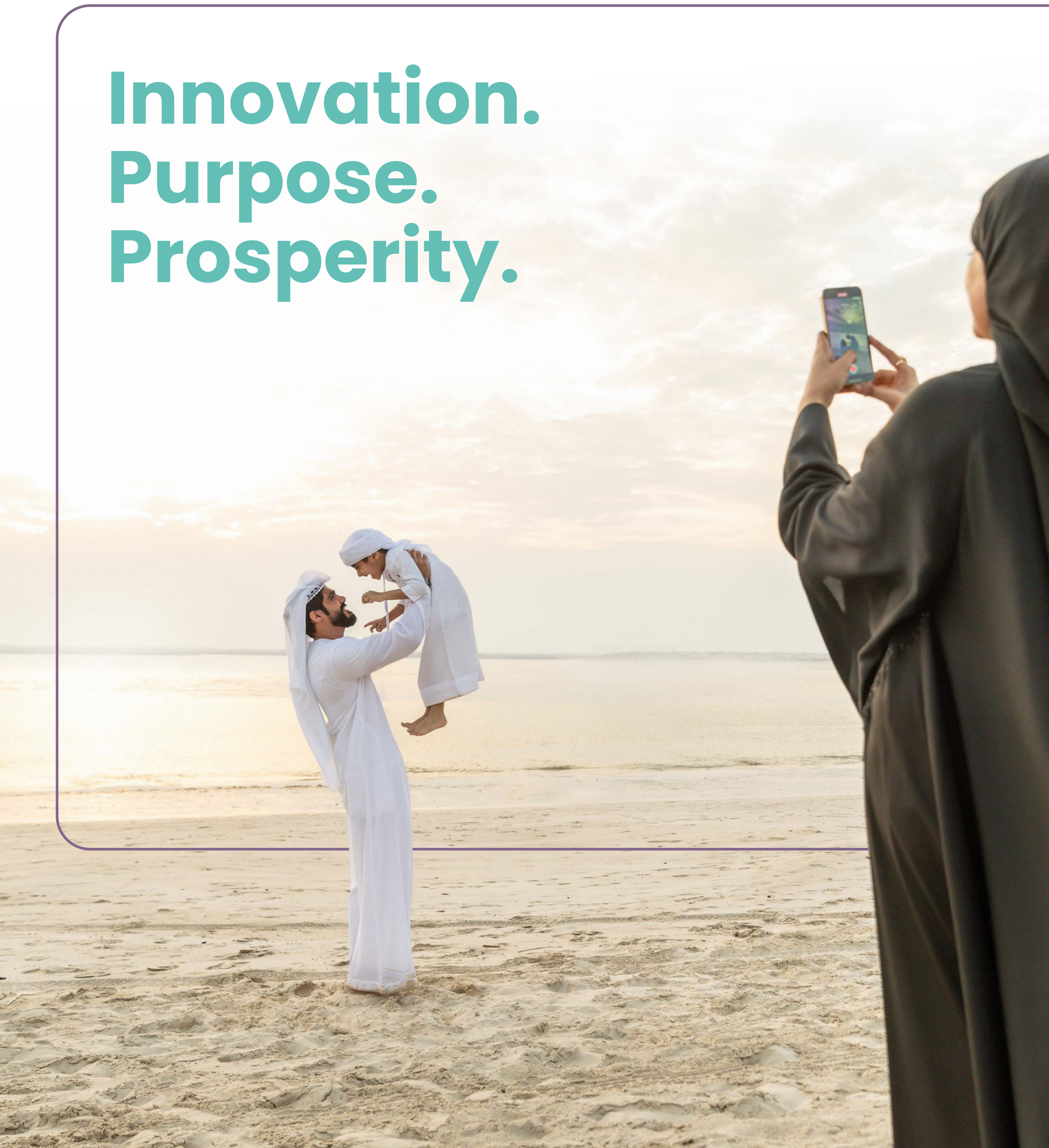
Annual Report 2025

Innovation. Purpose. Prosperity.



IN THE NAME OF ALLAH,
THE MERCIFUL,
THE MOST MERCIFUL

H.H. Sheikh Mohamed Bin Zayed Al Nahyan
President of the United Arab Emirates

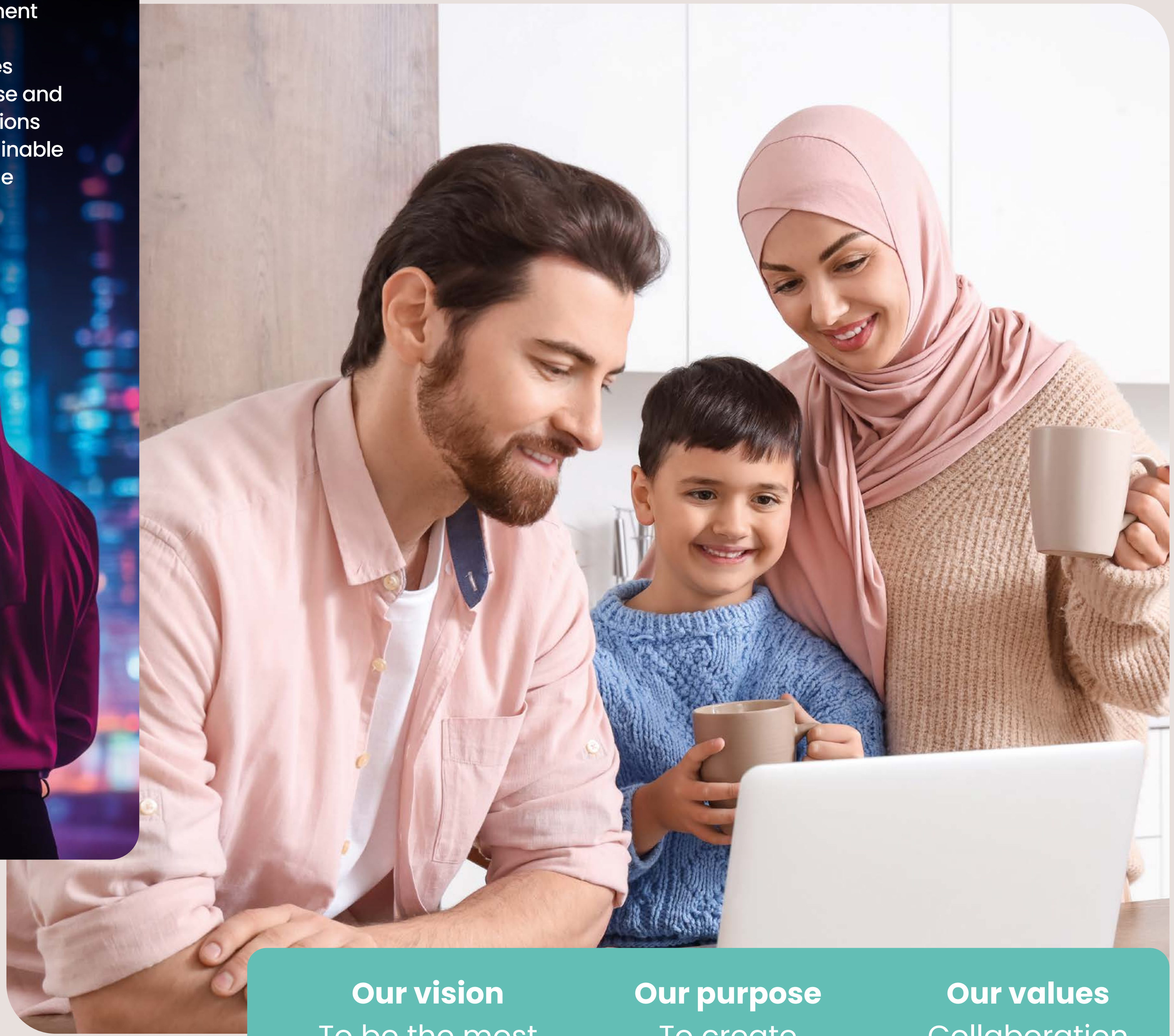
H.H. Sheikh Mohammed Bin Rashid Al Maktoum
Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai

H.H. Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum
Deputy Prime Minister and Minister of Defence of the United Arab Emirates and Crown Prince of Dubai

H.H. Sheikh Maktoum Bin Mohammed Bin Rashid Al Maktoum
Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance of the United Arab Emirates

Innovation. Purpose. Prosperity.

We strengthened our commitment to progress that serves people, builds communities and creates lasting value. Guided by purpose and powered by innovation, our actions reflected a clear focus on sustainable prosperity for our customers, the economy and the future.



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Our vision
To be the most innovative Shariah-compliant bank for our customers, people and communities

Our purpose
To create opportunities to prosper

Our values
Collaboration
Ownership
Drive
Enterprising

Chairman's message

Innovation. Purpose. Prosperity.

The UAE continues to reinforce its position as one of the world's most dynamic Islamic banking markets, driven by a national vision that places Islamic finance at the centre of long-term economic growth. Emirates Islamic stands proudly as a leader in this vibrant sector, driving meaningful progress through disciplined innovation, purposeful growth and a deep commitment to our customers and communities.

Accelerating growth and market leadership

During 2025, we made significant strides in advancing our ambition of becoming the Islamic banking champion in the UAE. Although still a young bank, our progress reflects the trust of our customers and the relevance of our propositions across the country.

We expect our Islamic banking market share to exceed 15% by the end of the year, supported by growth across our core products and by the breadth of our offering for individuals, small businesses and corporates.

As we grow, we remain mindful of the catalysts shaping the future of financial services. Artificial intelligence, digital assets and other emerging technologies are redefining how banks operate and how customers engage with us. We are preparing deliberately and confidently for this future.

Advancing with AI and technology

AI is a strategic priority for us and an essential driver of efficiency and value creation. We are developing a comprehensive AI blueprint that focuses on high-impact, revenue-generating opportunities. These include agentic chat capabilities, autonomous workflows, automated due diligence and enhanced fraud detection.

Each initiative is designed to streamline processes, strengthen risk controls and support a more intelligent operating model that can scale with changing customer demands and evolving market dynamics. We intend to remain at the cutting edge of technology and innovation while ensuring that every advancement improves service quality and business performance.

Empowering our talented workforce

Our colleagues across the Bank remain the cornerstone of our success. Their commitment, professionalism and resilience have shaped our progress and reinforced the culture that defines Emirates Islamic. We continue to focus on learning, development and career mobility to ensure that our people grow with the organisation and contribute meaningfully at every stage of our journey.

Central to this is our Emirati talent, which continues to grow across the Bank. Their leadership and capabilities reflect our identity and strengthen our contribution to the UAE's long-term economic ambitions.

Responsible growth, strong governance and Shariah leadership

We hold our ESG commitments as integral to our purpose. Our progress reflects responsible and enduring growth, and we remain very close to meeting our COP28 Group commitment, demonstrating our determination to make a positive environmental impact. We will continue to support initiatives that contribute to long-term sustainability and strengthen the communities we serve.

Prudent risk management remains a core priority. We pursue opportunities that align with our values and strategic direction, supported by high Shariah standards that reinforce trust and ensure disciplined, well-governed growth.

A strong outlook and commitment to the UAE

We recognise the market and economic dynamics that are shaping the coming period and approach them with measured confidence. Our disciplined execution, strong capital position and closer integration with Emirates NBD place us in an excellent position to navigate uncertainty and pursue sustainable expansion.

In 2025, the UAE Cabinet approved the UAE Strategy for Islamic Finance and Halal Industry, signalling a national commitment to elevate Islamic finance and expand its global influence. We intend to play a leading role in supporting these ambitions through our scale, innovation and widening suite of Shariah-compliant products and services.

Looking ahead with confidence

Our delisting this year and transition to full ownership under Emirates NBD brings us closer to the Group than ever before, strengthening our ability to innovate together and prosper together. Emirates Islamic enters this next phase with clarity of purpose and belief in what we can achieve. Innovation strengthens our capabilities, Purpose reinforces our responsibility to our stakeholders and Prosperity reflects the value we strive to create for our customers, our communities and our nation.

I extend my appreciation to our Board of Directors and management for their guidance, and to all our colleagues for their dedication and contribution to our continued success.

Mr. Hesham Abdulla Al Qassim
Chairman

"Fully aligned with the goals of Emirates NBD Group, we continue to build a more agile, integrated and technology enabled organisation for today and the future."

Chief Executive Officer's message

Prosperity built on innovation and trust

"Innovation sits at the heart of how we run our business and shapes the value we create for our stakeholders."

In 2025, we continued to innovate with purpose, strengthening our product suite, advancing our digital capabilities and elevating the customer experience across every segment we serve. Our progress reflects a year of strong execution and record performance, supported by diversified growth across funded and non-funded income, healthy margins, low cost of risk and robust capital and liquidity.

Innovating to lead the market

At every stage of our growth journey, innovation has been central to our role in Islamic finance and continues to underpin our ambition to set new industry standards. During the year, we introduced market-shaping solutions including the world's first Sustainability-Linked Financing Sukuk and the first Treasury repo transaction in the Islamic banking sector. This commitment to continuous innovation drives value for our customers and business.

Elevating customer experience

We continue to transform our customer journeys to deliver faster, more seamless interactions, whether for individuals, SMEs or corporates. Our focus on improving complaint resolution, addressing non-standard requests and upgrading service touchpoints has strengthened satisfaction and deepened trust.

We remain the bank of choice for millennials and are now expanding that appeal to Gen Alpha through our recently launched Alpha proposition, designed specifically for customers under the age of 18. Our brand value reflects this growing confidence, reaching USD 665 million in 2025 as per Brand Finance Journal 2025, an increase of 21% from 2024. These milestones demonstrate our ability to bring distinct, future-focused products to customers and reinforce the strength of our brand in the UAE and beyond.

Tailored propositions and broader access

We aim to serve every segment with clarity and precision. To support smaller investors, we reduced the minimum investment for our Fractional Sukuk to USD 5,000 from USD 25,000, making Sukuk investments more accessible to a wider audience. Our product portfolio continues to expand, including the first Amazon-branded credit card in the MENA region, which has proven highly compelling for customers seeking lifestyle-driven banking.

For SMEs, we introduced the Diamond Account to provide exclusive benefits and enhanced banking support. In the Corporate and Institutional space, we strengthened partnerships in the real estate sector and landed key cash management mandates, resulting in a strong year for acquisition, onboarding and relationship expansion.

Deepening our digital leadership

Our digital transformation agenda accelerated in 2025. Across retail and wholesale banking, we invested in technology that simplifies processes, reduces turnaround times and removes bottlenecks.

In Retail Banking, we became the first UAE bank to adopt UAE PASS for home finance contract signing. We also continued to strengthen our digital mortgage documentation processes and broadened adoption of digital tools to improve efficiency. For SMEs, we launched BusinessONE, a fully integrated platform that eliminates the need for multiple logins and provides a unified view of banking activity.

We advanced our leadership in Wholesale Banking through Islamic smartSCF, a first-of-its-kind fully digital, Shariah-compliant supply chain finance solution. Alongside this, our new FX Hub platform enables customers to execute foreign exchange transactions seamlessly and with improved turnaround times.

Building a future-ready team

We recognise that disruptive technologies such as AI and automation are reshaping the banking landscape. To address this shift, we continue to build a future-ready workforce through reskilling, upskilling and cross-skilling programmes. We have introduced a user-friendly Learning Experience Platform (LXP) designed to facilitate personalised and ongoing learning journeys for all employees. Our People Development Strategy fosters innovation, digital proficiency and leadership excellence, all while adhering to Shariah principles. This approach creates the flexibility and depth of expertise needed to support our growth and sustain our innovation momentum.

National commitment and community impact

We are proud to support the national workforce and the communities we serve. Our Emiratisation ratio reached 43.5% as of year-end 2025, and we remain on track to achieve 45% by the end of 2026. We will continue to develop the next generation of Emirati leaders through targeted learning, development and career progression pathways that align with the ambitions of "We the UAE 2031".

Our community initiatives strengthened further. We delivered financial literacy workshops across four government schools, empowering 120 students with early financial decision-making skills. In partnership with the Mohammed Bin Rashid Housing Establishment (MBRHE), we supported the Housing of the Future campaign to improve quality of life for People of Determination through innovative and sustainable housing solutions.

Well positioned for 2026 and beyond

As we build on another strong year of performance, our strategy for 2026 is well defined. We will focus on delivering a best-in-class Islamic banking experience, expanding our position as a universal bank and strengthening our commitment to responsible banking.

We will continue to innovate with purpose, elevate the experiences of our customers and contribute to a more prosperous future for our stakeholders and our nation.

Mr. Farid AlMulla
Chief Executive Officer

At a glance

Shaping the future of Islamic banking with ambition and impact

Emirates Islamic continues to redefine what Shariah-compliant banking can achieve in a modern, fast-advancing economy.

We serve a broad and expanding base of individual, SME and corporate clients through a nationwide distribution network, offering financial solutions that are purposeful, customer-centred and designed to support long-term prosperity.

As the third largest Islamic bank in the UAE by total assets, Emirates Islamic combines the energy of a young and ambitious institution with the resilience of a bank backed by Emirates NBD and the Government of Dubai. Our AED 146 billion balance sheet, which grew 31% this year, reflects both the momentum of our growth and the confidence placed in us by customers across the country.

Our strength is anchored in disciplined capital and risk management, demonstrated by a capital adequacy ratio of 15.8% and a coverage ratio (with collateral) of 226%. These foundations enable us to innovate with speed and agility while delivering comprehensive Shariah-compliant products across retail, business and corporate banking. With a brand value of USD 665 million, Emirates Islamic is recognised for its commitment to transparency, fairness and empathy, and for its role in shaping a modern form of Islamic banking that stays true to its values while meeting evolving customer expectations.

Our performance in 2025 reflected another year of strategic progress. Total income reached AED 6.0 billion, representing a 26% CAGR since 2021. Net profit rose to AED 3.3 billion, positioning Emirates Islamic as the seventh most profitable bank in the UAE and contributing significantly to Group results. Our brand value has risen by 80 places since 2022, underscoring our expanding influence within the sector.

We also continued to lead with market-defining innovation, issuing the world's first Sustainability-Linked Financing Sukuk valued at USD 500 million. This milestone reinforces our ambition to advance sustainable finance and confirms Emirates Islamic as a forward-thinking bank helping to build a more responsible financial ecosystem for the UAE and beyond.

1,690
Team size

36
Branches as of 31 December 2025

Awards and recognition

Euromoney Islamic Finance Awards 2025
The World's Best Islamic Digital Bank
The Middle East's Best Islamic ESG Deal

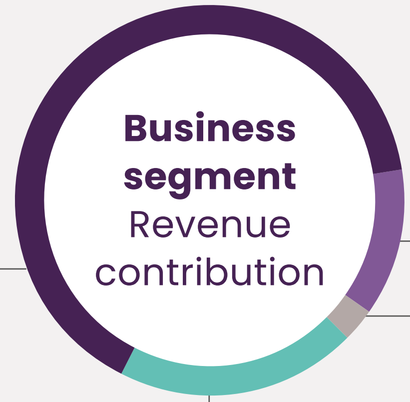
Global Finance – Best Islamic Financial Institutions Awards 2025
Best Islamic Corporate Bank in the World
Best Islamic Financial Institution in the UAE

The Banker's Islamic Banking Awards 2025
Islamic Retail Bank of the Year – Middle East
Most Innovative Murabaha

MEED MENA Banking Excellence Awards 2025 – Corporate & Investment edition
MENA Islamic Bank of the Year

MENA Banking Excellence Awards Wealth & Private Banking 2025
Islamic Wealth Manager of the Year

Cards & Payments Awards 2025
Best Marketing Campaign
Emarati Credit Card



Other Segments
12%

Retail Banking and Wealth Management
65%

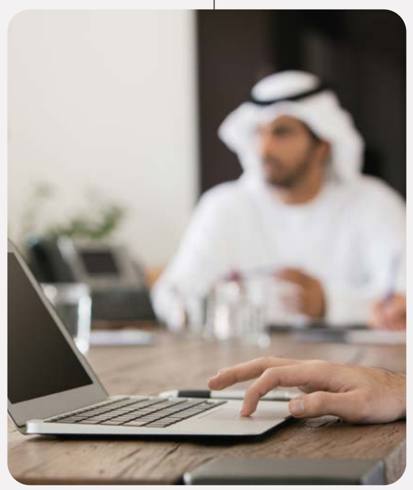
Personal Banking, Private and Priority Banking, and Business Banking

Offering:
- Current Accounts
- Savings Accounts
- Deposit Accounts
- Credit Cards
- Financing Solutions
- Wealth Management Services

Corporate and Institutional Banking
20%

Corporate Banking, Structured Finance and Syndication, and Financial Institutions

Offering:
- Term Financing
- Working Capital Financing
- Trade Financing
- Project Financing
- Syndicated and Club Financing
- Structured Financing
- Cash Management Solutions
- Digital Offerings



Treasury and Markets
3%

Assets and Liabilities Management, Sales and Structuring, Flow and Execution, and Business Management Support

Offering:
- FX Products: FX Digital Platform, FX Spot, Wa'ad and Options
- Yield Enhancing Deposit Products: Floored Floater, Collared Floater, Range Accrual
- Rates Products: Profit Rate Swaps, Equity Execution, Funds Execution, Wakala Deposit, Sukuk

Business model

Empowering stakeholders through purposeful innovation and strategic alignment

How we create value

Return on Equity (ROE)	ROE, 2025 vs 21.8% in 2024 **20.9%**	Measuring our profitability in relation to our equity.	**Emirates Islamic difference:** One of the market-leading return profiles.
Capital	Core Tier 1 (CET 1) %, 2025 vs 18% in 2024 **14.7%**	Money obtained from retained EI profits and ENBD Group shareholding.	**Emirates Islamic difference:** Maintaining healthy capital ratios.
Funding	Net profit margin, 2025 vs 4.3% in 2024 **3.6%**	Funds received from financiers and customer deposits.	**Emirates Islamic difference:** Strong retail deposit base and CASA balances.
Assets	Total assets (AED), 2025 vs AED 111.1 bn in 2024 **145.8 bn**	Creating a strong asset base with robust risk management practices.	**Emirates Islamic difference:** Providing customers with diversified products and services.
Income	Total revenue (AED), 2025 vs AED 5.4 bn in 2024 **6.0 bn**	Revenue from financing and investment products, and fee and commission income.	**Emirates Islamic difference:** Strong balance sheet and comprehensive offerings delivering steady income.
Coverage	Coverage, 2025 vs 142.3% in 2024 **152.1%**	Provisions for impairment charges incurred during the year.	**Emirates Islamic difference:** Maintaining adequate coverage with robust credit oversight.
Profits	Net profit (AED), 2025 vs AED 2.8 bn in 2024 **3.3 bn**	Earnings after accounting for all expenses including provisions.	**Emirates Islamic difference:** Continue to drive income, while managing costs and risk.

Stakeholder value created in 2025

Customers

Our strategy places customers at the centre of every decision, driving us to deliver an experience defined by quality, consistency and care.

Total active customers

≈860K+

Customer satisfaction score

89%

Communities

We work to support a society where opportunity is broadened, wealth is created fairly and the economy grows with shared prosperity.

Charitable contributions

46.3 mn

Government

We are committed to supporting the government's strategic priorities and contributing to meaningful, long-term socio-economic progress.

Government Housing Programmes Partnerships

Driving SME Development and Diversification

Employees

We are building a high-performance organisation that fosters strong employee engagement, a progressive culture, Emiratisation and continuous talent development.

Women in leadership

25%

Emiratisation ratio

43.5%

Rating

We work towards maintaining strong credit ratings, as they signal financial stability, enhance trust and support our ability to access funding efficiently.

A+/F1

(Stable Outlook)

Purpose driven innovation

2025 has been a transformative year for Emirates Islamic, defined by purposeful growth and continued strengthening of our financial performance. The deepened partnership with the Group continues to unlock opportunities to accelerate growth across our business segments, reduce friction in delivery and convert strategy into measurable outcomes.

Service excellence as a measurable promise
Service excellence remains one of our strongest differentiators. Through enhanced Net Promoter Score (+11 points to reach 51) and Customer Satisfaction insights, we gained a clear view of our strengths and the areas requiring focused improvement. We responded with initiatives that improved turnaround times, simplified processes and enhanced the overall experience.

We strengthened our complaint resolution journey and simplified our Interactive Voice Response system to make banking easier and more intuitive. Our Service Ambassadors continued to play an important role in guiding customers in branches, reducing waiting times and ensuring that every interaction is met with clarity and support. These efforts reflect our commitment to making Emirates Islamic a bank that provides best in class customer service.

Digitisation at scale and future readiness
To serve our stakeholders without friction, we are investing in integrated systems and digital capabilities that strengthen both the front and back office. Our fully digital Alpha proposition embodies this mindset, offering a seamless banking experience for the new generation.

We have developed in-house platforms such as 4X, which integrates multiple systems to reduce duplicated work and improve internal collaboration. We also continue to invest in large-scale digital programmes such as MASAR and Smart Trade, both of which are improving processing times and operational efficiency. In addition, we are closely monitoring the performance and impact of recently launched platforms including smartSCF, ensuring that every initiative drives measurable gains in productivity and customer value.

Optimising our presence across the UAE
We are focused on strengthening our presence by expanding our digital banking capabilities and increasing the reach of our sales teams. This strategy allows us to better serve existing clients and attract new customers who value innovative, Shariah-compliant financial solutions. By leveraging technology and targeted engagement, we ensure broader connectivity and enhanced service excellence across all emirates, solidifying Emirates Islamic's role as a leading Islamic bank.

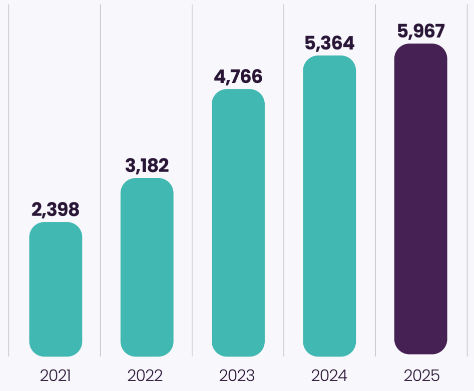
Looking ahead with purpose
As we enter a new phase of growth, we will continue to strengthen our integration with Emirates NBD, scale our digital and operational capabilities, and accelerate the initiatives that enhance service, efficiency and value for our customers. With a sharper national footprint, a more agile operating model and a forward-looking approach to talent and technology, we are well positioned to support our stakeholders and contribute to a more prosperous future for the UAE.

Mr. Mohammad Kamran Wajid
Deputy Chief Executive Officer

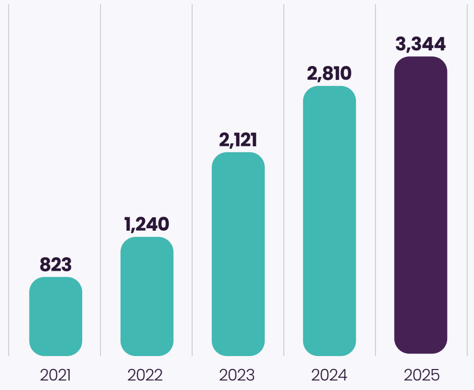
"We continue to enhance our market standing and position the bank for the next phase of AI adoption, sustainable expansion and innovation."

Performance highlights

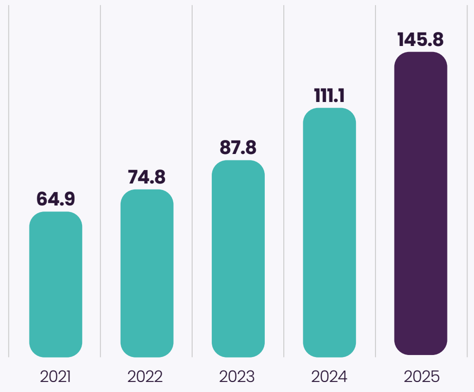
Revenue (AED million)
5,967



Net profit (AED million)
3,344



Assets (AED billion)
145.8



Our strategic pillars and progress

Our strategic pillars guide the way we grow, innovate and create value. Together they form a focused framework that strengthens our competitiveness, deepens our customer relevance and ensures that our progress is purposeful and future-ready.

01. Grow market share
02. Maintain digitisation momentum
03. Scale-up customer experience
04. People development
05. Embed ESG and data driven decisioning principles

01. Grow market share

Emirates Islamic continues to prioritise market expansion as a core strategic objective. We aim to deepen relationships across our existing customer base and extend our reach to new clients by strengthening propositions, broadening distribution and delivering value that aligns with the needs of individuals, small businesses and corporates across the UAE. Our commitment to purposeful growth reflects our ambition to widen our presence, strengthen competitiveness and capture a greater share of Islamic banking opportunities nationwide.

Within Retail Banking and Wealth Management, we advanced our position through compelling customer value propositions tailored to meet diverse financial needs. Our Alpha Youth proposition deepened engagement with the next generation, while the launch of the region's first Amazon co-branded credit card strengthened our lifestyle-led offering. Growth remained resilient across credit cards, personal finance, auto finance and home finance, supported by expanding digital sales penetration. Deposits and assets delivered solid year-end gains, and our long-standing role as the preferred banking partner for the Government of Sharjah and the Mohammed Bin Rashid Housing Establishment continued to deliver meaningful impact, with approximately AED 10 billion cumulatively financed across both programmes.

Across Corporate and Institutional Banking, we built disciplined momentum by enhancing our transaction banking capabilities and expanding into new emirates. Our progress in escrow services and advanced cash management solutions, including API and host-to-host connectivity, has strengthened our relevance to corporates seeking efficient and Shariah-compliant working capital solutions. We continued to grow our mid-market portfolio, capturing scalable opportunities in a segment that represents sustainable long-term potential. Revenue contribution increased through a sharper focus on non-funded income, driven by FX, derivatives and ancillary fee-based activities.

Treasury and Markets delivered a strong year of expansion, broadening market penetration across the GCC, Turkey, Asia and key financial institution corridors. We increased the number of counterparties across ALM, Flow and Sales, deepening liquidity, improving price discovery and reducing execution costs. Our cross-border contribution accelerated through the growth of Quick Remit, which now enables 24/7 outbound remittances to an expanded set of global corridors. New relationships with regional and international partner banks bolstered our footprint and strengthened our overall market relevance.

02. Maintain digitisation momentum

Emirates Islamic continues to advance its digital transformation journey with a clear focus on delivering fast, secure and intuitive banking experiences. Our ongoing investment in modern technology strengthens our ability to meet evolving customer expectations, enhance operational efficiency and create seamless access to Shariah-compliant financial solutions across every channel. By combining innovation with disciplined execution, we are building a digital ecosystem that supports long-term growth and deepens engagement across all segments.

Within Retail Banking and Wealth Management, our digital offerings maintained strong momentum. EI+, our mobile banking platform, reached an adoption rate of 86% across our customer base, reflecting its role as a primary channel for everyday banking. The platform expanded its digital wealth proposition to provide easy access to equities and Sukuks, while Tablet Banking strengthened its position as the main onboarding channel for new accounts, cards and personal finance. WhatsApp Chat Banking increased its reach by offering greater convenience for customers, and we progressed the deployment of next-generation ATMs designed to deliver smoother, more reliable self-service experiences.

In Corporate and Institutional Banking, we enhanced the digital landscape for corporate clients through improved platforms and integrated capabilities. Our API Banking capabilities continued to scale, with around 60 APIs now enabled to provide real-time connectivity, faster transaction processing and seamless integration with client systems. We are also in the process of transitioning Relationship Manager workflows to the WB Edge platform, allowing teams to track performance, client activity and the full sales cycle through advanced, end-to-end functionality.

In Treasury and Markets, we made significant strides in automating and digitising core functions. FX auto-hedging was extended across broader customer segments, enhancing execution accuracy and reducing manual intervention. We partnered with Bloomberg to enable FX Wa'ad dealing functionality, becoming the first Islamic bank to go live on the platform. We also further widened market access by reducing the minimum investment threshold for Fractional Sukuk from USD 25,000 to USD 5,000, enabling customers to participate in Shariah-compliant capital markets with greater flexibility.

Strategic pillars continued

03. Scale-up customer experience

Enhancing customer experience remains a central priority for Emirates Islamic. We are committed to delivering high-quality service built on simplicity, responsiveness and clarity. By redesigning critical journeys, expanding digital solutions and strengthening service disciplines across the organisation, we continue to create interactions that are faster, more intuitive and aligned with the expectations of our customers.

Within Retail Banking and Wealth Management, service performance strengthened across key metrics. More than 96% of customer complaints were resolved within the defined turnaround time. Customer confidence was reinforced by improved Google branch ratings, while digital adoption accelerated through Sign Online for financing solutions and Secure Sign for secure, seamless authentication. These enhancements reflect our commitment to making every interaction efficient, transparent and easy to navigate.

Across Corporate and Institutional Banking, we advanced several initiatives aimed at streamlining processes and improving the end-to-end experience. The integration of the Customer Financing request workflow with Finacle, scheduled for completion in 2026, is set to reduce turnaround times for financing requests through enhanced straight-through processing. Digitisation remained a core driver of improvement, supported by the expansion of API and host-to-host banking, and the implementation of around 55 services on the online Simply Service Portal. We also strengthened customer onboarding through an enhanced BPM workflow, making the journey more digital and significantly improving coordination between customers, business teams and operations.

Treasury and Markets continued to scale its digital service proposition, creating faster and more convenient execution channels for clients. FX Hub became the primary entry point for corporate Treasury customers by consolidating pricing and execution in a single environment. Usage of FX Online increased meaningfully, supporting direct and frictionless self-execution. Wakala Online also achieved strong traction as customers sought streamlined short-term liquidity placement. Sign Online is set to further accelerate the documentation cycle and reduce onboarding friction for corporates and financial institutions, reinforcing the ease and efficiency of our Treasury services.

04. People development

We continue to invest in building a high-performance organisation that empowers our people and strengthens our culture of agility, accountability and inclusion. By redefining our Employee Value Proposition, we aim to position Emirates Islamic as an employer of choice and create an environment where colleagues can grow, innovate and thrive.

As we embrace the future of work, we are integrating AI-driven tools to enhance productivity and support teams across the Bank. We launched a new Learning Experience Platform to deliver personalised and continuous learning journeys, reinforcing our focus on digital fluency and leadership capability. Our people development strategy nurtures innovation while upholding Shariah values, with a strong commitment to advancing women into leadership roles and promoting equity across the organisation. Emirati talent remains central to our ambition, supported by focused programmes such as Bedaya, which prepare future national leaders to succeed in a rapidly evolving financial landscape.

05. Embed ESG and data driven decisioning principles

We continue to embed sustainability and data-driven intelligence into the way we operate, manage risk and create value. By integrating responsible finance practices with advanced analytics, we are strengthening our ability to make informed decisions, support the UAE's broader sustainability ambitions and ensure that our growth aligns with long-term environmental and societal priorities. This approach enables us to serve customers with insight, transparency and discipline while supporting a more resilient financial ecosystem.

Within Retail Banking and Wealth Management, our ESG commitments translated into products that promote sustainable choices for customers. We supported the shift towards clean mobility by offering preferential vehicle finance profit rates and simplified approvals for electric vehicles. Our green home finance offering encouraged investment in eco-friendly housing, making energy-efficient living more accessible. These initiatives reflect our commitment to responsible financing and our ambition to drive positive environmental and social impact within the communities we serve.

Across Corporate and Institutional Banking, we advanced our sustainable finance agenda by expanding green and Sustainability-Linked Financing with clear targets. All transactions undergo rigorous review through the Emirates Islamic Wholesale Islamic Sustainable Finance Committee, ensuring strong governance and alignment with Shariah principles. Sustainability-Linked Financing, in particular, requires KPIs that reflect both historical trends and ambitious forward performance targets.

In Treasury and Markets, ESG principles remained integrated across origination, structuring and investment. Following the issuance and Nasdaq Dubai listing of the world's first USD 500 million Sustainability-Linked Financing Sukuk, we continued to refine ESG-aligned pricing frameworks and strengthened portfolio construction discipline. These enhancements contributed to a higher-quality Sukuk book profile and reinforced our leadership in sustainable Islamic finance.

ESG Summary

ESG Summary

The Emirates Islamic ESG Report 2025 reflects the Bank's continued progress in embedding sustainability into its business model through responsible, Shariah-compliant banking practices. Guided by national priorities and international best practices, the report highlights how Emirates Islamic integrates environmental, social and governance considerations across its activities to deliver long-term value for customers, communities and the wider economy.

In line with the UAE's designation of 2025 as the Year of Community, Emirates Islamic prioritised initiatives that promote inclusion, social well-being and shared prosperity. During the year, the Bank advanced financial inclusion through targeted financial literacy programmes, partnerships with educational institutions, and homeownership and financial planning engagement for citizens, youth and families. These efforts were complemented by employee volunteering, collaboration with community organisations and meaningful charitable allocations, including Zakat and contributions through the Khairat Fund, supporting social causes aligned with national priorities and the United Nations Sustainable Development Goals.

Sustainable and responsible financing remained a core pillar of Emirates Islamic's impact in 2025. The Bank continued to grow its green and sustainability-linked asset portfolio, reaching over USD 3.6 billion in sustainable financings, supported by a green asset book driven largely by affordable housing. A key milestone during the year was the successful issuance of a USD 500 million Sustainability-Linked Financing Sukuk, reinforcing Emirates Islamic's leadership in Islamic sustainable finance and reflecting strong confidence from regional and international investors.

Innovation and customer-centricity remained central to the Bank's responsible banking approach.

Continued investment in digital platforms enhanced accessibility and efficiency, while sustained focus on service excellence contributed to high levels of customer advocacy. In 2025, Emirates Islamic maintained strong Customer Satisfaction and Net Promoter Score performance, underscoring the effectiveness of its customer experience initiatives and commitment to transparency and trust.

Emirates Islamic's ESG leadership and performance were further recognised through multiple regional and international awards in 2025, including:

- Best Islamic Bank in the UAE in World Finance Islamic Finance Awards 2024
- Best Islamic Bank for ESG in World Finance Islamic Finance Awards 2024
- Best Innovation in Mobile Banking in World Finance Islamic Finance Awards 2024
- Best Islamic Financial Institution in the UAE, Global Finance – Best Islamic Financial Institutions Awards 2025
- The World's Best Islamic Digital Bank, Euromoney Islamic Finance Awards 2025
- The Middle East's Best Islamic Digital Bank, Euromoney Islamic Finance Awards 2025
- The UAE's Best Islamic Digital Bank, Euromoney Islamic Finance Awards 2025
- The Middle East's Best Islamic ESG Deal, Euromoney Islamic Finance Awards 2025
- The UAE's Best Islamic ESG Deal, Euromoney Islamic Finance Awards 2025

> A key milestone during the year was the successful issuance of a USD 500 million Sustainability-Linked Financing Sukuk, reinforcing Emirates Islamic's leadership in Islamic sustainable finance.

Setting our ESG focus for value creation and impact

Emirates Islamic's ESG strategy is embedded within its business model and guided by Shariah principles, national priorities and evolving global sustainability standards. The Bank's approach extends beyond climate-related risks to focus on delivering responsible banking solutions that create long-term value for people, communities and the environment. ESG considerations are integrated across strategy, products, risk management and operations, supported by strong governance and ethical practices. Digitisation continues to play a key role in enhancing operational efficiency, expanding access to services and supporting the Bank's sustainability ambitions.

Double Materiality Analysis
Emirates Islamic's sustainability priorities are driven by the Emirates NBD Group's annual double materiality analysis, which identifies the ESG topics most relevant to stakeholders and long-term value creation across the Group. The outcomes of this assessment guide Emirates Islamic in focusing its ESG efforts on areas that are most significant to its business, customers, employees, communities and regulators.

Based on the Group materiality analysis, the key ESG topics relevant to Emirates Islamic include:

1. Sustainable Finance
2. Diversity and Inclusion
3. Human Rights and Fair & Safe Labour
4. AI and Digital Ethics
5. Greenhouse Gas (GHG) Emissions Management

These priority topics provide a clear framework for Emirates Islamic's ESG strategy and activities.

Stakeholder Engagement
Ongoing stakeholder engagement is a core component of Emirates Islamic's ESG approach. The Bank actively engages with customers, employees, regulators, investors, suppliers and the wider community through structured communication channels, feedback mechanisms and collaborative initiatives.

In 2025, Emirates Islamic continued to strengthen its approach to stakeholder engagement, enhancing responsiveness to stakeholder expectations while ensuring that the Bank's ESG strategy remains aligned with long-term value creation and evolving sustainability priorities.

ESG Summary continued

Our Governance approach

Emirates Islamic's governance approach is founded on robust oversight, ethical conduct and Islamic finance principles embedded across decision-making processes. Operating within the Emirates NBD Group governance framework and guided by Shariah requirements, the Bank ensures that ESG considerations and Islamic finance governance are integrated into oversight structures, policies and internal accountability mechanisms. Governance oversight is provided through established Board and management committees, including the Board of Directors, the Board Risk Committee and the Board Nomination, Remuneration and ESG Committee (BNRESGC), ensuring disciplined decision-making and alignment with regulatory, ethical and sustainability expectations.

Ethical Conduct, Risk Management, and Oversight

In 2025, Emirates Islamic continued to strengthen governance practices supporting both Islamic finance activities and broader banking operations. A zero-tolerance approach to unethical behaviour is reinforced through the Code of Conduct and Code of Fair Treatment, alongside policies covering anti-bribery and anti-corruption, conflict of interest, whistleblowing, anti-money laundering, data privacy, human rights, health and safety, and supplier conduct. These frameworks are embedded through mandatory training, regular policy reviews and secure reporting channels that promote transparency and accountability.

ESG and sustainability-related risks, including those arising from Islamic sustainable finance, are managed through a structured three lines of defence model. Governance of Islamic sustainable finance activities is further reinforced through dedicated forums and Islamic Sustainable Finance Committees, ensuring alignment with Shariah principles, regulatory expectations and sustainability standards, supported by guidance from the Higher Shariah Authority and UAE national priorities. Together, these measures underpin a disciplined, responsible and transparent governance approach across all Islamic finance and banking activities.

Advancing environmental sustainability

Emirates Islamic continues to strengthen its approach to environmental responsibility by integrating sustainability considerations into its operations and day-to-day practices. Guided by principles of stewardship inherent in Islamic banking and aligned with Group-wide environmental objectives, the Bank focuses on reducing resource consumption, improving operational efficiency and supporting environmentally responsible outcomes across its activities. Through structured environmental management practices and participation in Group initiatives, Emirates Islamic seeks to minimise its operational footprint while contributing to the UAE's broader environmental and climate ambitions.

Digitalisation and Operational Footprint

Digital transformation remains a key enabler of Emirates Islamic's environmental performance. The Bank continues to expand paperless, technology-enabled services through its EI+ mobile banking application, which offers more than 200 simplified and instant digital services, including over 150 straight-through processing journeys. In parallel, businessONLINE X supports Wholesale and Business Banking clients through a growing range of paperless digital requests, reducing reliance on physical documentation. These initiatives, combined with ongoing efforts to improve energy efficiency and resource management across branches and offices, support lower paper consumption, enhanced operational efficiency and a more sustainable operating model.

Creating social value through responsible banking

Emirates Islamic's approach to social responsibility is centred on creating positive outcomes for its people, customers and communities, in line with Islamic values and national priorities. By investing in its workforce, listening closely to customers and actively supporting community well-being, the Bank seeks to foster inclusion, trust and long-term social value across all areas of its operations.

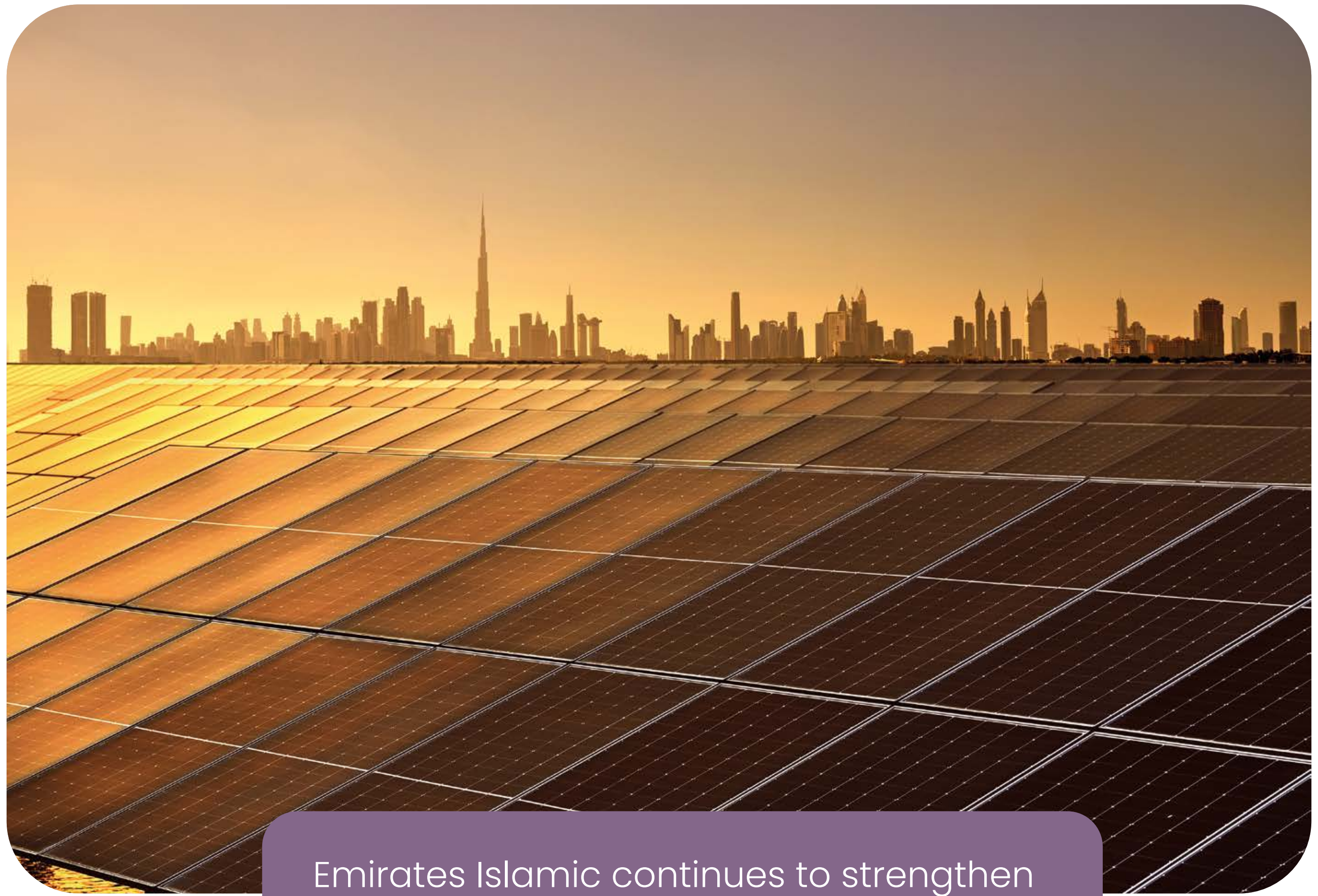
People, Customers, and Communities

In 2025, Emirates Islamic continued to strengthen its social impact through inclusive people practices, customer-centric engagement and targeted community initiatives. The Bank invested in employee development, well-being and engagement through structured training, leadership programmes and recognition initiatives, while advancing gender diversity, Emirati talent development and support for People of Determination through accessible workplaces and flexible practices. Customer experience remained a key focus, supported by ongoing service excellence initiatives, digital innovation and strong governance frameworks, contributing to consistently high levels of Customer Satisfaction and Net Promoter Score performance. Beyond its operations, Emirates Islamic reinforced its role as a bank for communities by advancing financial inclusion through financial literacy programmes and educational partnerships, encouraging employee volunteering, and delivering meaningful charitable contributions exceeding AED 45 million through Zakat and the Khairat Fund, supporting social causes aligned with national priorities and the United Nations Sustainable Development Goals.

Conclusion

The 2025 ESG Report reinforces Emirates Islamic's position as a leading Islamic bank, advancing sustainability through responsible, Shariah-compliant banking. By strengthening Islamic sustainable finance, enhancing governance and ethical oversight, and expanding inclusive social and community initiatives in line with the UAE's Year of Community, the Bank continues to support a more resilient, inclusive and sustainable future. Through the integration of sustainability across its operations, digital platforms and decision-making processes, Emirates Islamic is addressing today's environmental and social priorities while creating long-term value for customers, communities and future generations.

The full report can be read on [our website]



Emirates Islamic continues to strengthen its approach to environmental responsibility by integrating sustainability considerations into its operations and day-to-day practices.

Corporate Governance

Corporate Governance 22–61

Governance at a glance

Throughout 2025, Emirates Islamic continued to strengthen its corporate governance framework, reinforcing disciplined oversight, clear accountability and responsible decision-making in line with evolving regulatory expectations and international standards.

Anchored in a culture of transparency, fairness and integrity, this framework safeguards the Bank's business interests, supports the effective execution of strategy and – together with a comprehensive risk management approach – underpins the creation of sustainable long-term value for shareholders and stakeholders.

Non-Executive Directors

100%

Board independence

43%

Number of Board meetings

6

Number of Board Committee meetings

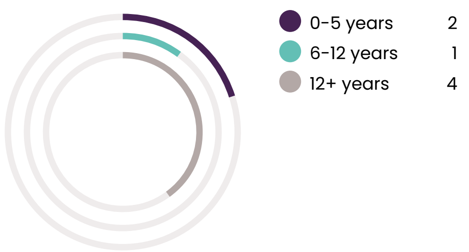
59

Board meeting attendance

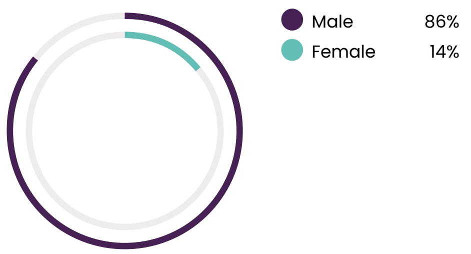
98%

Board

Board tenure
(Number of Directors)

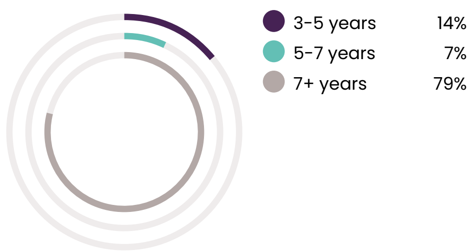


Gender Diversity: Board Level

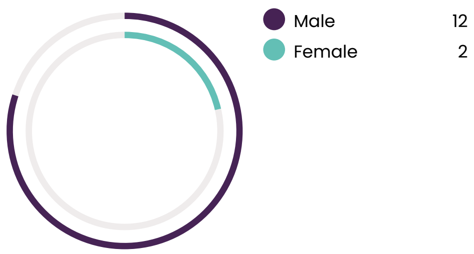


Senior Management

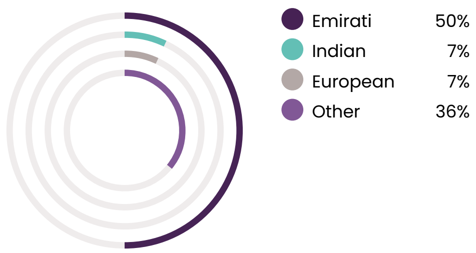
Senior Management tenure



Gender Diversity: Senior Management

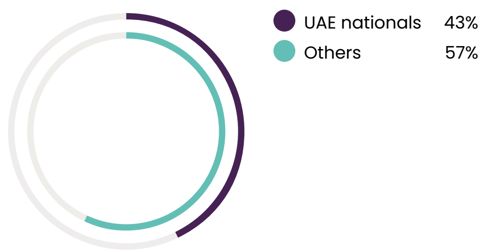


Senior Management: Nationality

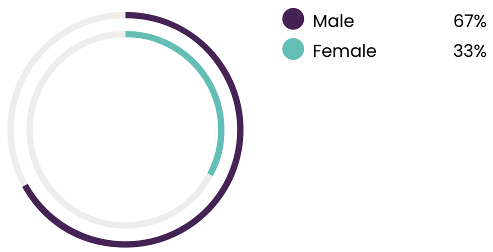


Employees

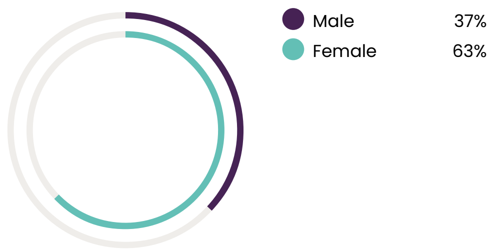
Emiratisation
(Percentage of UAE Nationals)



Gender Diversity: Staff



Gender Diversity: UAE Nationals



Regulatory compliance

The Bank complies with the governance principles set out in the Emirates Islamic Governance Framework and with relevant local regulatory requirements, including those issued by the following regulators:

- Central Bank of the UAE (CBUAE)
- Securities and Commodities Authority (SCA)

Dr. Ahmed Alkhalfawi
Company Secretary

Building trust through robust governance

During 2025, Emirates Islamic's corporate governance framework continued to underpin the effectiveness with which the Board and Senior Management discharged their responsibilities. This framework was essential in upholding rigorous oversight and supporting the Bank's strategic ambitions within a dynamic operating environment.

The Board ensured compliance with evolving regulatory standards and steered key strategic decisions that will shape the Bank's long-term direction.

Governance priorities and Board renewal

A major governance focus in 2025 was the election and appointment of the Board of Directors, conducted in accordance with the Articles of Association, the Fitness and Propriety Regulations and Standards set out by the CBUAE and all other regulatory requirements. This process maintained a Board composition with one third Independent Directors and preserved female representation, reflecting the UAE's best practices in governance. The appointment of the Chairman and Vice-Chairman, along with the reconstitution of all Board Committees, further reinforced the Bank's governance architecture. Independence requirements, particularly for the Board Audit Committee (BAC) and the Board Risk Committee (BRC), were upheld to ensure robust checks and balances.

Enhancing governance and Board effectiveness

To ensure continued alignment with regulation and industry standards, the Board reviewed key corporate governance policies, including the Corporate Governance Manual, Directors' Remuneration Policy, Directors' Fit and Proper Policy and Directors' Performance Evaluation Policy. Induction sessions and ongoing trainings were delivered for Directors, focusing on corporate governance, sustainability, anti-money laundering and Shariah governance. The Board also approved annual corporate governance disclosures and Board remuneration proposals for presentation at the General Assembly Meeting (GAM).

The Board conducted its annual internal evaluation for 2025 in line with policy and regulatory requirements, with findings presented to the Board Nomination, Remuneration and ESG Committee (BNRESGC) and subsequently to the Board. This process reinforced performance expectations and identified opportunities for continuous improvement, supporting the Board's commitment to self-assessment and best practice alignment.

Governance-driven strategic focus and value creation

The acquisition of shares by Emirates NBD and the subsequent delisting marked a significant milestone for Emirates Islamic, bringing the Bank under full ownership of the Emirates NBD Group. This transition has further strengthened alignment across the Group, enhancing governance, oversight, risk management and accountability while supporting effective integration. Closer collaboration enables Emirates Islamic to leverage Group-wide capabilities, accelerate innovation and pursue disciplined growth, reinforcing our shared commitment to long-term value creation and a stronger, more unified operating model. In line with this approach, the 2026-2028 Strategy was reviewed and ratified by the Board.

Strengthening risk management

Risk management remained a core area of oversight. The Board monitored improvements to the Bank's Risk Management Framework, model governance and overall control environment. It endorsed revisions to the terms of reference for the BRC and Board Credit and Investment Committee (BCIC), ensuring alignment with evolving supervisory expectations and best practices.

Simultaneously, the Bank advanced cyber resilience by enhancing its cyber maturity methodology, streamlining regulatory compliance and risk monitoring through the Governance, Risk and Compliance solutions and expanding digital awareness programmes for employees. Conduct risk management was further strengthened through updated frameworks, regulatory submissions and leadership engagement.

Building capabilities across the Bank

People and culture remained strategic priorities throughout the year. The Bank introduced a refreshed engagement model, bolstered speak-up initiatives, advanced wellbeing support and broadened inclusion efforts, including initiatives for female staff and women in leadership positions. Enhanced recognition programmes and external accolades, such as the SHRM Silver Award for Excellence in Health and Wellbeing and the Employee Happiness Silver Award, demonstrated tangible progress in these areas.

Emirates Islamic's achievements are rooted in the talent, resilience and ambition of its people. In 2025, the Bank continued to prioritise these attributes, with significant strides made in its Emiratisation agenda. This included expanding leadership pathways, advancing development programmes and increasing participation at all levels, especially in senior roles. These efforts reinforced the Bank's commitment to nurturing a national talent pipeline supporting the UAE financial sector's long-term competitiveness.

Accelerating ESG progress

In the area of ESG, the Bank made notable advances in governance, transparency and external credibility. One of the key achievements in 2025 was the launch of the Group's IFRS S1 and S2 Sustainability Report. This initiative marked a significant milestone, as it provided a global first in linking climate and sustainability disclosures directly to financial statements. The oversight of the Group's net-zero transition pathway was expanded. This reflected a shift from a compliance-driven approach to one centred on culture, transparency and transformation. Ongoing strategic direction was provided through review and approval of the Emirates Islamic Sustainability-Linked Financing (SLF) Funding Framework and 5-year ESG strategy of the Bank.

Engaging key stakeholders

Stakeholder engagement remained central to the Board's governance approach, supporting informed decision-making and alignment of interests. The Board sustained open dialogue on key strategic, performance, risk and sustainability matters, fostering trust and transparency among all stakeholders including shareholders, investors, regulators and customers.

Looking forward

As the Bank looks into the year ahead, it will build upon the strong foundations established in 2025. Priorities include intensifying training on emerging regulations and refining delegation and authority frameworks to promote accountability and operational efficiency. The Board remains committed to delivering sustained value for shareholders, upholding high governance standards and supporting the Bank's strategic goals.

A key focus will be the next phase of AI-enabled transformation, leveraging advanced technologies to enhance customer experience, reinforce risk management and further strengthen Board governance, unlocking new opportunities across the Bank.

Acknowledgements

I wish to express my gratitude to my fellow Board Members, Senior Management and all employees for their unwavering dedication and contributions throughout the past year. Together, Emirates Islamic will continue to advance its governance priorities and solidify its position as a leading financial institution serving both the UAE and the wider region.

Mr. Hesham Abdulla Al Qassim
Chairman of Emirates Islamic

Board of Directors

BAC
Board Audit Committee

BRC
Board Risk Committee

BEC
Board Executive Committee

BCIC
Board Credit and Investment Committee

BNRESGC
Board Nomination, Remuneration and ESG Committee

BPEC
Board Profit Equalisation Committee

Ⓒ Committee Chair

Mr. Hesham Abdulla Al Qassim
Chairman, Non-Independent Non-Executive Director

Date of appointment: 25 June 2011

Career and experience

Mr. Al Qassim has more than 20 years' experience in the banking industry, currently serving as Vice Chairman and Managing Director of Emirates NBD Bank P.J.S.C. and Chairman of Emirates Islamic Bank P.J.S.C., Emirates NBD Egypt and DenizBank A.Ş Türkiye.

He is the Chief Executive Officer of Wasl Asset Management Group, responsible for leading its transformation into a world-class asset management company. He is also the Vice Chairman of Dubai Real Estate Corporation.

His professional and vocational qualifications include a Bachelor's degree in Banking and Finance and a Master's degree in International Business Management and in Executive Leadership Development.

Board appointments to other Public Joint Stock Companies
- Vice Chairman and Managing Director, Emirates NBD Bank
- Director, Emirates Telecommunications Group Company

Board appointments in other key regulatory, governmental or commercial positions
- Chairman, Dubai Sports Corporation
- Vice Chairman, Dubai Real Estate Corporation
- Vice Chairman, Dubai Autism Centre
- Director, DIFC Investments LLC
- Director, Dubai International Financial Centre Authority

Mr. Buti Obaid Buti Al Mulla
Vice Chairman, Non-Independent Non-Executive Director

Date of appointment: 18 July 2011

Career and experience

Mr. Al Mulla has over 35 years of professional experience that spans the banking, finance, real estate, hospitality, healthcare and investment sectors.

He is the Chairman of Mohamad and Obaid Al Mulla Group, a Dubai-based market leader in key strategic economic sectors, including hospitality, healthcare & pharmaceuticals, real estate, travel & tourism and investments.

Due to his roles as the Chairman and Board Member of various companies, he has extensive experience and expertise in business development, strategic planning, human resources, remuneration, corporate governance, ESG and commercial and Islamic banking.

He holds a Diploma in Business Administration from Newberry College in Boston, USA.

Board appointments to other Public Joint Stock Companies
- Chairman, Oman Refreshment Company
- Director, Emirates NBD Bank
- Director, Emaar Properties
- Director, Dubai Refreshment Company

Board appointments in other key regulatory, governmental or commercial positions
- Chairman, Mohamad and Obaid Al Mulla Group
- Chairman, Dubai Insurance

H.E. Mohamed Hadi Ahmed Al Hussaini
Non-Independent Non-Executive Director

Date of appointment: 25 June 2011

Career and experience

H.E. Al Hussaini is the Minister of State for Financial Affairs, with a mandate for managing the strategic direction and financial policies to maintain the interests of the UAE at local and international levels. He brings over 25 years of professional experience across the banking, finance, insurance, real estate, telecommunications, retail and investment sectors.

He also serves in leadership roles supporting federal and local government in diversifying sovereign wealth and managing significant investment portfolios, both regionally and internationally and has led and overseen a number of mergers, acquisitions and other financing transactions for the public and private sector.

He holds a Master's degree in International Business from Webster University in Geneva, Switzerland.

Board appointments to other Public Joint Stock Companies
- Director, Emirates NBD Bank

Board appointments in other key regulatory, governmental or commercial positions
- Chairman, Etihad Credit Bureau
- Acting Chairman, Emirates Real Estate Corporation
- Vice Chairman, Emirates Investment Authority
- Vice Chairman, Federal Tax Authority
- Director, Investment Corporation of Dubai
- Director, Dubai Real Estate Corporation

Board of Directors continued

Mr. Jassim Mohammed Abdulrahim Al Ali
Independent Non-Executive Director

Date of appointment: 24 February 2025

Career and experience

Mr. Al Ali is Managing Director of Al Ali Property Investments, where he is responsible for overall strategy and corporate planning, including policy planning, budgeting, annual reports, resource allocation and quality management. He is also a board member of Emirates NBD Asset Management, which is an independent asset management entity regulated by Dubai Financial Services Authority.

He has extensive professional experience, particularly in directing and controlling company operations and providing strategic guidance across the company's divisions, including real estate, hospitality and maintenance. He also possesses knowledge and expertise regarding financial reporting and audit practices.

He holds a Business Administration degree in Public Administration from the American University of Sharjah, UAE.

Board appointments to other Public Joint Stock Companies

- Director, Emirates NBD Bank

Board appointments in other key regulatory, governmental or commercial positions

- Managing Director, Al Ali Property Investments
- Director, Jebel Ali Cement Factory
- Director, Emirates NBD Asset Management

Mr. Salem Mohammed Obaidalla
Independent Non-Executive Director

Date of appointment: 23 February 2022

Career and experience

Mr. Obaidalla is Senior Vice President – Relationship Development and Local Affairs, Customer Affairs and Service Audit department for Emirates Airlines.

He has extensive professional experience in the Commercial Operations Department at Emirates Airlines and contributed to the success of launching various destinations, such as Amsterdam, Prague, Madrid, Geneva, Copenhagen, St. Petersburg, Dublin, Barcelona, Mexico and Lisbon. Prior to this role, he was Senior Vice President – Aeropolitical and International Affairs.

He has a proven track record in operational excellence, financial and credit oversight and strategic planning.

He holds a Business Administration degree from Wentworth Institute of Technology in Boston, USA.

Board appointments to other Public Joint Stock Companies

- Director, Emirates NBD Bank

Board appointments in other key regulatory, governmental or commercial positions

- Director, Alliance Insurance

H.E. Huda Sayed Naim AlHashimi
Independent Non-Executive Director

Date of appointment: 23 February 2022

Career and experience

H.E. AlHashimi is the Deputy Minister of Cabinet Affairs for Strategic Affairs. Part of this role involves leading the process of articulating the UAE Leadership's Vision, setting an ambitious long-term strategy for the implementation of "We the UAE 2031" and advising on all government strategies and transformative programmes prior to their approval at the Cabinet.

She is also the Secretary General of the Higher Committee for the Development of the Economic and Financial Sector for the Government of Dubai. In this capacity, she is responsible for approving high-level economic and financial policies and strategies and launching innovative initiatives that support the realisation of the Dubai Economic Agenda D33.

She led the setup and leads the operations of the Mohammed Bin Rashid Centre for Government Innovation and Accelerators Centre. She was responsible for the design and launch of the Zero Government Bureaucracy Program at the Prime Minister's Office and is responsible for governance and institutional restructuring.

She holds a BSc degree in Business Administration from the Higher Colleges of Technology, UAE. She is also an alumnus of London Business School and a Policy Fellow at the Centre for Science and Policy at the University of Cambridge, UK.

She completed the Mohammed bin Rashid Center for Leadership Development Programme and a Certificate from IMD for Board Governance.

Board appointments to other Public Joint Stock Companies

- Director, Emirates NBD Bank

Board appointments in other key regulatory, governmental or commercial positions

- Deputy Minister, Cabinet Affairs for Strategic Affairs, Ministry of Cabinet Affairs
- Secretary General, Higher Committee for the Development of the Economic and Financial Sector, Dubai Government
- Director, Dubai Future Foundation
- Director, Digital School
- Director, UAE Gender Balance Council
- Director, Dubai Women Establishment
- Director, Rashid and Latifa School
- Director, Hamdan Bin Mohammed Smart University

Mr. Shayne Nelson
Non-Independent Non-Executive Director

Date of appointment: 5 December 2013

Career and experience

Mr. Nelson is the Group Chief Executive Officer of Emirates NBD Bank P.J.S.C. His solid experience, across various functions and geographies, is a testament to his diverse background within banking. Prior to joining Emirates NBD, he served as CEO of Standard Chartered Private Bank in Singapore, Chairman of Standard Chartered Saadiq Advisory Board and a board member of Standard Chartered Bank (China) Ltd.

His other previous high-profile positions include Regional CEO of Standard Chartered Bank Middle East and North Africa, Chairman of Standard Chartered (Pakistan) Limited and Chairman of the Banking Advisory Council to the board of the Dubai International Financial Centre and Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad.

He is a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Managers.

Board appointments to other Public Joint Stock Companies

- None

Board appointments in other key regulatory, governmental or commercial positions

- Chairman, Emirates NBD Capital PSC
- Vice Chairman, DenizBank A.Ş. (Türkiye)
- Vice Chairman, Emirates NBD Egypt SAE
- Director, Emirates NBD Capital Ltd.
- Director, Emirates NBD Global Services LLC
- Director, Marsh Emirates Insurance Brokers
- Member of the Advisory Board, University of Wollongong, Dubai

Senior Management

Mr. Farid AlMulla
Chief Executive Officer

Year joined: 2006

Key responsibilities
Mr. AlMulla's key focus is to drive Emirates Islamic's vision to be the most innovative and trusted Shariah compliant bank for its customers, people and communities. He leads the Bank's strategy, growth and financial performance, championing customer centric propositions, disciplined risk management and service excellence. He also steers the Bank's culture and Emiratisation agenda, developing UAE national leaders and ensuring effective succession for critical roles.

Skills and expertise
As a seasoned banker with extensive experience, Mr. AlMulla has strengthened Emirates Islamic's market standing through a strong focus on consumer-centric banking and the launch of several first to market products and services. He has led the Bank's digital transformation journey, contributing to robust growth in online and mobile banking activity. His ability to blend commercial acumen, governance and people development is a key driver of the Bank's success.

Experience
Prior to becoming CEO, Mr. AlMulla was Head of Retail Banking and Wealth Management at Emirates Islamic, responsible for personal and business banking, branches and ATMs, products, customer experience, wealth management and digital banking. He has also held roles including Deputy Head – Retail Banking and Wealth Management, Head of Home Finance and Head of Distribution.

Mr. Leslie T. Isaac
Chief Operating Officer

Year joined: 2006

Key responsibilities
Mr. Isaac is responsible for overseeing end-to-end banking operations and delivery of the Bank's strategic transformation agenda. In this role, he leads overall operations of Emirates Islamic, including driving IT projects and aligning with the Group on key transformation and business initiatives focusing on digitisation and operational excellence. He leads cross-functional teams in process re-engineering and automation, whilst ensuring compliance with regulatory standards. He manages key strategic initiatives and ensures alignment with organisational vision for operational excellence and market-leading performance.

Skills and expertise
Mr. Isaac combines deep financial and operational acumen with strong product, portfolio and cost management expertise. He has a proven track record in designing and executing large-scale transformation programmes, digital process re-engineering and governance frameworks that enhance control, efficiency and service quality. His core expertise includes building and institutionalising governance frameworks and driving key strategic transformation priorities.

Experience
With over 25 years of experience across operations, business, projects and finance, Mr. Isaac brings proven ability to improve product value, operations and organisational governance while driving growth and profitability. His career encompasses a remarkable breadth of leadership roles, including at Network International, Retail Banking, Group OPS, Group PMO and ENBD Global Services.

Education and qualifications
- Bachelor's degree in commerce, Calcutta University (St. Xavier's College), India
- Qualified Chartered Accountant, India

Mr. Mohammad Kamran Wajid
Deputy Chief Executive Officer

Year joined: 2019

Key responsibilities
Mr. Wajid leads all revenue generating functions at Emirates Islamic, including retail banking & wealth management, business banking, treasury, corporate & institutional banking and transaction banking. In addition, Mr. Wajid also serves as a member of various other Boards and Committees, including ENBD Global Services.

Skills and expertise
Mr. Wajid is a veteran of over 30 years in the UAE banking industry and a well-known name in the regional banking space with experience in financial services, wholesale banking and leadership roles.

Experience
He has been with Emirates NBD Group for over 20 years, holding a diverse range of assignments, including CEO of Emirates NBD Capital Limited and of Emirates Financial Services and Group Head of International Wholesale Banking & Financial Institutions. Prior to joining Emirates NBD, he worked with National Bank of Abu Dhabi and Mashreq Bank. He also served as a member of the Board of Shuaa Capital PSC, Emaar Industries & Investment and as Group CEO of Emerald Palace Group.

Education and qualifications
- Bachelor of Arts from Aligarh Muslim University, India
- MBA from Aligarh Muslim University, India

Ms. Huda Sabil Abdulla
Chief Financial Officer

Year joined: 2013

Key responsibilities
Ms. Abdulla is responsible for Emirates Islamic's Finance function, where she directs and controls the Bank's financial strategies, business objectives, budget and performance management.

Skills and expertise
Ms. Abdulla has extensive experience in Human Resources, Finance and Business Performance. She plays a key role in developing tools and systems to provide critical financial and operational information to the CEO and Board of Directors and makes actionable recommendations on both strategy and operations.

Experience
Ms. Abdulla has been part of the Emirates NBD Group for over 30 years. Prior to being appointed Chief Financial Officer of Emirates Islamic, she was Vice President Business Performance and previously held several positions in the Emirates NBD Finance team.

Education and qualifications
- Bachelor in Business Administration from Ajman University of Science and Technology, UAE
- Certified Islamic Professional Accountant (CIPA), Bahrain
- Certified Management Accountant (CMA) from Institute of Management Accountants, USA

Senior Management continued

Mr. Haseeb Ahmad Ansari
Chief Compliance Officer

Year joined: 2018

Key responsibilities
Mr. Ansari is responsible for the overall management of Financial Crime Compliance, Regulatory Compliance and Wealth Management Compliance frameworks across Emirates Islamic. Additionally, as part of the Emirates NBD Group's Compliance Leadership Team, he is also involved in strategic, policy related and systems/technological initiatives.

Skills and expertise
Mr. Ansari's expertise includes effective management of Regulatory and Financial Crime Compliance frameworks, as well as governance and operations. He has extensive experience in dealing with regulators, industry bodies, foreign correspondent banks and service providers.

Experience
Mr. Ansari has more than 29 years of international banking experience, which includes his previous role as Chief Compliance Officer at United Arab Bank and nine years at Barclays Bank PLC, where his last assignment was the Regional Head of Compliance for the Middle East. He started his career at Citibank, managing a diverse spectrum of functional portfolios for over a decade. He continues to be an active member in the Compliance community and currently, he is the Vice Chairman of the UAE Banks Federation Compliance Committee and a member of the Market Conduct & Consumer Protection Committee.

Education and qualifications
- MBA from Preston University (School of Business & Commerce), Pakistan

Mr. Ioannis Volanis
Head of Credit

Year joined: 2015

Key responsibilities
Mr. Volanis is responsible for measuring and managing aggregate credit risk across the Bank's portfolios. He oversees credit underwriting and administration standards, ensures portfolio quality and performance and acts as a key thought leader in shaping the Bank's credit strategy. He is the end to end accountable executive for underwriting decisions, credit execution, ongoing portfolio monitoring and governance.

Skills and expertise
Mr. Volanis has deep expertise in credit and risk management across multiple products, sectors and geographies. He is highly experienced in wholesale and institutional banking, project finance, structured and international debt offerings, turnaround and restructuring solutions. His broad exposure to investment banking, niche debt – equity products and international wealth management, underpins a strong capability to develop sophisticated client solutions.

Experience
With over 25 years of banking experience, Mr. Volanis has held senior roles mainly in wholesale, international banking and credit risk. Before joining Emirates Islamic, he served as Bank DCEO and Member of Management Board, Head of Wholesale Banking, Head of Corporate, Senior Group Credit Officer, Head of Representative Office. He has been part of the Board, EXCO, Credit Committees, Investment Committees and ALCO. His leadership has spanned brownfield investments, organisational transformation and post acquisition business development.

Education and qualifications
- MBA, The University of Iowa, USA

Mr. Mahdi Al Kazim
Chief Risk Officer

Year joined: 2022

Key responsibilities
Mr. Al Kazim is responsible for all risk functions within Emirates Islamic. He oversees and manages the Bank's risk exposure to ensure stability, regulatory compliance and alignment of business objectives.

Skills and expertise
With over 35 years of extensive experience in the banking industry, Mr Al Kazim has been leading a pivotal role with Emirates NBD Group since 1989, serving as Branch Manager and Head of Corporate/General Manager – Large Corporate Banking, Chief Credit Officer. He joined Emirates Islamic in 2022 as Chief Risk Officer, currently serving in this capacity.

Experience
Mr. Al Kazim has over 35 years of banking experience with the Group. He served as Chief Credit Officer of Emirates NBD before joining Emirates Islamic where he has held a wide range of positions, including Branch Manager, Head of Corporate Banking, General Manager – Large Corporate Banking, Chief Credit Officer and Board Member Emirates NBD Capital. He has also served as a Board Member of Emirates Islamic, Vice Chairman of Emirates Islamic Brokerage and Chairman of the Corporate Banking Committee of the Union Banking Federation.

Education and qualifications
- Bachelor of Accounting and Computer Science in Accounting from United Arab Emirates University, UAE
- International General Management Program for Executive Development, Leadership and Management from IMD, Switzerland

Mr. Zaki Siddiqui
Head of Internal Audit

Year joined: 2012

Key responsibilities
Mr. Siddiqui oversees the Internal Audit function at Emirates Islamic, reporting to the Emirates Islamic BAC and Emirates NBD Group's Chief Internal Auditor.

Skills and expertise
Mr. Siddiqui has extensive expertise in the Internal Audit function across all areas of corporate and retail banking trade finance, operations, project financing and leasing.

Experience
Mr. Siddiqui has more than 36 years of experience in banking, audit and compliance. Prior to joining Emirates Islamic, he managed audit for Mashreq Bank and BCCI in senior roles across various countries, including some highly regulated economies such as the USA, the UK, Hong Kong, Nigeria and India, as well as other countries including Mauritius, Seychelles, Bangladesh, France, Ivory Coast, Togo and GCC countries. He is a member of various Emirates Islamic Senior Management committees, including the Executive Committee.

Education and qualifications
- Bachelor of Commerce, Pakistan
- MBA in Banking & Finance, The International University, USA
- Diploma in Banking, Institute of Bankers, Pakistan

Senior Management continued

Mrs. Farida Mohammad Rafi
Chief Human Resource Officer

Year joined: 2022

Key responsibilities

Mrs. Rafi believes in empowering talent and is responsible for building a future-ready workforce by promoting the upskilling and reskilling of staff. She strongly advocates for impactful staff engagement and HR transformation. She has helped shape a high performance, inclusive culture which champions pay for performance and strengthens leadership readiness. By using people analytics and data driven decision making, she optimises HR processes and ensures the people agenda is tightly aligned with Emirates Islamic's strategic priorities and employee experience ambitions.

Skills and expertise

Mrs. Rafi is a seasoned Human Resources leader with deep expertise across strategic HR functions including employee relations, leadership development, organisational design and employee services. She has a strong track record of delivering large-scale programmes in workforce planning, HR operations, business partnership, performance management and Emiratisation. Her ability to align HR strategy with business objectives has consistently driven higher engagement and stronger leadership pipelines.

Experience

Mrs. Rafi's multi-industry experience includes Head of HR Operations & Administration at Abu Dhabi Airports Company, Head of Employee Services & Payroll at the UAE General Civil Aviation Authority, Head of HR Operations at Al Hilal Bank and AVP HRBP at Emirates NBD.

Education and qualifications

- Master of Human Resources Management, Abu Dhabi University, UAE
- Executive education from leading international business schools

Dr. Asem Hamad
Head of Internal Shariah Audit

Year joined: 2022

Key responsibilities

Dr. Hamad established and leads Emirates Islamic's independent Shariah Audit function as an effective third line of defence. He supports the ISSC and BAC in fulfilling their Shariah governance mandates and provides direction and supervision to the Shariah audit team. He leads the regular process to assess the Bank's compliance with Islamic Shariah and the level of adequacy and effectiveness of the Bank's Shariah governance systems.

Skills and expertise

With more than 19 years of Islamic banking experience in the UAE, Dr. Hamad is recognised for his deep expertise in Shariah audit, Islamic finance and Shariah standards development. He has authored numerous books and research papers on Islamic finance and Shariah audit and is a frequent speaker at Islamic banking conferences. He is an active member of the UAE Banks Federation and contributes to CBUAE initiatives, including the development of Murabaha and Ijarah standards.

Experience

Dr. Hamad began his banking career with ADIB in 2006 and joined Emirates Islamic's Shariah department in 2011, progressing through key roles before assuming a leadership role.

Education and qualifications

- PhD in Jurisprudence and its Fundamentals, University of Sharjah, UAE
- Certified Shariah Adviser and Auditor & Certified Islamic
- Certified Manager Program, Harvard Business School, USA
- Professional Accountant, AAOIFI, Bahrain

Dr. Abdulsalam Kilani
Head of Internal Shariah Control Division

Year joined: 2007

Key responsibilities

Dr. Kilani is responsible for developing and leading Emirates Islamic's Internal Shariah control strategy in alignment with the Bank's objectives. He oversees Shariah compliance across products, services and investment activities and drives Shariah awareness programmes to mitigate Shariah non-compliance risk. He ensures adherence to the resolutions issued by the Higher Shariah Authority (HSA) and Internal Shariah Supervision Committee (ISSC), while supervising Shariah control processes, reporting and periodic Shariah updates across the Bank.

Skills and expertise

Dr. Kilani has managed Shariah departments in Islamic banks across the UAE for more than 15 years. He brings extensive expertise in Shariah governance, advisory, control, audit, training and consultancy, with a strong track record of guiding Islamic banks through complex Shariah matters.

Experience

Dr. Kilani has led the Shariah Control Division of Emirates Islamic since 2021 and previously headed the Shariah department. He played a key role in establishing the new Shariah department following the merger with Dubai Bank. Prior to that, he served as Shariah Advisor and Head of Shariah Department at Dubai Bank, where he built the Shariah function after its conversion to a fully Shariah-compliant model and provided technical oversight to the Shariah Supervisory Board.

Education and qualifications

- Bachelor's degree in Islamic Studies, UAE University, UAE
- Master's degree in Transactional Jurisprudence, American University, UK
- PhD in Transactional Jurisprudence, The Scandinavian University, Norway

Dr. Ahmed Alkhalfawi
Head of Legal

Year joined: 2022

Key responsibilities

Dr. Alkhalfawi oversees the full spectrum of legal advisory, contract review, compliance, corporate governance and risk management. He is responsible for developing and enforcing legal frameworks, policies and controls to protect the Bank's interests and ensure compliance with UAE laws, CBUAE regulations and global standards.

He provides strategic counsel to the Board of Directors, senior management and business units on complex legal matters, high-value transactions, dispute resolution and emerging regulatory developments. He manages key legal negotiations, oversees litigation strategies and ensures that all business activities are conducted within a sound legal and governance framework.

Skills and expertise

He brings over 17 years of extensive post-qualification experience in the legal sector, with deep expertise in corporate, commercial, regulatory, governance and Shariah-aligned legal frameworks. His experience spans advisory, litigation management, regulatory interfacing, contract governance and legal risk mitigation across diversified financial and corporate environments.

Experience

Dr. Alkhalfawi previously held senior legal roles in government and semi government entities, including DP World, Jebel Ali Free Zone, Jebel Ali Authority Dubai, Dubai Islamic Bank and HSBC.

Education and qualifications

- Bachelor's in Law from Ajman University, UAE
- Master's in Private Law from University of Jazeera, UAE
- PhD in Shariah and Judiciary Law from Islamic Science University of Malaysia, Malaysia

Senior Management continued

Mr. Ebrahim Qayed
Head of Treasury and Markets

Year joined: 2012

Key responsibilities
Mr. Qayed is responsible for managing the Bank's liquidity and strategic balance sheet, providing treasury sales, structuring and execution solutions to business units within the Bank and managing the Bank's investment book.

Skills and expertise
Mr. Qayed provides Emirates Islamic with expertise in FX and derivatives structuring, digitisation solutions and hedging solutions, as well as exceptional leadership and communication skills.

Experience
Mr. Qayed has more than 15 years of experience in Treasury & Markets, including as Head of Treasury & Markets at Emirates Islamic for over six years, with responsibilities that include realising the unit's vision, mission, objectives, performance and budgets. Prior to that, he held various roles at Emirates NBD and Emirates Islamic, including Branch Manager, Head of Flow and Execution Desk and Head of Treasury Sales and Structuring.

Education and qualifications
- Bachelor's degree in Information Systems from University of Melbourne, Australia
- Master's degree in International Business from Monash University, Australia

Mr. Mohamed Al Hadi
Head of Retail Banking and Wealth Management

Year joined: 2017

Key responsibilities
Mr. Al Hadi brings to the role a wealth of experience and a distinguished career trajectory. He is responsible for the Retail Banking segment covering personal, priority, private and business banking segments. He is also responsible for Retail Banking customer touchpoints that include the branch network and digital channels.

Skills and expertise
Mr. Al Hadi possesses a robust skill set in distribution sales, wealth management and retail segment management. His expertise lies in fostering strong client relationships and delivering tailored financial solutions that meet diverse customer needs. He has a proven track record of driving sales growth and enhancing service delivery through strategic planning and effective team leadership.

Experience
Mr. Al Hadi has held leadership positions across various divisions of Emirates NBD Group, including Retail Distribution, Priority Banking, Strategy and Wealth Management.

Education and qualifications
- BSc Accounting and MIS from American University of Sharjah, UAE
- Executive MBA from Bayes Business School, UK
- Executive Education from Harvard Business School, USA

Other key management

Mr. Vivek Shah
Head of Corporate Banking

Year joined: 2019

Key responsibilities
Mr. Shah leads Corporate and Institutional Banking at Emirates Islamic Bank. He is responsible for driving profitable growth by deepening and expanding relationships with large local and international corporates, financial institutions and sovereigns. His mandate includes managing portfolio returns and wallet share, enhancing the product suite and ensuring disciplined risk and balance sheet management. He is also a Member of the Bank's Executive Committee and the Wholesale Banking Islamic Sustainable Finance Committee.

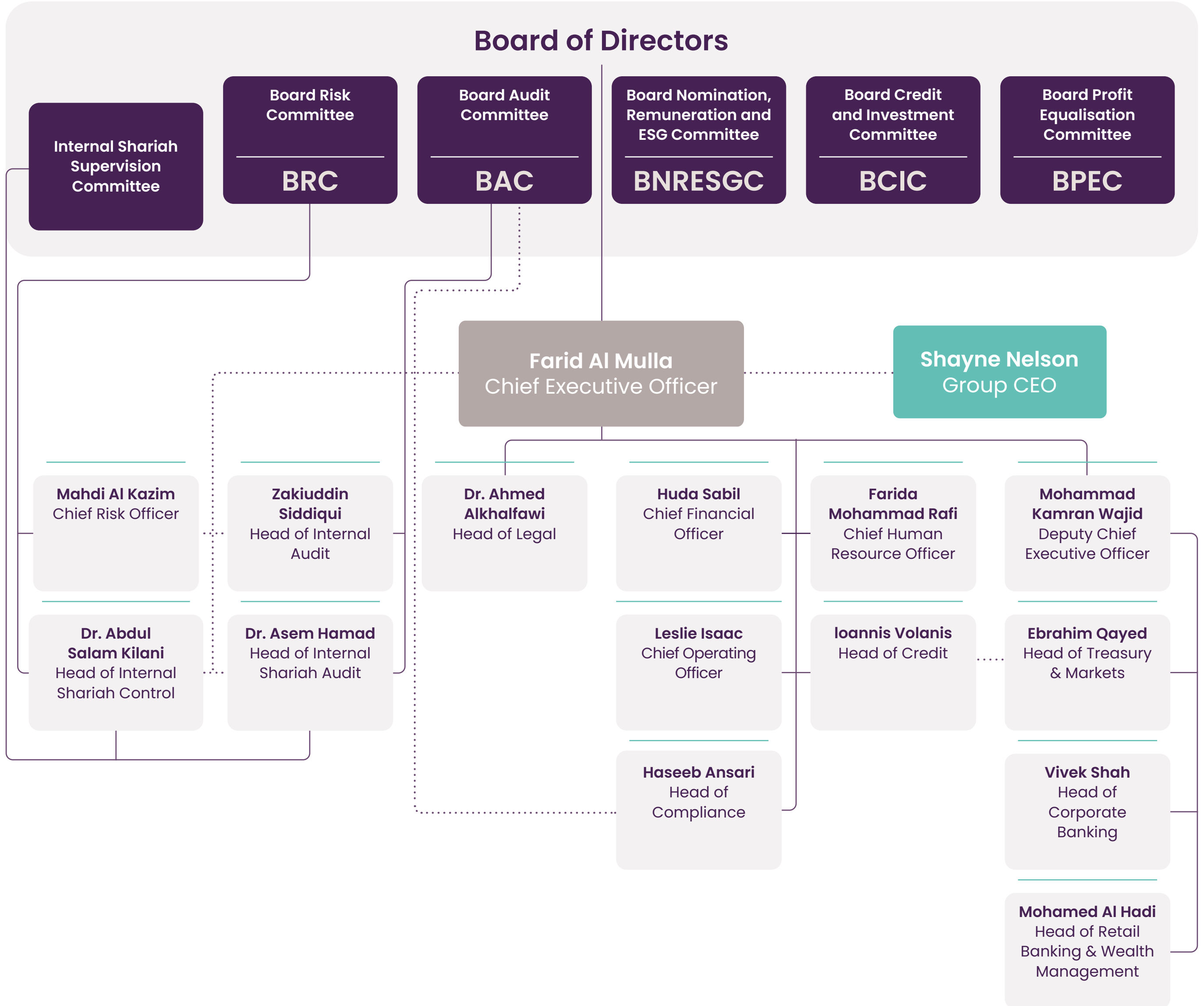
Skills and expertise
Mr. Shah is a competent professional with expertise in financial management, corporate and institutional banking, loan syndications and debt capital markets. He has an established track record of driving performance in leadership roles.

Experience
With over 23 years of experience in banking and corporate finance, Mr. Shah has spent 16 years within Emirates NBD Group in leadership roles, including Regional Head of Institutional and International Banking & Debt Capital Markets at Emirates NBD Bank and Head of Loan Syndications at Emirates NBD Capital. He previously served as Group CFO for Emerald Palace Group in the UAE.

Education and qualifications
- MBA in Finance and Marketing from the Indian Institute of Foreign Trade (IIFT), India
- Qualified Chartered Accountant and Company Secretary, India

Corporate governance framework

The Bank remains committed to maintaining robust and effective corporate governance that underpins its long-term development and performance. This commitment supports confidence in the Bank's role as a steward of depositors' funds and shareholders' capital and enables it to contribute to the continued strength and advancement of the UAE's financial system.



Our governance model

The Bank's corporate governance framework is based on the principles of responsibility, accountability, transparency and fairness to support sound and prudent decision making. It consists of Emirates Islamic's Corporate Governance Manual, Board Charter and a series of Board policies.

The Corporate Governance Manual identifies the responsibilities and accountabilities of the Board and individual Directors, Board Committees and supporting management functions. It also provides an overview of the governance approach within Emirates Islamic.

The Board Charter details the protocols and policies of the Board. It is supplemented by specific Board policies related to conflicts of interest, fitness and propriety, remuneration and performance evaluation.

Corporate governance

Responsibility
Clear division and delegation of authority

Accountability
In relationships between Bank's Board, management, shareholders and other stakeholders

Transparency
To enable stakeholders to access the Bank's financial performance and condition

Fairness
In the treatment of all stakeholders

Fundamental pillars of corporate governance

The Corporate Governance Manual sets out four broad tiers of roles:

Board
The Board has the ultimate responsibility to ensure that an appropriate and effective governance framework is established and maintained to manage and control the Bank's activities.

Board-level and Senior Management Committees
The Board delegates authority to Committees and establishes standards for the control and governance of the Bank. Committees have responsibilities and authorities as defined in their Terms of Reference.

Functions
Individual functions perform business and control activities, which are compliant with all internal policies, procedures, guidelines, external laws and regulations.

Individuals
The business and function heads are delegated with authorities necessary to ensure effective governance and compliance.

As such, the corporate governance framework guides the Board and Senior Management in the discharge of their duties, aligns their interests with those of shareholders and other key stakeholders and ensures risks are managed prudently.

Board composition

Emirates Islamic conducted its Board elections at its Annual General Meeting (AGM) in 2025 when the Board of Directors were reappointed for a 3-year term. Board composition continues to comply with all applicable regulatory requirements and is reviewed on a regular basis to reflect any updates to relevant regulations.

Gender and Board diversity
The UAE continues to advance gender diversity through Corporate Governance Regulations issued by the CBUAE and the SCA. Under current requirements, at a minimum 20% of the candidates considered for election to the Board must be female and at least one female member must be represented on the Board.

H.E. Huda Sayed Naim AlHashimi was appointed as Emirates Islamic's first female Board Member in 2022. The Board currently has 14% female representation, which is in line with its Board Charter and regulatory requirements.

The BNRESGC supports the nomination of female candidates and will continue to review opportunities to include gender diversity as part of the Board succession process. The Bank is also committed to playing a progressive role in promoting gender, cultural and ethnic diversity across the organisation. Emirates Islamic's employee base is currently 33% female, reflecting Emirates Islamic's eagerness and commitment to support gender diversity.

The Board is composed of Members that belong to a diverse age profile, contributing to a well-balanced Board with an average age of 53.

UAE nationals
As per UAE Regulations, the majority of the Members of the Board must be UAE Nationals. Currently, all Emirates Islamic's Directors are UAE Nationals, including the Chairman of the Board.

Independence
As per UAE Regulations, a minimum of one-third of the Board Members must be Independent. Currently, three (3) out of seven (7) of the Board Directors of Emirates Islamic are assessed to be Independent.

A Board Member is considered to be Independent if he/she has no relationship with the Bank that could lead to any benefit, undue internal or external influence or ownership or control which may affect his/her decisions or impede the exercise of objective judgement. An Independent Board Member forfeits his/her independence in the following cases:

- If the tenure of the Board Member exceeds twelve (12) consecutive years from the date of his/her appointment. This provision applies equally to persons appointed by a government shareholder;
- If the Board Member, or any of his/her first-degree relatives, have been employed by Emirates Islamic or its subsidiaries during the past two (2) years;
- If the Board Member has been employed, or is a partner, in a company that performs consulting works for Emirates Islamic or the Group, or he/she has acted in such capacity during the past two (2) years;
- If the Board Member has had any personal services contracts with Emirates Islamic or the Group during the past two (2) years;
- If the Board Member has been affiliated with any non-profit organisation that receives significant funding from Emirates Islamic or the Group;
- If the Board Member, or any of his/her first-degree relatives, has been a partner or employee of the auditors of Emirates Islamic during the past two (2) years;
- If the Board Member, or any of his/her first-degree relatives, has or had a direct or indirect interest in the contracts and projects of Emirates Islamic or its subsidiaries during the last two (2) years and the total of such transactions exceeds the lower of 5% of Emirates Islamic's paid capital or five million Dirhams or its equivalent amount in a foreign currency, unless such relationship is part of the nature of Emirates Islamic's business and involves no preferential terms; and
- If the Board Member and/or any of his/her first-degree relatives (individually or collectively) own directly or indirectly 10% or more of Emirates Islamic's capital or is a representative of a shareholder who owns directly or indirectly more than 10% of Emirates Islamic's capital.

Board skills
The Board comprises seven (7) Non-Executive Directors whose collective skills and experience span across business development, strategic planning, legal, compliance, human resources, corporate governance, risk management, innovation, investment, audit, ESG, Islamic banking, cybersecurity and a wide range of other relevant areas (see table below). This breadth of expertise ensures that the Board's collective knowledge remains aligned with the governance, strategic and operational requirements of the Bank.

Skills and experience*

* The chart reflects the self-rating of the Directors on a scale of 1 to 10.

Board appointments

Emirates Islamic recognises that the effectiveness of its Board depends on appointing Directors who are well qualified and experienced and who can contribute effectively to the Board's responsibility for promoting the long-term success of the Bank.

The Bank's Board appointment process was updated in 2025 and is aligned with the Bank's approved Fit and Proper Policy and the requirements of the Fitness and Propriety Regulations and Standards issued in 2024, as well as the Corporate Governance Regulations issued by the CBUAE. Collectively, this ensures that the Bank's appointed Board Members:

- Possess the necessary knowledge, skills and experience;
- Have a record of integrity and good repute;
- Have sufficient time to fully discharge their responsibilities;
- Provide for collective suitability and added value to the Board;
- Do not have any conflict of financial or non-financial interests; and
- Have a record of financial soundness.

As stipulated in Emirates Islamic's Articles of Association, all Directors hold office for a term of three (3) years and are eligible for re-appointment after that. In line with this, the election of the Board was conducted at the 2025 GAM, in line with the process stipulated in the newly issued Fitness and Proprietary Regulations and Standards by the CBUAE and all Directors were re-appointed for another term ending in 2028.

The BNRESGC played a central role in the selection and recommendation of potential Directors for appointment to the Board, ensuring that the Board comprises individuals with a balance of skills, diversity and expertise, who collectively possess appropriate qualifications required for the size, complexity and risk profile of the Bank. The BNRESGC also ensured that the Board comprises at least one-third Independent Members and one female Member, in line with CBUAE and SCA Regulations.

Appointments were made in line with the cumulative voting requirements, under the UAE Commercial Companies Law and the Emirates Islamic Articles of Association, pursuant to which Directors were elected by an ordinary resolution passed by shareholders at the Bank's 2025 GAM. The Directors' appointments were subject to approval by the CBUAE.

Board succession planning

Emirates Islamic reviews its Board composition regularly to ensure that it remains aligned with regulatory requirements and supports the principles of Board independence, diversity and effectiveness. The Bank's continual reviews take account of:

- The skills required of the Board as a whole and of each of its Committees;
- The skills and tenure of each of its Directors;
- The diversity of the Board;
- Board independence; and
- Other regulatory requirements.

Related Party Transactions

In accordance with the CBUAE Corporate Governance Regulations, Related Party Transactions (RPTs) must be defined and identified, to prevent any potential or actual conflict of interest that may arise.

Emirates Islamic has developed a RPT framework and guidelines, which detail the processes in place to identify, assess, monitor and report the Bank's exposures towards related parties. RPTs are entered into on an arm's length basis, on normal commercial terms and continue to be monitored by or on behalf of the Board. Emirates Islamic maintains a register of related parties and details for each RPT.

RPTs and balances for 2025 and 2024 are set out in the following table:

Relationship	Type of transaction	2025 (AED 000)	2024 (AED 000)
Parent and related companies	Financing and other receivables	2,949,582	676,209
Directors and related companies	Financing and other receivables	8,358	9,683
Key management personnel and affiliates	Financing and other receivables	3,089	3,923
Parent and related companies	Customer deposits and other payables	4,570,260	3,790,181
Directors and related companies	Customer deposits and other payables	3,315	1,747
Key management personnel and affiliates	Customer deposits and other payables	27,720	20,404
Ultimate parent company	Investment in ultimate parent company	182,550	181,988
Parent and related companies	Positive fair value of Islamic derivative	59,121	45,190
Parent and related companies	Negative fair value of Islamic derivative	(221,601)	(111,929)
Parent and related companies	Notional amount of Islamic derivative	14,252,363	13,832,116
Parent and related companies	Recharges from Group companies	637,893	(560,029)
Ultimate parent company	Income from investment	6,443	6,436
Parent and related companies	Income on financing receivables	78,205	57,370
Parent and related companies	Distribution on deposits	68,354	25,837
Key management personnel	Short-term employee benefits	32,760	29,275
Key management personnel	Post employment benefits	1,570	969
Directors	Directors' sitting fee	2,820	3,682

Note: As at 31 December 2025, deposits from and loans to Dubai government related entities amounted to 16.8% (2024: 17.2%) and 3.7% (2024: 4.8%) respectively, of the total deposits and loans of the Bank. These entities are independently run business entities and all financial dealings with the Bank are on normal commercial terms.

Board of Directors' remuneration

The Directors' Remuneration Policy aligns with the Bank's culture, control environment and long-term objectives. The BNRESGC conducts an annual review and provides recommendations to the Board on the structure and level of Directors' remuneration, taking into account the time committed to Emirates Islamic's affairs and the complexity of their responsibilities, including service on Board Committees. Committee Members received an allowance of AED 20,000 for each Committee meeting attended in 2025. The Board submits its recommended remuneration for approval by shareholders.

The following table sets out the total Board fixed fees paid to each Member of the Emirates Islamic Board of Directors during the year ended 31 December 2025:

Board member	Role	Remuneration paid in 2025 (AED)
Mr. Hesham Abdulla Al Qassim	Chairman	2,000,000
Mr. Buti Obaid Buti Al Mulla	Vice Chairman	1,000,000
H.E. Mohamed Hadi Ahmed Al Hussaini	Director	1,000,000
Mr. Salem Mohammed Obaidalla	Director	1,000,000
Mr. Jassim Mohammed Abdulrahim Al Ali*	Director	833,333
Mr. Ali Humaid Ali Al Owais**	Director	166,667
H.E. Huda Sayed Naim AlHashimi	Director	1,000,000
Mr. Shayne Keith Nelson	Director	Nil

A collective total of AED 7 million for the Board Directors was approved by shareholders for each of the 2023 and 2024 financial years. It is proposed that the same level of fixed remuneration of AED 7 million for the 2025 financial year be recommended for approval by the shareholders at the 2026 GAM, along with the sitting and any additional fees/allowance payable to Directors, in line with the Directors' Remuneration Policy.

* Mr. Jassim Mohammed Abdulrahim Al Ali was appointed to the Board in March 2025
** Mr. Ali Humaid Ali Al Owais served on the Board until March 2025

Board leadership

Board meetings held during 2025

- Board meetings take place regularly, at least six (6) times per year, or more, if and when required.
- In order to ensure that all relevant and appropriate agenda items are tabled for review/noting/approval during the year, it is the Bank's practice to develop a standing annual agenda schedule, setting out the standing agenda items to be tabled during the year.
- The Bank's policy is that Directors should demonstrate 'constructive challenge and enquiry' and be of 'independent mind and spirit'. The Chairman also ensures that there is effective debate, encouraging a wide variety of views and that each Director has an opportunity to contribute fully. This is to ensure that Board decisions take all key matters into account and are in the best interest of the Bank.
- The Board and Board Committee agendas are drafted by the office of the Company Secretary and shared with the Chairman for review/approval, as well as with the CEO.
- The Board has a positive, constructive working relationship with Senior Management and the Board meeting agenda and papers are submitted to Board Members in advance to ensure informed decision making.
- The attendance of individual Directors is recorded at each Board and Board Committee meeting.
- During 2025, six (6) scheduled Board meetings were held to discuss fundamental business of the Bank, including reviewing and approving strategic and business performance, along with other key matters.

Board attendance during 2025

The table below shows each Director's attendance at Board meetings during 2025. When a Director is unable to attend a Board or Board Committee meeting, he or she still receives and reviews the agenda and supporting papers. In such cases, the Director typically provides verbal or written comments in advance, usually through the Chairman or the Company Secretary, to ensure that his or her views are taken into account during the meeting.

		Board meeting dates and attendance in 2025					
Board of Directors	Role	28 Jan	21 Apr	23 Jul	22 Oct	25 Nov	10 Dec
Mr. Hesham Abdulla Al Qassim	Chairman	✓	✓	✓	✓	✓	✓
Mr. Buti Obaid Buti Al Mulla	Vice Chairman	✓	✓	✓	✓	✓	✓
H.E. Mohamed Hadi Ahmed Al Hussaini	Director	✓	✓	✓	✓	✓	✓
Mr. Salem Mohammed Obaidalla	Director	✓	✓	✓	✓	✓	✓
Mr. Jassim Mohammed Abdulrahim Al Ali*	Director	–	✓	✓	✓	✓	✓
Mr. Ali Humaid Ali Al Owais**	Director	✓	–	–	–	–	–
H.E. Huda Sayed Naim AlHashimi	Director	✓	✓	✓	✓	✓	✓
Mr. Shayne Keith Nelson	Director	✓	✓	✓	✓	✓	✓

* Mr. Jassim Mohammed Abdulrahim Al Ali was appointed to the Board in March 2025
** Mr. Ali Humaid Ali Al Owais served on the Board until March 2025

Board Audit Committee (BAC)

Mr. Jassim Mohammed Abdulrahim Al Ali

Remit

The responsibilities of the BAC include providing oversight of:

- the qualifications, independence and performance of the Bank's External Auditors;
- the integrity of Emirates Islamic's financial statements, reporting and audit controls;
- the qualifications, independence and performance of the Internal Audit, Compliance and Internal Shariah Audit departments;
- the Bank's internal control system to ensure it adequately covers the conduct of the Bank's business, taking into account the Bank's internal controls over financial reporting and disclosure;
- the adequacy and effectiveness of the corporate governance environment;
- Shariah audit and compliance; and
- the Bank's compliance with applicable legal and regulatory requirements (including Shariah regulations) and with the Bank's policies (unless specifically delegated to other Board Committees).

Committee composition

Following the 2025 AGM and subsequent election of the Board of Directors, the BAC was reconstituted. The Board appointed the BAC Chairman and Members based on the recommendations provided by the BNRESGC. 2025's revised BAC composition adheres to CBUAE regulatory standards, requiring the inclusion of three Non-Executive Directors, with majority independent members – one of whom is an Independent Chair, separate from the Chairs of the Board and other Committees. Collectively, the members bring expertise in audit practices, financial reporting, accounting and compliance.

Mr. Jassim Mohammed Abdulrahim Al Ali
Chairman
Independent, Non-Executive Director

H.E. Huda Sayed Naim AlHashimi
Member
Independent, Non-Executive Director

Mr. Salem Mohammed Obaidalla
Member
Independent, Non-Executive Director

BAC meeting attendance 2025

BAC members	Meeting attendance in 2025
Mr. Jassim Mohammed Abdulrahim Al Ali**	3/4
H.E. Huda Sayed Naim AlHashimi**	3/4
Mr. Salem Mohammed Obaidalla	4/4
Mr. Ali Humaid Ali Al Owais*	1/4
Mr. Shayne Keith Nelson*	1/4

The attendance records cover the full reporting period and include both outgoing and incoming members.
* Mr. Ali Humaid Ali Al Owais and Mr. Shayne Keith Nelson served on the Committee until March 2025
** Mr. Jassim Mohammed Abdulrahim Al Ali and H.E. Huda Sayed Naim AlHashimi were appointed to the Committee in March 2025

Board Risk Committee (BRC)

H.E. Huda Sayed Naim AlHashimi

Remit

The BRC provides oversight of risk management, as part of its responsibility to advise the Board on the overall risk strategy, risk appetite and risk tolerance of the Bank. As per BRC Terms of Reference its responsibilities include:

- alignment of Emirates Islamic's strategic objectives with risk profile and risk appetite;
- development, approval and implementation of the risk management framework and adequate policies, procedures, processes, systems and controls;
- the Bank's approach to model management across the model lifecycle;
- maintaining effective governance and oversight of the management of conduct and compliance risks;
- compliance with regulatory requirements relating to risk management;
- the Bank's public reporting on risk management matters; and
- the independence and effectiveness of the risk management departments throughout the Bank.

Committee composition

Following the election of the Board of Directors at the 2025 GAM, the BRC was reconstituted. The Board appointed the BRC Chairperson and members after careful consideration of the BNRESGC's recommendations. The updated composition of the BRC complies with CBUAE regulatory requirements, requiring three Non-Executive Directors, a majority of whom are Independent Members, as well as an Independent Chairperson who is not the Chair of the Board or any other committee. Collectively, the members possess expertise in risk management matters and practices.

H.E. Huda Sayed Naim AlHashimi
Chairperson
Independent, Non-Executive Director

Mr. Buti Obaid Buti Al Mulla
Member
Non-Independent, Non-Executive Director

Mr. Jassim Mohammed Abdulrahim Al Ali
Member
Independent, Non-Executive Director

BRC meeting attendance 2025

BRC members	Meeting attendance in 2025
H.E. Huda Sayed Naim AlHashimi*	4/4
Mr. Buti Obaid Buti Al Mulla*	3/4
Mr. Jassim Mohammed Abdulrahim Al Ali*	4/4

* H.E. Huda Sayed Naim AlHashimi, Mr. Buti Obaid Buti Al Mulla and Mr. Jassim Mohammed Abdulrahim Al Ali were appointed to the Committee in March 2025

Board Nomination, Remuneration and ESG Committee (BNRESGC)

Mr. Buti Obaid Buti Al Mulla

Remit

The responsibilities of the BNRESGC include:

- matters relating to the Board, including the composition, nomination, assessment, succession plans and remuneration policies for the Directors; the Board induction plan and Board awareness programme;
- reviewing independence and interests of Directors and ensuring that Independent Directors remain independent on a continuing basis;
- reporting on corporate governance and remuneration matters and the development of the Corporate Governance Framework, systems and controls;
- corporate culture and values, including the Bank's governance culture;
- selection, assessment, succession and remuneration policies for Senior Management;
- HR strategy including Emiratisation and talent acquisition strategies and workforce diversity and retention strategies;
- workforce planning and alignment with goals and strategies;
- reviewing, approving and assessing progress of the sustainability strategy and ensuring alignment between the Bank's ESG efforts and its mission, values and long-term sustainability goals; and
- overseeing achievements of ESG goals including sustainable finance targets, ESG policies, procedures, disclosures, the Group Net Zero Pathway progress and regulatory developments and emerging ESG trends.

Committee composition

The BNRESGC's composition, which is compliant with the CBUAE regulatory requirements, consists of three (3) Non-Executive Directors, including a Non-Executive Chairman who is distinct from the Chairman of the Board and other Committees.

Mr. Buti Obaid Buti Al Mulla
Chairman
Non-Independent, Non-Executive Director

Mr. Hesham Abdulla Al Qassim
Chairman
Non-Independent, Non-Executive Director

Mr. Salem Mohammed Obaidalla
Member
Independent, Non-Executive Director

BNRESGC meetings attendance 2025

BNRESGC members	Meeting attendance in 2025
Mr. Buti Obaid Buti Al Mulla	4/4
Mr. Hesham Abdulla Al Qassim**	3/4
Mr. Salem Mohammed Obaidalla	4/4
Mr. Ali Humaid Ali Al Owais*	1/4

The attendance records cover the full reporting period and include both outgoing and incoming members.
* Mr. Ali Humaid Ali Al served on the Committee until March 2025
** Mr. Hesham Abdulla Al Qassim was appointed to the Committee in March 2025

Board Credit and Investment Committee (BCIC)

Mr. Hesham Abdulla Al Qassim

Remit

The responsibilities of the BCIC include overseeing:

- management of the credit and investment portfolio of the Bank;
- approval of new products and services, including Bank and country lines, credit facilities and investments; and
- delegation of lending authorities for all credit and investment committees, management and employees across the Bank.

Committee composition

The BCIC was reconstituted post the election of the Board of Directors conducted at the 2025 GAM. The BCIC Chairman and Members were appointed by the Board, after duly considering the recommendations of the BNRESGC.

Mr. Hesham Abdulla Al Qassim
Chairman
Non-Independent, Non-Executive Director

H.E. Mohamed Hadi Ahmed Al Hussaini
Member
Non-Independent, Non-Executive Director

Mr. Shayne Keith Nelson
Member
Non-Independent, Non-Executive Director

BCIC meeting attendance 2025

BCIC members	Meeting attendance in 2025
Mr. Hesham Abdulla Al Qassim	43/43
H.E. Mohamed Hadi Ahmed Al Hussaini	43/43
Mr. Shayne Keith Nelson	43/43
Mr. Salem Mohammed Obaidalla*	8/43

The attendance records cover the full reporting period and include both outgoing and incoming members.
* Mr. Salem Mohammed Obaidalla served on the Committee until March 2025

Board Profit Equalisation Committee (BPEC)

Mr. Hesham Abdulla Al Qassim

Remit

The primary responsibilities of the BPEC include overseeing:

- compliance with the requirements of the Profit Equalisation Standards;
- ensuring that investment accounts and Displaced Commercial Risk (DCR) are managed in the best interests of Investment Account Holders;
- development and periodic update of profit equalisation internal policies, procedures and controls, in order to ensure adequate and prudent profit equalisation; and
- ensuring approval of internal policies, procedures and controls by the Emirates Islamic ISSC.

Committee composition

The BPEC has been reconstituted post the election of the Board of Directors conducted at the 2024 GAM. The Chairman and Members have been appointed by the Board, after duly considering the recommendations of the BNRESGC. The Committee has three (3) Members, including a member of the ISSC, in accordance with the requirements of the CBUAE Profit Equalisation Standards.

Mr. Hesham Abdulla Al Qassim
Chairman
Non-Independent, Non-Executive Director

Mr. Jassim Mohammed Abdulrahim Al Ali
Member
Non-Independent, Non-Executive Director

Dr. Salim Al Ali
External Member – CB Shariah ISSC representative

BPEC meeting attendance 2025

BPEC members	Meeting attendance in 2025
Mr. Hesham Abdulla Al Qassim	4/4
Mr. Jassim Mohammed Abdulrahim Al Ali**	2/4
Dr. Salim Al Ali	4/4
Mr. Buti Obaid Buti Al Mulla*	1/4

The attendance records cover the full reporting period and include both outgoing and incoming members.
* Mr. Buti Obaid Buti Al Mulla served on the Committee until March 2025
** Mr. Jassim Mohammed Abdulrahim Al Ali was appointed to the Committee in March 2025

Senior Management compensation

The Bank's remuneration policies and practices are designed to offer a total reward framework that recognises performance aligned with the Group and Bank's business strategy.

The approach operates within a strong risk management and governance environment that places equal emphasis on how objectives are achieved and what results are delivered.

Design and structure of remuneration processes

The Bank's remuneration policies and processes have the following objectives:

- attract, retain and motivate talent through fair and equitable remuneration based on the role, with an offering that is clear and easy to understand and appropriately balanced between fixed and variable compensation;
- foster a pay-for-performance culture, with appropriate differentiation based on performance and contribution aligned to the achievement of business objectives;
- offer flexible and agile compensation structures to help attract and retain key talent and grow and sustain the business;
- support a culture that generates sustainable growth and value over the long term to the Bank's stakeholders, customers, employees and communities;
- align, drive and reinforce the Bank's culture, values and desired behaviours that are integral to the attainment of individual and team results and the achievement of organisational goals;
- integrate risk management and compensation, promoting conduct based on prudent decision making and highest ethical standards and guided by internal controls and regulatory compliance; and
- instil a sense of ownership in employees by providing them with opportunities to share in the Group and Bank's success through a competitive total reward offering that is linked to exceptional performance and financial results.

The Bank's BNRESGC is the main governing body that has independent oversight of remuneration for the Bank, on behalf of the Board of Directors.

Remuneration composition – fixed and variable

Fixed remuneration for employees is reviewed annually in line with the Bank's compensation philosophy. It is set appropriately based on the Bank's affordability, market and internal pay levels for comparable roles in the industry by location, individual's expertise, professional experience, role responsibilities, seniority of the employee and regulatory and governance requirements.

Variable remuneration is underpinned by the pay for performance principle and awarded in the form of an annual discretionary bonus or incentive payments depending on the role. The discretionary annual bonus scheme is fully flexible, allowing for the possibility of variable compensation award values being zero in the event of poor Bank, business unit or individual performance. Bonus allocations to eligible employees are determined based on the overall risk-adjusted Group and Bank performance, business performance and individual performance, whereby performance is assessed based on both financial and non-financial criteria, including conduct and behaviour.

An appropriate balance between fixed and variable remuneration is maintained. Variable pay levels will not exceed 100% of fixed compensation unless, in certain circumstances, Emirates Islamic seeks to increase these levels to either 150% of fixed compensation – with approval by the Board or 200% of fixed compensation – with approval at the AGM of Emirates Islamic.

Remuneration for Control Function employees

Remuneration for Risk, Audit and Compliance employees is set at a level to attract and retain suitably qualified and experienced employees and is predominantly fixed remuneration (when considering the fixed: variable remuneration ratio). Performance is assessed based on the objectives of their respective functions and not on the performance of the business units that they oversee.

The bonus pool allocations to the Risk, Audit and Compliance functions and individual variable remuneration decisions for Control Function employees are made independently of the overall financial performance of the business units they support and are based on the function's performance and overall affordability of the Bank. As Senior Management of the Bank, the variable remuneration of the Chief Risk Officer, Chief Audit Officer and Chief Compliance Officer are directly overseen by the BNRESGC.

Remuneration for the Shariah Control function units is managed separately as follows:

- for the Internal Shariah Control Head, variable compensation and fixed pay changes resulting from promotion are reviewed and approved by the BRC and ISSC;
- for the Internal Shariah Audit Head, variable compensation and fixed pay changes resulting from promotion, are reviewed and approved by the BAC and ISSC; and
- for employees reporting to the ISAD and ISCD Heads, variable compensation and fixed pay changes resulting from promotion are reviewed and approved by the respective department heads.

Senior Management compensation continued

Remuneration for Senior Management

From a Bank perspective, for the 2025 performance year, fifteen (15) Senior Management (including current and former) have been identified as those responsible and accountable to the Board of Directors for the sound and prudent day-to-day management of the Bank and as key staff responsible for the oversight of Emirates Islamic's key business lines. i.e., the CEO, the EXCO, Heads of Control Functions including Shariah Units (i.e. Risk, Compliance and Audit) and Head of Legal.

In line with UAE regulatory requirements, variable remuneration awarded to Senior Management under the discretionary annual bonus scheme is comprised of cash bonuses, paid after the end of the performance year and deferred cash awards, granted under the terms and conditions of the relevant plan rules. Deferred awards vest in tranches over a three-year period.

For the 2025 performance year, total remuneration, comprised of fixed pay (including employer pension contributions) and variable compensation, awarded to Senior Management amounted to AED 36 million.

The following table includes information on fixed and variable remuneration for the financial year:

AED in thousands		2025 Senior Management
Fixed remuneration*		
1	Number of employees	15
2	Total fixed remuneration (3 + 5 + 7)	20,815
3	Of which: cash-based	20,259
4	Of which: deferred	–
5	Of which: shares or other share-linked instruments	–
6	Of which: deferred	–
7	Of which: other forms	556
8	Of which: deferred	–
Variable remuneration		
9	Number of employees	13
10	Total variable remuneration (11 + 13 + 15)	14,840
11	Of which: cash-based	14,840
12	Of which: deferred	3,983
13	Of which: shares or other share-linked instruments	–
14	Of which: deferred	–
15	Of which: other forms	–
16	Of which: deferred	–
Total remuneration (2 + 10)		**35,655**

* Fixed remuneration (which then forms part of total remuneration) has been reported on an awarded basis and excludes accrued post-employment and long-term benefits and deferrals awarded in prior years but paid in 2025.

** The number of employees includes employees who were identified as Senior Management at any time during the 2025 performance year, including those who were no longer Senior Management as at the end of the year (i.e. former Senior Management).

Special payments for Senior Management

The following table includes quantitative information on special payments for the financial year.

	Guaranteed Bonuses		Sign on Awards		Severance Payments	
Special Payments	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior Management		0			1	433

Policy and criteria for adjusting variable remuneration

Variable compensation is subject to ex-post risk adjustment under certain events and conditions via operation of malus and/or clawback adjustments. Ex-post risk adjustment may be applied on an individual or a collective basis, depending on the circumstances of the event and in a range of circumstances, including but not limited to, material restatement or downturn of financial results for the relevant period, fraud or gross negligence by an individual or group of employees, material error or failures of risk management controls. The applicable clawback period is three years after the date of payment of the relevant award.

The circumstances for ex-post risk adjustment are reviewed by the BNRESGC annually and applied in each case as determined by the Committee at its sole discretion. The Bank will consider all relevant factors (including the proximity of the employee to the failure of risk management in question and the employee's level of responsibility) in deciding whether and to what extent, it is reasonable to seek recovery of any or all of their variable remuneration.

The following table includes quantitative information on Senior Management deferred remuneration subject to ex-post risk adjustment for the financial year.

Deferred and retained remuneration 31 December 2025 AED in thousands	Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex-post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex-post explicit adjustments	Total amount of amendment during the year due to ex-post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management	6,925	6,925	–	–	1,852
Cash	6,925	6,925	–	–	1,852
Shares	–	–	–	–	–
Cash-linked instruments	–	–	–	–	–
Other	–	–	–	–	–

For further details of the Remuneration Policy and the design and structure of remuneration processes, please refer to the Pillar III report.

Risk management and internal controls

The Bank operates under a comprehensive Risk Management Framework that supports its financial soundness, long-term growth and adherence to regulatory requirements.

The Risk Management Framework sits at the core of the Bank's corporate governance structure and ensures that risks are identified, measured, monitored, controlled and reported in a consistent and disciplined manner, supported by established principles, policies and standards.

Risk Management Framework

The Bank's Risk Management Framework is built around the principles of the Three Lines of Defence model to segregate responsibility and strengthen accountability:

- The first line of defence is composed of the business units, which are responsible for the origination and day-to-day management of risks through direct assessment, control and mitigation activities.
- The second line of defence comprises functions such as Risk Management, Finance, Internal Shariah Control (including Shariah Compliance) and Compliance, which provide oversight and independent monitoring of the Bank's risk-taking activities, ensuring that risk management processes are aligned with the Bank's overall strategy and regulatory expectations.
- The third line of defence, Internal Audit and Internal Shariah Audit, operates independently to provide objective assurance on the effectiveness of internal controls, risk management systems and governance processes, ensuring the adequacy and effectiveness of the first and second lines of defence.

The Risk Management Framework incorporates the Bank's Risk Appetite Statement (RAS), governance committees, policies and limits, ensuring a consistent approach to risk across the organisation.

Risk identification, assessment and control measures

The Bank follows a structured methodology to identify, assess and manage both principal and emerging risks. Its control environment includes comprehensive policies, defined limit structures, periodic risk assessments, scenario analysis and regular stress testing.

A key element of this Risk Management Framework is the Board-approved RAS, which establishes the parameters within which the Bank operates to maintain a sustainable risk profile. RAS thresholds are actively monitored and any breaches, together with corresponding management actions, are reported to the BRC and the Board.

Managing emerging risks and external trends

The Bank maintains close oversight of macroeconomic, regulatory, technological and geopolitical developments that could influence its risk profile. Cybersecurity developments, global economic trends, inflationary pressures, supply-chain disruptions and regional geopolitical dynamics are regularly evaluated. Proactive risk scanning and scenario-based assessments enable timely preparedness and support the Bank's resilience in a changing operating environment.

First line of defence

Business units

- Risk identification through direct assessment
- Control and mitigation of risks

Second line of defence

Management, Credit, Finance, Compliance and Internal Shariah Control

- Overseeing Bank's risk-taking activities
- Assessing risks and issues independently from the business lines

Third line of defence

Internal Audit and Internal Shariah Audit

- An impartial review and objective assurance on the quality and effectiveness of the Bank's internal control system
- Independent and effective review of the first and second lines of defence

In managing cyber risk, all digitisation initiatives undergo rigorous first- and second-line review by dedicated security and cyber risk functions. Partnerships with service providers are also subject to stringent assessment and oversight to ensure alignment with CBUAE requirements. The Bank continues to advance its conduct risk capabilities, with a focus on ensuring the fair treatment of customers in line with Consumer Protection Regulations.

Internal control overview and monitoring and evaluation of controls

The Bank's internal control system provides structured assurance across both financial and non-financial operations. It operates through a multi-tiered framework applied at different levels of the organisation and reflects the accountability, delegation and collaboration principles embedded in the Bank's governance standards. Best-practice governance principles guide the design of policies, procedures and controls across all departments and business units.

These controls are subject to regular testing and evaluation to ensure ongoing effectiveness, with any identified deficiencies addressed promptly. Key functions that contribute to the internal control environment include Internal Audit, Internal Shariah Audit, External Audit, Risk, Compliance, Internal Shariah Control, Finance, Legal and Corporate Governance.

Roles and responsibilities

Internal Audit, Compliance and Risk functions report to Board Committees on a quarterly basis, including the BRC and the BAC. Both the BRC and the BAC report any significant matters, as and when required, to the Board:

- The BRC sets the overall risk strategy and approves risk-related frameworks. It reviews risk exposures, risk profiles and risk concentration reports on a regular basis, through quarterly risk monitoring supported by the risk management department. The BRC has oversight of the establishment and operation of risk management systems and receives regular updates on their effectiveness. The BRC also reviews the effectiveness of the Internal Shariah Control function.
- The BAC plays a key role in assessing and assuring the quality and integrity of Bank disclosures, financial statements, financial reporting and compliance with regulatory requirements. The BAC reviews the effectiveness of the Bank's internal controls and corporate governance environment and provides oversight of the Internal and External Audit and Compliance functions, as well as the Internal Shariah Audit function in coordination with the Bank's ISSC.
- The BNRESGC oversees incentives and other emoluments, which includes consideration of the risk structures for appropriate corporate performance, risk-taking and responsibility and corporate culture.
- The ISSC, with members appointed by shareholders, considers Shariah non-compliance risks and controls.

Continuous improvement and reforms

The Bank continues to reinforce its risk and control environment through ongoing enhancements to governance frameworks, policies, models and systems. Recent initiatives include broadening the scope of risk appetite metrics, investing in advanced fraud prevention and detection capabilities, strengthening safeguards for online and mobile channels, aligning with evolving regulatory requirements and improving operational resilience and cybersecurity capabilities. The Bank consistently updates its frameworks to reflect global best practices and regulatory developments, supporting long-term organisational strength.

Outlook

The Bank will further enhance its Risk Management and Internal Control Framework with particular focus on emerging risks linked to geopolitical developments, macroeconomic uncertainty, cybersecurity threats and the rapid evolution of artificial intelligence. Strengthening operational resilience and business continuity planning will remain central to supporting long-term stability and advancing the Bank's strategic objectives.

Islamic banking

Emirates Islamic offers Shariah-compliant products and services as an Islamic bank licensed by the CBUAE. It applies a robust Shariah governance mechanism to ensure that all products and services offered are duly accredited and in line with Shariah principles and the CBUAE HSA guidelines and regulations.

In line with the CBUAE Shariah Governance Framework, Emirates Islamic has a three lines of defence approach: the business units, the Internal Shariah Control function and the Internal Shariah Audit function, respectively. These lines of defence support Emirates Islamic's Shariah governance activities, oversight and reporting. The overall Bank is governed by the ISSC, comprised of independent Shariah scholars.

The shareholders appoint Members of the ISSC at the General Assembly Meeting, upon nomination by the Board and approval from the HSA of the CBUAE. Emirates Islamic has well-established policies, procedures and controls that the ISSC approves and facilitates business activities in a manner compliant with Shariah principles.

The ISSC operates following the resolutions, standards and guidelines issued by the HSA of the CBUAE and undertakes supervision of all Shariah-compliant businesses, activities, products and services. The ISSC has approved the Shariah governance framework for referring matters to the ISSC, issuing fatwas and ensuring compliance with Islamic Shariah in all objectives, activities and operations. The resolutions issued by the ISSC are binding upon Emirates Islamic.

The ISSC issues a yearly report on its activities, including assurance that Emirates Islamic complies with Islamic Shariah principles and outlining any instances of non-compliance. In addition, the Bank submits the report to the HSA of the CBUAE for no objection before presenting it to the Bank's shareholders at its GAM. During the year 2025, 8 meetings were held.

The Members of the ISSC as at 31 December 2025 are as follows:

Prof. Mohammad Abdul Rahim Sultan Al Olama Chairman and Executive Member of ISSC (reappointed 6 May 2021)	Prof. Dr. Mohammad Abdul Rahim Sultan Al Olama served as a professor of jurisprudence and its fundamentals at the College of Law, United Arab Emirates University in Al Ain, until his retirement in 2022. He is a certified expert in financial affairs related to compliance with Islamic Shariah principles and an authority in numerous jurisprudence councils. Prof. Dr. Al Olama was also a member of the Shariah Board of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and chaired the Shariah Committee at the Zakat Fund in the UAE. Prof. Dr. Al Olama has authored books and articles on various jurisprudential topics, with a particular focus on contemporary Islamic banking. He has presented a series of research papers at international forums and conferences in this field. Furthermore, he serves on several Fatwa and Shariah supervisory boards for Islamic financial institutions and Takaful companies, including Emirates Islamic Bank, Dubai Islamic Bank, Abu Dhabi Islamic Bank, Watania Takaful, Mawarid Finance Company, NBD Islamic, Commercial Islamic Bank of Dubai and Mashreq Bank. He holds a Ph.D. in Comparative Islamic Jurisprudence from Umm Al-Qura University in Makkah Al-Mukarramah, Kingdom of Saudi Arabia.
Dr. Salim Ali Al Ali (appointed 13 August 2020)	Dr. Salim Ali Al Ali works as an Assistant Professor in the Department of Shariah and Islamic Studies at the College of Law, United Arab Emirates University, where he teaches a range of courses related to Islamic law and Islamic banking. In addition to his academic role, Dr. Al Ali is the Chairman of the Internal Shariah Supervisory Committee for HSBC Bank Middle East Limited and Abu Dhabi First Bank Group. He has participated in numerous international conferences addressing issues related to Islamic financial products, as well as the legal and governance frameworks of Islamic financial markets, held at Harvard University and the University of Cambridge. Dr. Al Ali is a member of the internal Shariah Supervisory Committee for several other Islamic financial institutions. Dr. Al Ali holds a Ph.D. in Financial Law from the University of London, United Kingdom and has previously worked as a part-time lecturer at BPP University in the UK.
Dr. Mohamed Ali Elgari (appointed 01 June 2021)	Dr. Mohamed Ali Elgari is a Professor of Islamic Economics at King Abdulaziz University in Jeddah, Saudi Arabia and the former Director of the Center for Research in Islamic Economics at the same university. He is an expert at the Islamic Jurisprudence Academy of the Organisation of Islamic Cooperation (OIC) and the Islamic Jurisprudence Academy of the Islamic World League. Dr. Elgari is also a member of the Board of Trustees and the Shariah Board of AAOIFI and chairs the Practical Committee for the Al Qassimia University Award for Islamic Economics Research. In addition, Dr. Elgari is chairman and member of numerous Shariah boards for Islamic banks and Takaful companies across Saudi Arabia, the Gulf, Europe and America. He has authored several books on Islamic economics, banking and finance and published numerous articles in both Arabic and English. Dr. Elgari has received several prestigious recognitions for his contributions to Islamic finance, including the Islamic Development Bank Prize in Islamic Banking and Finance (1424H/2004), the KLIFF Islamic Finance Award for Outstanding Contribution to Islamic Finance and the Euromoney Award for Outstanding Contribution to Islamic Finance. Dr. Elgari graduated from King Abdulaziz University in Jeddah, Saudi Arabia and holds a Ph.D. from the University of California.
Dr. Muhammad Qaseem (appointed 27 January 2025)	Dr. Muhammad Qaseem is a renowned Shariah scholar and Islamic banking expert. He currently is a member of the Governance and Ethics Board of AAOIFI and is also part of the ISSC of various institutions. Dr. Qaseem has been actively involved in the Islamic banking industry since 2005, holding key positions such as Shariah Board member for the Central Bank of Pakistan, Dubai Financial Market (DFM) and numerous other Islamic banks. Dr. Qaseem has taught at the International Islamic University of Islamabad for over two decades. He has made significant contributions to the development and regulation of the Islamic banking industry. Additionally, he has worked extensively to promote Islamic banking knowledge by delivering lectures, conducting training sessions and participating in seminars, conferences and workshops. Dr. Qaseem has authored numerous articles on Islamic banking issues and has developed policies and operational manuals for Islamic banks.

Definitions

In this Corporate Governance Report, the following expressions shall have the following meanings:

Emirates Islamic: Emirates Islamic Bank P.J.S.C.

Group: Emirates NBD Group and its subsidiaries

Bank: Emirates Islamic Bank P.J.S.C.

Board: Emirates Islamic Board of Directors, the governing body of the Bank

BAC: Board Audit Committee

BRC: Board Risk Committee

BCIC: Board Credit and Investment Committee

BNRESGC: Board Nomination Remuneration and ESG Committee

BPEC: Board Profit Equalisation Committee

CBUAE: Central Bank of the UAE

Corporate Governance Regulations: Includes the CBUAE Corporate Governance Regulation for Banks (Circular No.83/2019 dated July 18, 2019) and the SCA Chairman's Resolution No. 03/TM of 2020 Regarding the Approval of the Public Joint Stock Companies Governance Guide, in addition to other relevant laws, rules and regulations applicable to banking and listed companies on the DFM.

DFM: Dubai Financial Market

ESG: Environmental, social and governance

GAM: General Assembly Meeting

HSA: Higher Shariah Authority

ISSC: Internal Shariah Supervision Committee

P.J.S.C.: Public Joint Stock Company

RPT: Related Party Transactions

SCA: Securities and Commodities Authority

Directors' Report

Directors' Report

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of Emirates Islamic Bank P.J.S.C. (the "Bank"/ "Emirates Islamic") and its subsidiaries (collectively known as "the Group") for the year ended 31 December 2025.

The Bank was incorporated by a decree of His Highness the Ruler of Dubai as a conventional Bank with a limited liability in the Emirate of Dubai on 3 October 1975. The Bank was reregistered as a Public Joint Stock Company in July 1995. At an extraordinary general meeting held on 10 March 2004, a resolution was passed to transform the Bank's activities to be in full compliance with Shariah rules and principles. The transformation was completed on 9 October 2004 (the "Transformation Date") when the Bank obtained Central Bank of the UAE and other the UAE authorities' approvals.

Basis of Preparation of Financial Statements

The Group consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and applicable requirements of the laws of the UAE and as per Islamic Shariah guidance.

Financial Commentary

Emirates Islamic announced its highest-ever net profit of AED 3.3 billion for 2025, marking a remarkable 19% increase from the previous year. This impressive growth was driven primarily by significant rises in funded and non-funded income.

The bank maintained its robust liquidity and capital ratios, enabling a 26% expansion in Customer Financing throughout 2025. This growth reflects the improving economic landscape. Customer Deposits also saw a 33% increase, with Current Account and Savings Accounts demonstrating a notable 27% growth.

Emirates Islamic remains committed to upholding a strong balance sheet, characterized by rigorous risk oversight and effective cost management. This steadfast approach has earned the bank an 'A+' Long-Term Rating from Fitch Ratings, accompanied by a Stable Outlook and Short-Term Rating of 'F1'. Furthermore, Fitch has upgraded the bank's Viability Rating at bbb-.

During 2025, the Bank partnered with Amazon UAE to launch the first Amazon Credit Card in the Middle East and North Africa region bringing shopping experience, Mastercard's secure, innovative payments, and Emirates Islamic's banking expertise for customers in the UAE. We also launched a first of its kind fully digital Shariah-compliant supply chain finance solution named "Islamic smartSCF", supporting a portfolio of vendors and suppliers of large corporations with early settlement of the invoices

Emirates Islamic has solidified its position as a leader in the UAE banking sector, boasting one of the highest Emiratisation rates at 43.5% of total employees. The bank has also made significant strides in promoting gender balance, with women holding 24% of leadership positions. EI was awarded the Gold Category in the 2025 Majra Impact Awards, a significant achievement that reflects our continued commitment to value addition through robust service to our various communities.

Guided by the principles of Shariah, Emirates Islamic remains deeply committed to giving back to the community. In 2025, the Emirates Islamic Charity Fund contributed more than AED 46 million to various charitable initiatives, focusing on essential areas such as food, health, education, social welfare and shelter.

As the Islamic bank of choice in the UAE, Emirates Islamic continues to play a vital role in advancing the Islamic banking sector. The bank remains dedicated to supporting the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum to establish Dubai as the global capital of the Islamic Economy.

Equity Holders Funds

Total Equity holders' funds as at the end of 2025 stands at AED 17,742 million (2024: AED 14,300 million).

Dividends

A cash dividend of AED 0.55 per share is proposed for the year, representing 90% of the Bank's net profit for the year.

Proposed Appropriations

The Directors propose the following appropriations from retained earnings:

	AED million
Retained earnings as of 01 January 2025	**7,205.6**
Group profit for the year	**3,344.1**
Other comprehensive income	**4.0**
Transfer to Legal and Statutory reserve	**(334.4)**
Retained earnings available for appropriation	**10,219.3**
(a) Directors' fees for the year 2025	**(7.0)**
(b) Zakat for the year 2025	**(81.6)**
Balance of retained earnings as of 31 December 2025	**10,130.7**

Attendance of Directors at Board / Board Committee meetings during 2025

The Board of Directors comprises of the following members:

Mr. Hesham Abdulla Qassim Al Qassim	Chairman
Mr. Buti Obaid Buti Al Mulla	Vice Chairman
H.E. Mohamed Hadi Ahmed Al Hussaini	Director
H.E. Huda Syed Naim Al Hashimi	Director
Mr. Salem Mohammed Ibrahim Obaidalla	Director
Mr. Ali Humaid Ali Al Owais	Director (resigned 24 Feb 2025)
Mr. Jassim Mohammed Abdulrahim Al Ali	Director (appointed 24 Feb 2025)
Mr. Shayne Nelson	Director

Total Number of Board Meetings: 6

Directors' Report continued

Board Audit Committee

Mr. Jassim Mohammed Abdulrahim Al Ali	Chairman
H.E. Huda Syed Naim Al Hashimi	Member
Mr. Salem Mohammed Ibrahim Obaidalla	Member

Total Number of Meetings: 4

Board Nomination & Remuneration and ESG Committee

Mr. Buti Obaid Buti Al Mulla	Chairman
Mr. Hesham Abdulla Qassim Al Qassim	Member
Mr. Salem Mohammed Ibrahim Obaidalla	Member

Total Number of Meetings: 4

Board Risk Committee

H.E. Huda Syed Naim Al Hashimi	Chairman
Mr. Buti Obaid Buti Al Mulla	Member
Mr. Jassim Mohammed Abdulrahim Al Ali	Member

Total Number of Meetings: 4

Board Credit and Investment Committee

Mr. Hesham Abdulla Qassim Al Qassim	Chairman
HE. Mohamed Hadi Ahmad Al Hussaini	Member
Mr. Shayne Nelson	Member

Total Number of Meetings: 43

Board Profit Equalization Committee

Mr. Hesham Abdulla Qassim Al Qassim	Chairman
Mr. Jassim Mohammed Abdulrahim Al Ali	Member
Dr. Salim Al Ali	ISSC representative in the Committee

Total Number of Meetings: 4

Auditors:

Ernst & Young were appointed as auditors of the Group for 2025 financial year in the Annual General Meeting held on 24th February 2025.

On behalf of the Board

Chairman

Dubai, UAE
26 January 2026

The Annual Shariah Report and the Zakat Notice

The Annual Shariah Report
Annual Report of the Internal Shariah Supervision Committee of (Emirates Islamic Bank)

Issued on 15-01-2026
To: Shareholders of (Emirates Islamic Bank) ("the Institution")

After greetings,
Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the Regulatory Requirements"), the Internal Shariah Supervision Committee of the Institution ("ISSC") presents to you the ISSC's Annual Report for the financial year ending on 31 December 2025 ("Financial Year").

1. Responsibility of the ISSC
In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to:
a. undertake Shariah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Institution; and the Institution's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders ("Institution's Activities") and issue Shariah resolutions in this regard, and

b. determine Shariah parameters necessary for the Institution's Activities, and the Institution's compliance with Islamic Shariah within the framework of the rules, principles, and standards set by the Higher Shariah Authority ("HSA") to ascertain compliance of the Institution with Islamic Shariah.

The senior management is responsible for compliance of the Institution with Islamic Shariah in accordance with the HSA's resolutions, fatwas, and opinions, and the ISSC's resolutions within the framework of the rules, principles, and standards set by the HSA ("Compliance with Islamic Shariah") in all Institution's Activities, and the Board bears the ultimate responsibility in this regard.

2. Shariah Standards
In accordance with the HSA's resolution (No. 18/3/2018), and with effect from 01/09/2018, the ISSC has abided by the Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shariah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Institution's Activities without exception.

3. Duties Fulfilled by the ISSC During the Financial Year
The ISSC conducted Shariah supervision of the Institution's Activities by reviewing those Activities, and monitoring them through the internal Shariah control division, and internal Shariah audit, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:
a. Convening (8) meetings during the year.
b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Institution's Activities.
c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Institution to the ISSC for approval.
d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders with parameters set by the ISSC.
e. Supervision through the internal Shariah control division, and internal Shariah audit, of the Institution's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
f. Providing guidance to relevant parties in the Institution – to rectify (where possible) incidents cited in the reports prepared by internal Shariah control division, and internal Shariah audit, and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.
g. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
h. Specifying the amount of Zakat due on each share of the Institution.
i. Communicating with the Board and its subcommittees, and the senior management of the Institution (as needed) concerning the Institution's compliance with Islamic Shariah.

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Institution is compliant with Islamic Shariah.

4. Independence of the ISSC
The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Institution. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shariah requirements.

5. The ISSC's Opinion on the Shariah Compliance Status of the Institution
Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shariah, the ISSC has concluded with a reasonable level of confidence, that the Institution's Activities are in compliance with Islamic Shariah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measure in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

Signatures of members of the Internal Shariah Supervision Committee of the Institution

Prof. Mohamed Abdul Rahim Sultan Al Olama	Chairman and Executive Member	
Prof. Mohamed Ali Elgari	Vice Chairman	( )
Dr. Salim Ali Al-Ali	Member	( )
Dr. Muhammad Qaseem	Member	( )

Due Zakat on Emirates Islamic Bank Shareholders for the year 2025

Zakat on shares may be calculated using one of the following methods, according to the intention of the shareholder:

First Method
Zakat on shares purchased for trading purposes (for capital gain) is as follows:
- Zakat per share for trading purposes = Share quoted value x 2.5777%* – AED 0.015029**
- Total Zakat payable on shares = Number of shares x Zakat per share for trading purposes

Second Method
- Zakat on shares purchased for acquisition (to benefit from the annual return) is as follows:
- Total Zakat payable on shares held for annual return*** = Number of shares x AED 0.015029

* Note: Zakat is calculated at 2.5777% of Zakat base for a simple Gregorian year, 2.585% for a leap Gregorian year and at 2.5% for Hijri year. The difference in Zakat percentage is due to difference in number of days in calendars.

** Represents portion of a share's Zakat that the Bank has already paid.
*** The Bank has already paid total Zakat payable on shares held for annual return.

Financial Statements

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Independent Auditors' Report

The Shareholders
Emirates Islamic Bank P.J.S.C.
Dubai
United Arab Emirates

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Emirates Islamic Bank (P.J.S.C.) (the 'Bank') and its subsidiaries (together referred to as the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Independent Auditors' Report

To the Shareholders of Emirates Islamic Bank P.J.S.C. (continued)

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance against Financing receivables	
The assessment of the Group's determination of Expected Credit Losses ('ECL') against financing receivables requires management to make judgements over staging financial assets and measurement of ECL. We considered this to be a key audit matter due to the quantitative significance of the financing receivables (representing 61% of total assets) and the complexity of the judgements, assumptions and estimates used in the ECL calculations. The key areas of judgements, estimates and assumptions include: **Staging:** the determination of what constitutes significant increase in credit risk ('SICR') and consequent timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9; **ECL models and related outputs:** Modelling assumptions and data used to develop, monitor and run the models that calculate the ECL, including the appropriateness, completeness and valuation of post-model adjustments applied to model output to address identified model deficiencies or risks not fully captured by the models; **Individually assessed ECL allowances:** Measurement of individual provisions including the assessment of probability weighted recovery scenarios, exit strategies, collateral valuations, expected future cashflows and the timing of these cashflows. Overall, the level of judgement and estimation remains elevated as a result of the factors above and consequently the risk of a material misstatement to the ECL remained significant. Refer material accounting policies note 6(j)(iii) for the impairment of financial assets; note 5(i) which contains the disclosure of judgements and estimates relating to impairment losses on financial assets and note 36 for risk management disclosures containing disclosure for credit risk measurement policies, credit quality analysis and stage movements.	We obtained an understanding of the Group's credit risk governance and management process with a particular focus on ECL framework, policies and methodologies applied to determine the ECL allowance against the portfolio of financing receivables, including the key controls embedded in the ECL estimation process. We assessed the appropriateness of the Group's accounting policies and methodologies for determining the ECL allowance against financing receivables in accordance with the requirements of IFRS Accounting Standards. We evaluated the key controls over the following areas in terms of their design, implementation and operating effectiveness during the year: • the classification of credit exposures into Stages 1, 2 and 3 and timely identification of SICR; • the ECL computations performed including the credit statistical models used to estimate various underlying ECL assumptions and the governance over such models; and • the IT systems and applications underpinning the ECL computations including key inputs and sources of information used. For a sample of new / renewed corporate credit facilities, we checked that reported exceptions to limits, if any, as set out in the Board approved delegation of authority matrix, were approved by the Board / Board Credit Committee or its approved delegate and the approval process was formally documented. We assessed, on a sample basis, that reported exceptions to policies and procedures, if any, as outlined in the Board risk appetite statement were approved by the Board / Board Committee and the approval process was formally documented. **Staging:** We performed an independent credit assessment for a sample of financing customers by assessing the quantitative and qualitative factors including assessments of the financial performance, the sources of repayments and its history and other relevant risk factors with the key objective of reviewing the appropriateness of staging of such credit exposures for ECL purposes based on the Group's staging classification policy, knowledge of corresponding customers and analysis of related financial information.

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Independent Auditors' Report
To the Shareholders of Emirates Islamic Bank P.J.S.C. (continued)

Report on the audit of the consolidated financial statements continued
Key audit matters continued

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance against Financing receivables continued	
	ECL models and related outputs: We assessed the output from ECL models including reasonableness of underlying assumptions used by the Group in the ECL computations. As part of this assessment, we evaluated the appropriateness of model design, model implementation and validation, sensitivity testing and recalculations. To evaluate data quality, we performed sample testing over the completeness and accuracy of key data elements, assessed to be material to the modelled ECL output, back to source evidence. We involved our credit risk modelling specialists to assist us in reviewing model calculations, evaluating outputs and assessing reasonableness of assumptions used in the ECL models applicable. We also assessed reasonableness of material post-model adjustments that were applied as a response to risks not considered to be fully captured by the models. **Individually assessed ECL allowances:** We selected a sample of individually assessed provisions to recalculate. Our recalculation procedures included challenging management's forward looking economic assumptions of the recovery outcomes identified and underlying methods used to calculate the ECL allowance for individually assessed exposures. **ECL for stage 3 credit exposures:** For a sample of stage 3 credit exposures, we assessed the adequacy of credit impairment provisions by considering the underlying expected cashflows of the borrowers, where applicable and in cases where collateral is expected to be realized in respect of the credit exposure, we evaluated the appropriateness of the basis used for such collateral valuation. We assessed the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other Matter
The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor whose report dated 28 January 2025 expressed an unmodified opinion on those consolidated financial statements.

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Independent Auditors' Report
To the Shareholders of Emirates Islamic Bank P.J.S.C. (continued)

Other information included in the Group's 2025 Annual Report
Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Bank's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, as amended, and UAE Federal Decree Law No. (6) of 2025 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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Independent Auditors' Report
To the Shareholders of Emirates Islamic Bank P.J.S.C. (continued)

Report on the audit of the consolidated financial statements continued
Auditor's responsibilities for the audit of the consolidated financial statements continued

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements
As required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

i) the Bank has maintained proper books of account;
ii) we have obtained all the information we considered necessary for the purposes of our audit;
iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Bank's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, as amended;
iv) the financial information included in the Directors' report is consistent with the consolidated books of account of the Bank;
v) investments in shares during the year ended 31 December 2025, if any, are disclosed in note 10 to the consolidated financial statements;
vi) note 31 reflects material related party transactions and the terms under which they were conducted;
vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Bank has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, or of its Articles of Association which would have a material impact on its activities or its consolidated financial position as at the date of issuance of this report; and
viii) note 38 reflects the social contributions made during the year.

Further, as required by UAE Federal Decree Law No. (6) of 2025, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

Ernst & Young Middle East (Dubai Branch)

Anthony O'Sullivan
Registration No: 687
26 January 2026
Dubai, United Arab Emirates

Group Consolidated Statement of Financial Position
As at 31 December 2025

	Notes	2025 AED 000	2024 AED 000
Assets			
Cash and deposits with the Central Bank of the UAE	8	**21,447,454**	14,674,527
Due from banks	9	**15,509,494**	10,028,460
Investment securities	10	**16,406,572**	13,463,573
Financing receivables	11	**88,861,071**	70,479,855
Positive fair value of Islamic derivatives	28	**275,720**	156,947
Customer acceptances	30	**1,682,641**	747,795
Investment properties		**165,356**	170,795
Property and equipment		**348,685**	320,207
Other assets	12	**1,068,355**	1,086,514
Total assets		**145,765,348**	**111,128,673**
Liabilities			
Due to banks	13	**5,101,677**	5,883,525
Customer deposits	14	**102,099,353**	76,784,930
Sukuk payable and other medium term financing	15	**14,588,250**	9,263,125
Negative fair value of Islamic derivatives	28	**259,433**	150,020
Customer acceptances	30	**1,682,641**	747,795
Other liabilities	16	**4,291,753**	3,998,967
Total liabilities		**128,023,107**	**96,828,362**
Equity			
Issued capital	17	**5,430,422**	5,430,422
Legal and statutory reserve	18	**1,642,594**	1,308,187
Other reserves	18	**543,043**	543,043
Fair value reserve	18	**(4,512)**	(186,918)
Retained earnings		**10,130,694**	7,205,577
Total equity		**17,742,241**	**14,300,311**
Total liabilities and equity		**145,765,348**	**111,128,673**

The attached notes 1 to 39 form an integral part of these Group consolidated financial statements.
The independent auditor's report is set out on pages 74-78.

Mr. Hesham Abdulla Al Qassim
Chairman

Mr. Shayne Nelson
Director

Mr. Farid AlMulla
Chief Executive Officer

Group Consolidated Statement of Income
For the year ended 31 December 2025

	Notes	2025 AED 000	2024 AED 000
Income from financing receivables and investment products	19	**6,746,923**	5,779,226
Distribution on deposits and profit paid to Sukuk holders	20	**(2,171,215)**	(1,549,453)
Net income from financing receivables and investment products		**4,575,708**	**4,229,773**
Fee and commission income	21	**1,385,175**	1,126,948
Fee and commission expense		**(724,622)**	(605,924)
Net fee and commission income		**660,553**	**521,024**
Other operating income	22	**730,457**	613,263
Total operating income		**5,966,718**	**5,364,060**
General and administrative expenses	23	**(1,873,110)**	(1,644,684)
Operating profit before impairment		**4,093,608**	**3,719,376**
Net impairment (loss) / reversal	24	**(202,474)**	(631,466)
Profit for the year before taxation		**3,891,134**	**3,087,910**
Taxation charge	25	**(547,062)**	(277,650)
Profit for the year		**3,344,072**	**2,810,260**
Earnings per share (AED)	27	**0.616**	**0.518**

The attached notes 1 to 39 form an integral part of these Group consolidated financial statements.
The independent auditor's report is set out on pages 74-78.

Group Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	2025 AED 000	2024 AED 000
Profit for the year	**3,344,072**	2,810,260
Other comprehensive income		
Items that will not be reclassified subsequently to the income statement:		
Actuarial gains / (losses) on retirement benefit obligations	**4,068**	(14,424)
Items that may be reclassified subsequently to the income statement:		
Cash flow hedges:		
– Effective portion of changes in fair value	**23,870**	9,491
Fair value reserve (Sukuk instruments):		
– Net change in fair value	**171,404**	81,883
– Net amount transferred to income statement	**(132)**	(98)
Related deferred tax	**(12,736)**	(8,215)
Other comprehensive income for the year	**186,474**	68,637
Total comprehensive income for the year	**3,530,546**	**2,878,897**

The attached notes 1 to 39 form an integral part of these Group consolidated financial statements.
The independent auditor's report is set out on pages 74-78.

Group Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	2025 AED 000	2024 AED 000
Operating Activities		
Profit for the year before taxation	**3,891,134**	3,087,910
Adjustment for non cash items and other items (refer Note 34)	**739,597**	1,041,122
Operating profit before changes in operating assets and liabilities	**4,630,731**	**4,129,032**
(Increase) / decrease in balances with the Central Bank maturing after three months	**(2,854,536)**	81,799
(Increase) / decrease in amounts due from banks maturing after three months	**(3,784,343)**	(3,440,345)
Increase / (decrease) in amounts due to banks maturing after three months	**546,833**	877,537
(Increase) / decrease in positive fair value of Islamic derivatives	**(94,903)**	36,717
Increase / (decrease) in negative fair value of Islamic derivatives	**109,413**	(28,376)
(Increase) / decrease in other assets	**12,760**	(244,866)
Increase / (decrease) in other liabilities	**(323,510)**	158,265
Increase / (decrease) in customer deposits	**25,314,423**	15,470,015
(Increase) / decrease in financing receivables	**(18,726,621)**	(17,551,391)
Net cash flows generated from / (used in) operating activities	**4,830,247**	**(511,613)**
Investing activities		
(Increase) / decrease in investment securities	**(3,082,819)**	(2,959,594)
(Increase) / decrease in investment properties	**28,117**	45,253
Dividend income received	**-**	3,168
(Increase) / decrease in property and equipment	**(151,318)**	(141,108)
Net cash flows generated from / (used in) investing activities	**(3,206,020)**	**(3,052,281)**
Financing activities		
Issuance of sukuk and other medium term financing	**7,161,375**	4,590,625
Payment of sukuk and other medium term financing	**(1,836,250)**	
Net cash flows generated from / (used in) financing activities	**5,325,125**	**4,590,625**
Increase / (decrease) in cash and cash equivalents (refer Note 34)	**6,949,352**	**1,026,731**

The attached notes 1 to 39 form an integral part of these Group consolidated financial statements.
The independent auditor's report is set out on pages 74-78.

Group Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Issued capital AED 000	Legal and statutory reserve AED 000	Other reserves AED 000	Fair value reserve AED 000	Retained earnings AED 000	Total AED 000
Balance as at 1 January 2025	**5,430,422**	**1,308,187**	**543,043**	**(186,918)**	**7,205,577**	**14,300,311**
Profit for the year	**–**	**–**	**–**	**–**	**3,344,072**	**3,344,072**
Other comprehensive income/(loss) for the year	**–**	**–**	**–**	**182,406**	**4,068**	**186,474**
Transfer to reserves	**–**	**334,407**	**–**	**–**	**(334,407)**	**–**
Directors' fees (refer note 26)	**–**	**–**	**–**	**–**	**(7,000)**	**(7,000)**
Zakat	**–**	**–**	**–**	**–**	**(81,616)**	**(81,616)**
Balance as at 31 December 2025	**5,430,422**	**1,642,594**	**543,043**	**(4,512)**	**10,130,694**	**17,742,241**
Balance as at 1 January 2024	5,430,422	1,027,161	543,043	(269,979)	4,713,061	11,443,708
Profit for the year	–	–	–	–	2,810,260	2,810,260
Other comprehensive income/(loss) for the year	–	–	–	83,061	(14,424)	68,637
Transfer to reserves	–	281,026	–	–	(281,026)	–
Directors' fees (refer note 26)	–	–	–	–	(7,000)	(7,000)
Zakat	–	–	–	–	(15,294)	(15,294)
Balance as at 31 December 2024	5,430,422	1,308,187	543,043	(186,918)	7,205,577	14,300,311

The attached notes 1 to 39 form an integral part of these Group consolidated financial statements.
The independent auditor's report is set out on pages 74-78.

Notes to the Group Consolidated Financial Statements
For the year ended 31 December 2025

1 Corporate Information
Emirates Islamic Bank P.J.S.C. (the "Bank") was incorporated by a decree of His Highness the Ruler of Dubai as a conventional Bank with a limited liability in the Emirate of Dubai on 3 October 1975. The Bank was reregistered as a Public Joint Stock Company in July 1995 and is regulated by the Central Bank of United Arab Emirates.

At an extraordinary general meeting held on 10 March 2004, a resolution was passed to transform the Bank's activities to be in full compliance with the Shariah rules and principles. The entire process was completed on 9 October 2004 (the "Transformation Date") when the Bank obtained the UAE Central Bank and other UAE authorities' approvals.

The Bank is a subsidiary of Emirates NBD Bank P.J.S.C., Dubai (the "Group Holding Company"). The ultimate parent company of the Group Holding Company is Investment Corporation of Dubai (the "Ultimate Parent Company"), which is wholly owned by the Government of Dubai.

On 10 June 2025, the trading in shares of Emirates Islamic Bank P.J.S.C. was suspended on Dubai Financial Market (DFM) followed by the acquisition of the remaining non-controlling shareholding by the Group Holding Company. The Bank was subsequently delisted from the DFM. As a result of this acquisition, the Bank is now a wholly owned subsidiary of the Group Holding Company.

The Bank's website is http://www.emiratesislamic.ae. In addition to its head office in Dubai, the Bank operates through 36 branches in the UAE. The group consolidated financial statements comprise financial statements of the Bank and its following subsidiaries and other entities controlled by the Bank (together referred to as "the Group").

			Ownership %	
Subsidiaries	Date of incorporation & country	Principal activity	31 December 2025	31 December 2024
Emirates Islamic Financial Brokerage Co. LLC*	26 April 2006, UAE	Financial brokerage services	100%	100%
EI Funding Limited	15 May 2014, Cayman Islands	Special Purpose Entity	100%	100%
Other entities consolidated by the Group on the bases of control assessment:				
EIB Sukuk Company Limited	16 April 2007, Cayman Islands	Special Purpose Entity		
EI CD Limited	21 July 2025, Cayman Islands	Special Purpose Entity		

The Bank provides banking services and offers a variety of products through financing and investing instruments in accordance with Shariah rules and principles.

The Bank's registered office address is P.O. Box 6564, Dubai, United Arab Emirates.

* This subsidiary is in the process of being dissolved.

2 Basis of accounting
Statement of compliance:
The Group consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) and applicable requirements of the laws of the UAE.

Federal Law No. 32 of 2021 on Commercial Companies has come into effect from 2 January 2022, replacing the existing Federal Law No. 2 of 2015.

The principal accounting policies adopted in the preparation of the Group consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3 Functional and presentation currency
The Group consolidated financial statements are presented in United Arab Emirates Dirham (AED), which is the Group's functional currency. Except where indicated, financial information presented in AED has been rounded to the nearest thousand.

4 Basis of measurement
The Group consolidated financial statements have been prepared under the historical cost basis except for the following:
- Shariah compliant derivatives are measured at fair value;
- financial instruments classified at fair value through profit or loss (FVTPL) are measured at fair value; and,
- financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group consolidated financial statements are disclosed in Note 5.

5 Use of judgements and estimates
The preparation of the Group consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amount of financial assets and liabilities and the resultant allowances for impairment and fair values. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowances required for impaired financing receivables as well as allowances for impairment provision for unquoted investment securities. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Significant items where the use of estimates and judgments are required are outlined below:

(i) Financial instruments
Judgments made in applying accounting policies that have most significant effects on the amounts recognized in the consolidated financial statements of the year ended 31 December 2025 pertain to:
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payment of principal and profit of the principal amount outstanding.
- Calculation of expected credit loss (ECL): Assumptions and estimation uncertainties that have a significant impact on ECL for the year ended 31 December 2025. The impact is mainly driven by inputs, assumptions and techniques used for ECL calculation under IFRS 9 methodology.

Inputs, assumptions and techniques used for ECL calculation
Key concepts that have the most significant impact and require a high level of judgment, as considered by the Group while determining the ECL, are:

Assessment of Significant Increase in Credit Risk ("SICR")
The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using early warning and other indicators that are used in the Group's existing risk management processes.

The Group's assessment of significant increases in credit risk is being performed at least quarterly for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2 including but not limited to:
1. The Group has established thresholds for significant increase in credit risk based on movement in Probability of Default relative to initial recognition.
2. Additional qualitative reviews have been performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in risk.
3. IFRS 9 contains a rebuttable presumption that instruments which are 30 days past due have experienced a significant increase in credit risk.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of credit-impairment is based on individual assessment of financial assets for objective evidence of impairment.

The Group reviews its financing receivables portfolio to assess unlikeliness to pay and impairment on a regular basis. In determining whether an impairment loss should be recorded in the consolidated statement of income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the contractual future cash flows from a financing receivable or homogenous group of financing receivables. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss.

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios
The measurement of ECL for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

The estimation and application of forward-looking information requires significant judgment based on the macroeconomic variables (or changes in macroeconomic variables) such as occupancy rates, oil prices, housing price index and GDP (where applicable), that are closely correlated with credit losses in the relevant portfolio and represent the underlying causal effects of changes in these economic conditions. Each macroeconomic scenario used in the Group's ECL calculation will have projected forecasts of the relevant macroeconomic variables.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

5 Use of judgements and estimates (continued)
(i) Financial instruments (continued)
Inputs, assumptions and techniques used for ECL calculation (continued)
Macroeconomic Factors, Forward Looking Information and Multiple Scenarios (continued)

The Group estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. These scenarios are based on macroeconomic forecasts published by external experts. If conditions warrant, additional downside scenarios may also be considered.

Probability weights attached to these scenarios are updated on a quarterly basis (if required). All scenarios considered are applied to all portfolios subject to ECL with the same probabilities. In some instances, the inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the Group consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Such cases are subject to the Group's governance process for oversight.

Sensitivity assessment due to movement in each macroeconomic variable and the respective weights under the three scenarios is periodically assessed by the Group.

The table below summarises key macroeconomic indicators included in the economic scenarios for the respective operating regions relevant to their markets during Q4 2025 and for the years ending 2026 to 2029:

	Base Scenario					Upside Scenario					Downside Scenario				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
UAE															
Oil Price – USD	69	65	67	68	69	70	71	70	69	71	66	44	55	65	67
GDP – Change %	4.3	3.9	3.8	3.9	3.8	4.5	6.1	4.7	3.9	3.8	3.9	-1.1	0.9	5.4	5.2
Imports – AED in Bn	2056	2182	2285	2371	2491	2057	2210	2356	2477	2624	2039	1953	1983	2078	2198

Definition of default
The definition of default used in the measurement of ECL and the assessment to determine movement between stages is consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

Expected Life
When measuring ECL, the Group must consider the maximum contractual period over which it is exposed to credit risk. All applicable contractual terms are considered when determining the expected life, including early settlement, extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Governance
In addition to the existing risk management framework, the Group has established an internal Committee to provide oversight to the IFRS 9 impairment process. The Committee is comprised of senior representatives from finance, risk management, internal audit and business teams and are responsible for reviewing and approving key inputs and assumptions used in the Group ECL estimates. It also assesses the appropriateness of the overall allowance results to be included in the Group consolidated financial statements.

(ii) Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from quoted prices, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable market data where possible, but where this is not possible, a degree of judgment is required in establishing fair values. The judgments include consideration of liquidity and model inputs such as correlation and volatility for longer dated Shariah compliant derivatives.

Fair values are subject to a control framework designed to ensure that they are either determined or validated, by a function independent of the risk taker.

(iii) Contingent liability arising from litigations
Due to the nature of its operations, the Group may be involved in litigations arising in the ordinary course of business. Provision for contingent liabilities arising from litigations is based on the probability of outflow of economic resources and reliability of estimating such outflow. Such matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are applied prospectively.

6 Material accounting policies
The Group has consistently applied the following accounting policies to all periods presented in these Group consolidated financial statements.

(a) Principles of consolidation
(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Basis of consolidation
The Group consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the Group consolidated financial statements are prepared for the same reporting date as the Bank. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated.

Business combinations are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date, fair value of assets transferred by group, liability incurred, and equity interest issued by the group in exchange for control of the acquiree. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred, and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interest in the acquiree are restated to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.

(ii) Special Purpose Entities
Special Purpose Entities (SPEs) are entities that are created to accomplish a well-defined objective such as the securitisation of particular assets, or the execution of a specific funding transaction. SPE is consolidated if the Group is exposed to variable returns from its involvement in the SPE and has the ability to affect those returns through its power over the SPE based on an evaluation of the substance of its relationship with the Group.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

6 Material accounting policies (continued)
(a) Principles of consolidation (continued)
(ii) Special Purpose Entities (continued)
The following circumstances may indicate a relationship in which, in substance, the Group controls and consequently consolidates an SPE:
a. the Group has power over the SPE;
b. the Group has exposure to, or rights, to variable returns from its involvement with the SPE; and
c. the Group has the ability to use its power over the SPE to affect the amount of the Group's returns.

The assessment of whether the Group has control over an SPE is carried out at inception and reassessed at each period end date or if there are changes in the structure / terms of additional transactions between the group and the SPE.

Information about the Group's securitisation activities is included in Note 15.

(b) Foreign Currencies
Monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. The resulting gain / loss on monetary items is taken to the 'Other operating income' in the consolidated statement of income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Financing Profit
Effective profit rate

Profit income and expense are recognised in profit or loss using the effective profit method. The 'effective profit rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective profit rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For credit-impaired financial assets, a credit-adjusted effective profit rate is calculated using estimated future cash flows including ECL.

Amortised cost

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal payments, plus or minus the cumulative amortization of the difference between the initial amount and the maturity amount using the effective profit method and, for financial assets, adjusted for any loss allowance.

Gross carrying amount

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting any loss allowance.

Presentation

Finance profit and expense presented in the consolidated statement of income include:
- Profit on financial assets and financial liabilities measured at amortised cost calculated on an effective profit basis.
- Profit on Sukuk measured at FVOCI calculated on an effective profit basis.

(d) Income from financing receivables
Revenue is recognised on the respective Islamic products as follows:

Murabaha

The profit is quantifiable and contractually determined at the commencement of the contract. Profit is recognised as it accrues over the life of the contract using an effective profit method on the balance outstanding.

Istisna'a

Istisna'a revenue and the associated profit margin (difference between the cash price to the customer and the bank's total Istisna'a cost) are accounted using effective profit method.

Ijara

Income from Ijara is recognised on an accrual basis over the period of the contract using effective profit method.

Mudaraba

Income on Mudaraba financing is recognised on distribution by the Mudarib, whereas the losses are charged to income on their declaration by the Mudarib.

Wakala

Estimated income from Wakala is recognised on an accrual basis over the period using effective profit method, adjusted by actual income when received. Losses are accounted for on the date of declaration by the agent.

(e) Fees and commission
Fee income, which is not an integral part of the effective profit rate of a financial instrument, is earned from a diverse range of services provided by the Group to its customers and are accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers'. Under the IFRS 15, fee income is measured by the Group based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Fee income is accounted for as follows:
(i) income earned on the execution of a significant act is recognised as revenue when the act is completed (for example, fees arising from negotiating, or participating in the negotiation of a transaction for a third-party, such as an arrangement for the acquisition of shares or other securities;
(ii) income earned from the provision of services is recognised as revenue as the services are provided (for example, portfolio and other management advisory and service fees); and
(iii) Other fees and commission income and expense are recognised as the related services are performed or received.

Fee income which forms an integral part of the effective profit rate of a financial instrument is recognised as an adjustment to the effective profit rate and recorded in income from financing and investing products.

(f) Earnings prohibited by Shariah
Earnings prohibited by the Shariah are a result of errors in execution of transactions as determined by the Internal Shariah Supervision Committee (ISSC), or obligated amount to Charity (commitment to donate amounts) from customers who delayed the payment of their dues, according to the resolution of the ISSC of the Group, these funds are used specifically for Charity purposes and social contributions according to internal policies of the Group and ISSC guidance. .

(g) Dividend income
Dividend income is recognised when the Group's right to receive the dividend is established.

(h) Property related income
Property related income includes rental income, which is recognised on a straight-line basis over the term of the lease.

(i) Leases
Under IFRS 16, the Group recognises a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

The Group initially measures the right-of-use asset at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The Group initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for profit and lease payments, as well as the impact of lease modifications, amongst others.

The Group has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits.

The Group has presented right of use assets within 'Property and equipment' and lease liabilities within 'Other liabilities' in the consolidated statement of financial position.

Where the Group leases out its investment property, the Group has classified these as operating leases.

(j) Financial assets and financial liabilities
(i) Classification of financial assets and financial liabilities
On initial recognition, a financial asset is classified as measured: at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

6 Material accounting policies (continued)
(j) Financial assets and financial liabilities (continued)
(i) Classification of financial assets and financial liabilities (continued)
On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) Recognition and initial measurement
The Group initially recognises financing receivables, deposits, sukuks payable and other medium term financing on the date on which they are originated or acquired. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Business model assessment:
The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised

Assessment whether contractual cash flows are solely payments of principal and profit:
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:
- contingent events that would change the amount and timing of cash flows;
- leverage features;
- early settlement and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of profit rate.

See note on investment securities, financing receivables and cash and cash equivalents for further details.

The Group classifies its financial liabilities, other than financial guarantees and financing commitments, as measured at amortised cost or FVTPL.

Reclassifications:
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

(iii) Impairment
The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:
- financial assets that are financing instruments;
- financial guarantee contracts issued; and
- financing commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

Measurement of ECL
ECL are probability-weighted estimate of credit losses. They are measured as follows:
- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets
If the terms of a financial asset are modified or an existing financial asset is replaced with a new one due to financial difficulties of the obligor, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:
- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset. The cash shortfalls are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the obligor or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the obligor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Purchased or originated credit impaired assets (POCI)
POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit is subsequently recognised based on a credit-adjusted EIR. Lifetime ECLs are only recognised or released to the extent that there is a subsequent change in the credit risk.

Revolving facilities
The Group's product offering includes a variety of corporate and retail facilities and credit cards, in which the Group has the right to cancel and/or reduce the facilities at a short notice. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

6 Material accounting policies (continued)
(j) Financial assets and financial liabilities (continued)
(iii) Impairment (continued)
Revolving facilities (continued)
Based on past experience and the Group's expectations, the period over which the Group calculates ECLs for these products, is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Write-off
Financing receivables and financing securities are written off (either partially or in full) when there is no reasonable prospect of recovery. This is generally the case when the Group has exhausted all legal and remedial efforts to recover from the customers. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(iv) Financial guarantees and financing commitments
Financial guarantees are contracts that require the Group to make specified payments to reimburse the holders for a loss they incur because a specified obligor fails to make payment when due, in accordance with the terms of a financing instrument. The financial guarantee liability is carried at amortised cost when payment under the contract has become probable.

'Financing commitments' are firm irrevocable commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or irrevocable commitments to provide credit are initially measured at fair value and their initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortised amount and the amount of loss allowance.

(v) Financing receivables
Financing receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 'Financing receivables' captions in the consolidated statement of financial position include:
- Financing receivables measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs and subsequently at their amortised cost using the effective profit method and are presented net of expected credit losses; and
- Financing receivables measured at FVTPL or designated as at FVTPL; these are measured at fair value with changes recognised immediately in profit or loss, if applicable.

The following terms are used in financing receivables:

Murabaha
An agreement whereby the Group sells to a customer a commodity, which the Group has purchased and acquired, based on a promise received from the customer to buy the item purchased according to specific terms and conditions. The selling price comprises the cost of the commodity and an agreed profit margin.

Istisna'a
An agreement between the Group and a customer whereby the Group would sell to the customer a developed property according to agreed upon specifications. The Group would develop the property either on its own or through a subcontractor and then hand it over to the customer on a fixed date at an agreed price.

Ijara
An agreement, whereby the Group (lessor) leases an asset to a customer (lessee), for a specific period and against certain rent instalments. Ijara could end by transferring the ownership of the asset to the lessee through a separate agreement or in accordance with sale undertaking provisions.

Musharaka
An agreement between the Group and a customer to contribute to a certain investment enterprise, whether existing or new, or the ownership of a certain property either permanently or according to a diminishing agreement set between both parties while the loss is shared in proportion to their shares of capital in the enterprise.

Mudaraba
An agreement between two parties; wherein one of them provides the funds and is called Rab-Ul-Mal and the other provides efforts and expertise and is called the Mudarib and is responsible for investing such funds in a specific enterprise or activity in return for a pre-agreed percentage of the Mudaraba income. In case of normal loss; the Rab-Ul-Mal would bear the loss of his funds while the Mudarib would bear the loss of his efforts. However, in case of default, negligence or violation of any of the terms and conditions of the Mudaraba agreement, only the Mudarib would bear the losses. The Group may act as Mudarib when accepting funds from depositors and as Rab-Ul-Mal when investing such funds on a Mudaraba basis.

Wakala
An agreement whereby the Group provides a certain sum of money to an agent who invests it according to specific conditions in return for a certain fee (a lump sum of money or a percentage of the amount invested). The agent is obliged to return the invested amount in case of default, negligence or violation of any of the terms and conditions of the Wakala.

These products are carried at amortised cost less impairment.

(vii) Investment securities
'Investment securities' caption in the consolidated statement of financial position includes:
- Financing investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective profit method;
- Financing and equity investment securities measured at FVTPL or designated as at FVTPL; these are at fair value with changes recognised immediately in profit or loss;
- Financing securities measured at FVOCI; and
- Equity investment securities designated as at FVOCI.

For financing securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost.
- Profit income using the effective profit method
- ECL charges and reversals, and
- Foreign exchange gains and losses.

When a financing security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses on equity instruments recognised in OCI are transferred to retained earnings on disposal of an investment.

(viii) Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards or ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as FVOCI is not recognised in profit or loss account on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities financing and sale-and-repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

6 Material accounting policies (continued)
(j) Financial assets and financial liabilities (continued)
(viii) Modification of financial assets and financial liabilities
If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the obligor, then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(ix) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the Group consolidated statement of financial position when, and only when, the Group currently has legally enforceable rights to set off amounts and it intends either to settle them on a net basis or through realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activities.

(x) Fair value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(i) In the principal market for the asset or liability; or
(ii) In the absence of principal market, in the most advantageous market for the asset and liabilities.

If an asset or a liability measured at fair value has a 'Bid' price and an 'Ask' price, then the Group measures assets and long positions at a 'Bid' price and liabilities and short positions at an 'Ask' price.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Fair value is applicable to both financial and non-financial instruments.

(xi) Designated at FVTPL
At initial recognition, the Group has designated certain financial assets as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

The Group has designated certain financial liabilities as at FVTPL in either of the following circumstances:
(a) The liabilities are managed, evaluated and reported internally on a fair value basis; or
(b) The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

A description of the basis of each designation is set out in relevant notes for the asset or liability class.

(xii) Sale and repurchase agreements
Securities sold subject to repurchase agreements ('repos') are disclosed in the notes to the Group consolidated financial statements when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included as a separate deposit. Securities purchased under agreements to resell ('reverse repos') are recorded as financing receivables to either banks or customers, as appropriate. The difference between sale and repurchase price is treated as profit and accrued over the life of the agreements using the effective profit method.

(k) Cash and cash equivalents
'Cash and cash equivalents' include notes and coins on hand, unrestricted balances held with Central Banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized cost in the consolidated statement of financial position.

(l) Islamic derivatives held for risk management purposes and hedge accounting
The Group follows a hedge accounting model that aligns hedge accounting more closely with risk management. The model measures hedge effectiveness through an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship.

The Group also performs rebalancing of hedging relationships, whereby, if a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio under IFRS 9, but the risk management objective for that designated hedging relationship remains the same, the Group shall adjust the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

Gains and losses arising from changes in the fair value of Islamic derivatives that are not the hedging instrument in a qualifying hedge are recognised as they arise in profit or loss. Gains and losses are recorded in 'income from trading activities' except for gains and losses on those Islamic derivatives that are managed together with financial instruments designated at fair value; these gains and losses are included in 'other operating income'.

The Group utilises Shariah compliant hedging instruments to satisfy the requirements of its customers, for proprietary trading purposes and to hedge its own exposure to profit rates and currency risk.

Where there is a hedging relationship between an Islamic derivative instrument and a related item being hedged, the hedging instrument is measured at fair value, with any resultant gains and losses being accounted as set out below.

The fair value of Islamic derivative hedging instruments is calculated in the same way as the fair value of financial instruments.

The method of recognising the resulting fair value gain or loss depends on whether the Islamic derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain Islamic derivatives as either:
- Hedges of the exposure to changes in fair value of recognised assets or liabilities or firm commitments (fair value hedge);
- Hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge); or
- Hedge of net investment in a foreign operation

Hedge accounting is used for Islamic derivatives designated in this way provided certain criteria are met.

(i) Fair value hedge
When an Islamic derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the Islamic derivative are recognised immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedging Islamic derivative expires or is terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item for which the effective profit method is used, is amortised to profit or loss as part of the recalculated effective profit rate of the item over its remaining life.

(ii) Cash flow hedge
When an Islamic derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of Islamic derivative is recognised in other comprehensive income within 'Cash flow hedges – fair value gains / (losses)'. Any gain or loss in fair value relating to an ineffective portion is recognised immediately in the Group consolidated statement of income.

The accumulated gains and losses recognised in other comprehensive income are reclassified to the Group consolidated statement of income in the periods in which the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income are removed from equity and included in the initial measurement of the cost of the asset or liability.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

6 Material accounting policies (continued)
(l) Islamic derivatives held for risk management purposes and hedge accounting (continued)
(ii) Cash flow hedge (continued)

When a hedging instrument expires, or when a hedge no longer meets the criteria for hedge accounting or the hedge designation is revoked, then hedge accounting is discontinued prospectively, and any cumulative gain or loss recognised in other comprehensive income at that time remains in equity until the forecast transaction is eventually recognised in the Group consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately reclassified to the Group consolidated statement of income.

(iii) Net investment hedges

When an Islamic derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in other comprehensive income and accumulated in the translation reserve. Any ineffective portion of the changes in the fair value of the Islamic derivative is recognised immediately in Group consolidated statement of income. The amount recognised in other comprehensive income is reclassified to the Group consolidated statement of income as an adjustment on disposal of the foreign operation.

(iv) Islamic derivatives that do not qualify for hedge accounting

Certain Islamic derivative financial instruments do not qualify for hedge accounting. Such Islamic derivative financial instruments include foreign exchange contracts, profit rate swaps and Shariah compliant foreign exchange options. Islamic derivative financial instruments are initially measured at cost, being the fair value at contract date, and are subsequently re-measured at fair value. All Islamic derivatives are carried at their fair values as assets where the fair values are positives and as liabilities where the fair values are negative. Islamic derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right to setoff exists, and the parties intend to settle the cash flows on a net basis.

Islamic derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the Islamic derivative's components using recognized pricing or valuation models as appropriate.

(v) Embedded Islamic derivatives

Islamic derivatives embedded in financial assets, liabilities and non-financial host contacts, are treated as separate Islamic derivatives and recorded at fair value if they meet the definition of an Islamic derivative, their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at FVTPL. The embedded Islamic derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in the Group consolidated statement of income.

(m) Property, equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Freehold land and fixed assets not commissioned are not depreciated. The estimated useful life of fixed assets for the Group is as follows:

Freehold premises	25 years
Freehold improvements	10 years
Leasehold improvements	7 years
Furniture, fixtures and office equipment	5 years
Computer hardware and software	4 – 5 years
Core banking software	5 – 7 years
Motor vehicles	3 – 5 years

Assets are depreciated on a straight-line basis over their estimated useful lives as given above.

Fixed assets not commissioned are stated at cost. When commissioned, they are transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policies.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Group consolidated statement of income.

(n) Investment properties

The Group holds certain properties as investments to earn rental income, for capital appreciation, or both. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost less depreciation and accumulated impairment (if any).

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of income in 'other operating income' in the year of retirement or disposal.

Transfers to and from investment properties are made only when there is a change in use based on the business model.

(o) Intangible assets
(i) Capitalised software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the Group consolidated statement of income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

(ii) Other intangible assets

Intangibles acquired separately are measured on initial recognition at cost. The cost of the intangibles acquired in a business combination is at fair value as at the date of acquisition. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible asset are assessed to be either finite or indefinite. Intangibles with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangibles may be impaired. The amortisation period and amortisation method for intangibles with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in an accounting estimate. The amortisation expense on intangibles with finite lives is recognised in the Group consolidated income statement in the expense category consistent with the function of the intangibles.

(p) Impairment of non financial assets

The carrying amounts of the Group's non-financial assets are reviewed periodically to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the consolidated statement of income. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit (group or units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(q) Deposits, financing receivables and sukuks issued

Deposits, financing receivables and sukuks issued are the main sources of funding for the Group.

Deposits, financing receivables and sukuks issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective profit method.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

6 Material accounting policies (continued)
(s) Employee benefits
(i) Pension obligations
The Group operates a pension scheme in respect of eligible UAE national employees in compliance with the UAE Federal Law on Pensions and Social Security. Arrangements for benefits for overseas employees is made in accordance with local regulations and customs. Full provision is made for all accrued benefits.

The Group also pays contributions to trustee administered funds on a contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period.

(ii) Termination gratuity benefit scheme
In compliance with UAE labour law, the Group has a termination gratuity benefit scheme covering all of its expatriate salaried employees who have been employed with the Group for more than one year. The provision for gratuity is recorded through the consolidated statement of income.

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for gratuities include the discount rate. Any changes in these assumptions will impact the carrying amount of gratuity obligations. The value of the gratuity obligations is based on the report submitted by an independent actuarial firm.

(t) Dividend on shares
Dividends on shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders in the Annual General Meeting.

(u) Share capital and reserves
Share issue costs
Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(v) Earnings per share
The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of potential ordinary shares, if any.

(w) Operating segments
For management purposes, the Group is organised into operating segments based on their products, services and certain subsidiaries which are independently managed by the respective segment managers responsible for the performance of the segments under their charge.

The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29.

(x) Related parties
A party is considered to be related to the Group if:
(a) the party, directly or indirectly through one or more intermediaries,
  (i) controls, is controlled by, or is under common control with, the Group;
  (ii) has any interest in the Group that gives it significant influence over the Group; or
  (iii) has joint control over the Group;
(b) the party is an associate;
(c) the party is a jointly-controlled entity;
(d) the party is a member of the key management personnel of the Group;
(e) the party is a close member of the family of any individual referred to in (a) or (d); or
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
(g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

(y) Profit distribution
Profit distribution between the unrestricted account holders (investment, saving and Wakala accounts) and the Shareholders, is according to the instructions of the Bank's Internal Shariah Supervision Committee.

Net income realised from Mudaraba Pool, at the end of each quarter, represents the net profit available for distribution. Net profit available for distribution between unrestricted account holders and shareholders is calculated after deducting the Mudarib share as per the agreed and declared percentage.

Profit Distribution is on a pro rata-basis of the weighted average balances of unrestricted customers' accounts and Shareholders' funds. No priority is given to either party in the Mudaraba Pool.

(z) Zakat
The Bank discharges Zakat (Alms) as per its Articles of Association. The Bank calculates Zakat based on the guidance of its Internal Shariah Supervision Committee as follows:
• Zakat is calculated as per the Net Investment Asset method.
• Zakat is disbursed to Shariah channels through a committee formed by the management in line with ISSC guidance.

(aa) Profit equalisation reserve
Profit equalisation reserves are amounts appropriated out of the common mudaraba pool's income, before allocating the mudarib share, in order to maintain a certain level of return on investments for all the investment accountholders and other investors in the common mudaraba pool.

(ab) Depositors' investment risk reserve
Depositors' investment risk reserve represents a portion of the depositors' share of profits set aside as a reserve. This reserve is payable to the depositors upon the approval of the Bank's Internal Sharia Supervision Committee. Zakat on depositors' investment risk reserve is included under Zakat payable and is deducted from the depositors' investment risk reserve balance. The purpose of the investment risk reserve is to allocate a specified percentage of the total depositors' profit on a periodic basis, with the aim of using these funds to compensate any future losses.

(ac) Revenue recognition
Revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group also operates a rewards programme which allows customers to accumulate points when they purchase products on the Group's credit cards. The points can then be redeemed for shopping rewards, cash back or air miles, subject to a minimum number of points being obtained.

(ad) Income taxes and deferred taxation
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be settled with the tax authorities.

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the Group consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax assets are reviewed periodically to reduce the carrying amount by the extent to which it is no longer probable that sufficient taxable profits will be available to utilise the differences

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and current tax liabilities on a net basis.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

7 Standards issued but not yet adopted

Certain new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2025, with the Group not opting for early adoption.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7 The amendments address matters identified during the post implementation review of the classification and measurement requirements of IFRS 9	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability IFRS 19 specifies the permitted disclosure requirements for an eligible subsidiary to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027

The Group anticipates that these new standards, interpretations, and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

8 Cash and deposits with the Central Bank of the UAE

	2025 AED 000	2024 AED 000
Cash	1,101,316	1,170,581
Statutory and other deposits with the Central Bank of the UAE	13,944,497	8,257,405
Murabaha with the Central Bank of the UAE	6,401,641	5,246,541
	21,447,454	14,674,527

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

9 Due from banks

	Local* (UAE) AED 000	Foreign** AED 000	Total AED 000
31 December 2025			
Time	3,719,479	8,868,971	12,588,450
Overnight, call and short notice	2,162,376	786,478	2,948,854
Gross due from banks	5,881,855	9,655,449	15,537,304
Less: Expected credit losses			(27,810)
			15,509,494

	Local* (UAE) AED 000	Foreign** AED 000	Total AED 000
31 December 2024			
Time	3,564,496	6,072,741	9,637,237
Overnight, call and short notice	223,217	190,227	413,444
Gross due from banks	3,787,713	6,262,968	10,050,681
Less: Expected credit losses			(22,221)
			10,028,460

* Local : These are due from banks within the UAE.
** Foreign : These are due from banks outside the UAE.

10 Investment securities

	Domestic* AED 000	Regional** AED 000	International*** AED 000	Total AED 000
31 December 2025				
Designated as at FVTPL				
Equity	–	62,775	–	62,775
	–	62,775	–	62,775
Measured at amortised cost				
Government Sukuk	3,228,963	1,554,009	538,740	5,321,712
Corporate Sukuk	1,888,720	2,739,693	330,420	4,958,833
	5,117,683	4,293,702	869,160	10,280,545
Less: Expected credit losses				(158,503)
				10,122,042
Measured at FVOCI				
Government Sukuk	383,080	258,523	545,107	1,186,710
Corporate Sukuk	2,174,333	1,691,085	1,177,488	5,042,906
	2,557,413	1,949,608	1,722,595	6,229,616
Less: Expected credit losses				(7,861)
				6,221,755
Gross investment securities	7,675,096	6,306,085	2,591,755	16,572,936
Net investment securities				16,406,572

As at 31 December 2025, the fair value of investment securities measured at amortized cost amounted to AED 10,269 million (31 December 2024: AED 7,976 million).

Investment securities with the carrying amount of AED 897 million (31 December 2024: AED 447 million) and fair value of AED 897 million (31 December 2024: AED 447 million) were collateralised for obligations under due to banks (refer note 13).

	Domestic* AED 000	Regional** AED 000	International*** AED 000	Total AED 000
31 December 2024				
Designated as at FVTPL				
Equity	–	62,775	–	62,775
	–	62,775	–	62,775
Measured at amortised cost				
Government Sukuk	2,274,651	1,548,421	537,959	4,361,031
Corporate Sukuk	1,217,488	2,079,503	396,600	3,693,591
	3,492,139	3,627,924	934,559	8,054,622
Less: Expected credit losses				(5,214)
				8,049,408
Measured at FVOCI				
Government Sukuk	–	–	455,522	455,522
Corporate Sukuk	2,292,780	1,071,707	1,539,922	4,904,409
	2,292,780	1,071,707	1,995,444	5,359,931
Less: Expected credit losses				(8,541)
				5,351,390
Gross investment securities	5,784,919	4,762,406	2,930,003	13,477,328
Net investment securities				13,463,573

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

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

11 Financing receivables

	2025 AED 000	2024 AED 000
At Amortised Cost		
Murabaha	**64,972,171**	51,169,818
Credit cards receivable	**4,552,181**	3,683,292
Wakala	**1,151,927**	1,381,161
Istisna'a	**2,149,323**	1,750,710
Ijara	**23,820,759**	20,214,989
Others	**523,052**	189,716
	97,169,413	78,389,686
Less: Deferred income	**(4,587,592)**	(3,213,965)
Gross financing receivables	**92,581,821**	75,175,721
Less: Expected credit losses	**(3,720,750)**	(4,695,866)
Net financing receivables	**88,861,071**	70,479,855
Total of impaired gross financing receivables	**2,446,192**	3,300,175

	2025 AED 000	2024 AED 000
By Business Units		
Corporate banking	**39,126,465**	30,724,542
Retail banking	**53,455,356**	44,451,179
	92,581,821	75,175,721

Ijara assets amounting to AED 7.3 billion (2024: AED 5.2 billion) were securitised for the purpose of issuance of Sukuk liability (refer note 15).

Allowances of impairment on financing receivables have been disclosed in further detail in note 36 I.

12 Other assets

	2025 AED 000	2024 AED 000
Profit receivable	**426,994**	290,925
Receivables from customers	**80,366**	70,846
Prepayments and other advances	**283,819**	228,453
Deferred sales commission	**41,223**	30,318
Goods and certificates available-for-sale	**35,576**	185,707
Others	**200,377**	280,265
	1,068,355	1,086,514

13 Due to banks

	2025 AED 000	2024 AED 000
Demand and call deposits	**551,294**	438,667
Repurchase agreements with banks	**701,310**	434,713
Time and other deposits	**3,849,073**	5,010,145
	5,101,677	5,883,525

The profit paid on the above averaged 3.26% p.a. (2024: 3.87% p.a).

14 Customer deposits

	2025 AED 000	2024 AED 000
By Type		
Demand, call and short notice	**40,127,468**	34,403,679
Wakala investments	**32,767,427**	21,624,651
Time deposits	**1,270,251**	1,433,985
Savings	**27,359,710**	18,715,571
Depositors' investment risk reserve (14.1)	**33,975**	23,496
Others	**540,522**	583,548
	102,099,353	76,784,930

Movement in depositors' investment risk reserve is as follows.

	2025 AED 000	2024 AED 000
Balance as at 1 January	**23,496**	13,603
Profit earned on reserve balance	**257**	-
Transfer	**11,120**	10,516
Zakat	**(898)**	(623)
Balance as at 31 December	**33,975**	23,496

By Business Units	2025 AED 000	2024 AED 000
Corporate banking	**32,936,150**	19,122,106
Retail banking	**69,163,203**	57,662,824
	102,099,353	76,784,930

The profit paid on the above deposits averaged 1.55% p.a. (2024: 1.52% p.a.).

15 Sukuk payable and other medium term financing

	2025 AED 000	2024 AED 000
Sukuk payable (note 15.1)	**10,181,250**	7,426,875
Other medium term financing (note 15.2)	**4,407,000**	1,836,250
	14,588,250	9,263,125

	2025 AED 000	2024 AED 000
Balance as at 1 January	**9,263,125**	4,672,500
Issuances	**7,161,375**	4,590,625
Repayments	**(1,836,250)**	-
Balance as at 31 December	**14,588,250**	9,263,125

As at 31 December 2025, the outstanding Sukuk payable and other medium term financing totalling AED 14,588 million (31 December 2024: AED 9,263 million) are falling due as below:

	2025 AED 000	2024 AED 000
2025	**-**	1,836,250
2026	**2,836,250**	2,836,250
2027	**1,836,250**	1,836,250
2028	**2,570,750**	-
2029	**2,754,375**	2,754,375
2030	**2,754,375**	-
2031	**1,836,250**	-
	14,588,250	9,263,125

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15 Sukuk payable and other medium term financing (continued)

15.1) Following are the details of all the sukuk financing arrangement in issue.

Issue Date	Amount	Listing	Profit rate (%)	Payment basis	Maturity
October 2021	USD 500,000,000	Irish Stock Exchange & Nasdaq	2.082	Semi annual	November 2026
February 2023	AED 1,000,000,000	Nasdaq	5.050	Semi annual	February 2026
May 2024	USD 750,000,000	Irish Stock Exchange & Nasdaq	5.431	Semi annual	May 2029
March 2025	USD 750,000,000	Irish Stock Exchange & Nasdaq	5.059	Semi annual	March 2030
September 2025	USD 500,000,000	Irish Stock Exchange & Nasdaq	4.540	Semi annual	March 2031

The Bank transferred certain identified Ijara assets totalling to AED 7.3 billion (the "co-owned assets") to its subsidiary, EI Sukuk company limited – (the "Issuer"), a special purpose vehicle formed for the issuance of these sukuk. The Bank has further entered a Murabaha agreement with EI Sukuk Company Limited for an amount of AED 3.1 billion. This medium term financing is carried at amortised cost.

In substance, the co-owned assets remain in control of the Group. Accordingly, these assets continue to be recognised by the Group. In case of any default, the Group has provided an undertaking to make good all losses to the Sukuk holders. The assets are in the control of the Group and shall continue to be serviced by the Group.
The Issuer will pay a semi-annual distribution amount from returns received in respect of the co-owned assets. Such proceeds are expected to be sufficient to cover the semi-annual distribution amount payable to the Sukuk holders on the semi-annual distribution dates. Upon maturity of the sukuk, the Group has undertaken to repurchase the assets at the exercise price.

15.2) Following are the details of all the sukuk financing arrangement in issue.
During the year, the Group arranged funding of USD 300 million from the Group Holding Company under a bilateral arrangement maturing in March 2028.

During 2024, the Group arranged funding of USD 500 million under a Shariah compliant financing arrangement maturing in March 2027. In 2025, a further USD 400 million was raised under the same arrangement maturing in November 2028.

16 Other liabilities

	2025 AED 000	2024 AED 000
Profit payable to depositors	**560,030**	493,357
Staff related liabilities	**226,541**	232,428
Managers' cheques	**564,860**	449,678
Zakat payable	**82,514**	15,917
Provision for taxation	**–**	277,650
Lease liability	**43,948**	69,445
Security deposits	**306,239**	295,358
Provision for expenses	**526,000**	386,430
Provision for expected credit loss and others	**1,155,817**	1,240,889
Income received in advance	**67,850**	46,502
Deferred tax liabilities	**20,951**	8,215
Others	**737,003**	483,098
	4,291,753	3,998,967

17 Issued capital

	2025 AED 000	2024 AED 000
Authorized Share Capital 10,000,000,000 (2024: 10,000,000,000) ordinary shares of AED 1 each (2024: AED 1 each)	**10,000,000**	10,000,000
Issued and fully paid up capital 5,430,421,875 (2024: 5,430,421,875) ordinary shares of AED 1 each (2024: AED 1 each)	**5,430,422**	5,430,422

At the forthcoming annual general meeting, the Group is proposing a cash dividend of AED 0.55 per share for the year (2024 : Nil) amounting to AED 3.0 billion (2024 : Nil).

18 Reserves

Legal and statutory reserve
In accordance with the Bank's Articles of Association, and in compliance with UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, a minimum of 10% of profit should be transferred to a non-distributable legal and statutory reserve until such time as this reserve equals 50% of the Bank's issued capital.

Other reserve
110% of the profit is also transferable to a non-distributable regular reserve until such time as this reserve equals 10% of the Bank's issued capital. Since the regular reserve is equal to 10% of the Bank's issued capital, profit was not appropriated to the regular reserve during the year.

	Legal and statutory reserve AED 000	Other reserves AED 000	Total AED 000
At 1 January 2025	**1,308,187**	543,043	1,851,230
Transfer from retained earnings*	**334,407**	-	334,407
At 31 December 2025	**1,642,594**	543,043	2,185,637

* Prior year comparatives are shown in the consolidated statement of changes in equity.

Fair value reserve
Fair value reserve includes the net change in fair value of FVOCI financial assets and the net effective portion of changes in fair value of cash flow hedges.

19 Income from financing and investment products

	2025 AED 000	2024 AED 000
Financing receivables		
– Murabaha	**2,996,338**	2,420,344
– Ijara	**1,229,454**	1,189,322
– Istisna'a	**87,154**	102,312
– Other financing	**721,878**	647,236
Investment securities measured at FVOCI	**224,021**	180,790
Investment securities measured at amortised cost	**431,158**	312,519
Balance with the Central Bank of the UAE	**292,851**	398,136
Due from banks	**764,069**	528,567
	6,746,923	5,779,226

20 Distribution on deposits and profit paid to sukuk holders

	2025 AED 000	2024 AED 000
Distribution to depositors	**1,391,403**	1,078,458
Profit paid on account of sukuk and other medium term financing	**500,050**	298,319
Profit paid on due to banks	**144,395**	105,981
Others	**135,367**	66,695
	2,171,215	1,549,453

Distribution on deposits represents the share of income between depositors and equity holders. The allocation and distribution to depositors is approved by the Internal Shariah Supervision Committee.

During 2025, the Bank, in its capacity as Mudarib, donated AED 51.3 million (2024: Nil) of its profit share to the benefit of deposit accountholders.

Profit paid to sukuk holders represents the distribution of returns received in respect of assets transferred to the EI Sukuk Company Limited which was specifically formed for this transaction.

21 Fee and commission income

	2025 AED 000	2024 AED 000
Commission income	**110,568**	79,034
Fee income	**1,274,607**	1,047,914
	1,385,175	1,126,948

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22 Other operating income

	2025 AED 000	2024 AED 000
Dividend income on equity investments designated at FVTPL	–	3,168
Gain from sale of investment securities measured at FVOCI	132	98
Gain / (loss) from investment securities designated at FVTPL	5	(1,397)
Rental income (net of depreciation)	6,918	9,151
Loss on sale of investment properties	–	(1,077)
Foreign exchange and Islamic derivative income and others*	723,402	603,320
	730,457	613,263

* Foreign exchange income comprises translation gain and gain on dealings with customers.

23 General and administrative expenses

	2025 AED 000	2024 AED 000
Staff cost	780,781	758,873
Occupancy cost	33,819	29,296
Equipment and supplies	27,947	27,456
Recharges from group companies	637,893	560,029
Communication cost	58,453	39,862
Marketing related expenses	27,857	25,317
Depreciation	122,840	91,749
Others	183,520	112,102
	1,873,110	1,644,684

24 Net impairment loss / (reversal)

The charge to the income statement for the net impairment loss / (reversal) on financial and non-financial assets is made up as follows:

	2025 AED 000	2024 AED 000
Net impairment of due from banks	5,589	8,198
Net impairment of investment securities	152,607	(9,576)
Net impairment of financing receivables (refer note 36 I)	300,554	921,323
Net impairment of unfunded exposures	29,537	50,981
Bad financing written off / (recovery) – net	(255,433)	(299,098)
Net impairment loss on financial assets	232,854	671,828
Net impairment loss on non-financial assets	(30,380)	(40,362)
	202,474	631,466

25 Taxation

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

The Group implemented UAE domestic minimum top-up tax from 1 January 2025 in line with Cabinet Decision No. 142 of 2024 on The Imposition of Top-up Tax on Multinational Enterprises (Pillar Two legislation). The entities within scope are subject to an overall effective rate of 15%.

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

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

The tax charge for the year ended 31 December 2025 is AED 547 million (31 December 2024: AED 278 million), representing Group effective tax rate of 14.06% (31 December 2024: 8.99%). The Pillar Two tax charge included in the total tax charge for the year is AED 196 million. The tax liability has been recorded as payable to the Group Holding Company as the tax payment will be made by the Group Holding Company to the tax authorities.

26 Directors' fees

This comprises of fees payable to the directors of the Group of AED 7 million (2024: AED 7 million).

27 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all potential ordinary shares, if any.

	2025	2024
Net profit for the year (AED '000)	3,344,072	2,810,260
Weighted average number of ordinary shares in issue ('000)	5,430,422	5,430,422
Earnings per share* (AED)	0.616	0.518

* The diluted and basic EPS were the same at the year end.

28 Islamic derivatives financial instruments

The table below shows the positive and negative fair values of Islamic derivative financial instruments, which are equivalent to the market values, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of an Islamic derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of Islamic derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year end and are neither indicative of the market risk nor credit risk.

31 December 2025	Positive fair value AED 000	Negative fair value AED 000	Notional amount AED 000	Within 3 months AED 000	Over 3 months to 1 year AED 000	Over 1 year to 3 years AED 000	Over 3 years to 5 years AED 000	Over 5 years AED 000
Islamic Derivative financial instruments:								
Forward foreign exchange contracts	382	(7,323)	5,049,623	1,444,417	3,305,251	–	299,955	–
Foreign exchange options	–	–	–	–	–	–	–	–
Profit rate swaps/caps	236,991	(252,110)	19,486,060	240,403	2,472,213	6,967,618	6,376,010	3,429,816
	237,373	(259,433)	24,535,683	1,684,820	5,777,464	6,967,618	6,675,965	3,429,816
Islamic Derivatives held as cash flow hedge:								
Profit rate swaps/caps	38,347	–	2,275,000	–	650,000	875,000	750,000	–
Total	275,720	(259,433)	26,810,683	1,684,820	6,427,464	7,842,618	7,425,965	3,429,816

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28 Islamic derivatives financial instruments (continued)

31 December 2024	Positive fair value AED 000	Negative fair value AED 000	Notional amount AED 000	Within 3 months AED 000	Over 3 months to 1 year AED 000	Over 1 year to 3 years AED 000	Over 3 years to 5 years AED 000	Over 5 years AED 000
Islamic Derivative financial instruments:								
Forward foreign exchange contracts	1,511	(1,162)	3,808,261	1,718,071	1,790,235	-	-	299,955
Foreign exchange options	2,591	(2,665)	217,538	85,870	97,320	34,348	-	-
Profit rate swaps/caps	138,348	(146,193)	18,100,015	1,092,658	552,849	9,501,274	4,614,531	2,338,703
	142,450	(150,020)	22,125,814	2,896,599	2,440,404	9,535,622	4,614,531	2,638,658
Islamic Derivatives held as cash flow hedge:								
Profit rate swaps/caps	14,497	-	1,525,000	-	-	1,525,000	-	-
Total	156,947	(150,020)	23,650,814	2,896,599	2,440,404	11,060,622	4,614,531	2,638,658

Islamic derivative related credit risk
Credit risk in respect of Islamic derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations and is limited to the positive fair value of instruments that are favourable to the Group and potential future fluctuations. All credit exposure is managed under approved facilities and in certain cases collateralized. The Group takes a Credit Value Adjustment (CVA) on outstanding derivative transactions. The methodology for CVA calculation relies on three components: the probability of default of the counterparty, the expected positive exposure and the recovery rate. CVA is computed on all asset classes including Foreign Exchange and Profit Rates.

Islamic derivatives designated at FVTPL
Most of the Group's Islamic derivative activities relate to sales and position coverage. Sales activities involve offering products to customers at competitive prices in order to enable them to transfer, modify or reduce current and expected risks.

Profit rate derivatives activities are conducted under Board approved limits.

Islamic derivatives held or issued for hedging purposes
As part of its asset and liability management, the Group uses Islamic derivatives for hedging purposes in order to reduce its exposure to currency and profit rate risks. This is achieved by hedging specific financial instruments and forecasted transactions as well as strategic hedging against overall balance sheet exposures.

The Group designates its Islamic derivatives held or issued for hedging purposes as:
- Fair value hedges: Hedges of the fair value of recognised assets or liabilities or firm commitments;
- Cash flow hedges: Hedges of highly probable future cash flows attributable to a recognised asset or liability, or a highly probable forecast transaction; and
- Net investment hedges: Hedges of net investments in foreign operations

Further, in terms of the hedging transactions carried out by the Group, the Group documents:
- At the inception of the transaction, the relationship between hedging instruments and hedged items, the risk being hedged and the Group's risk management objective and strategy for undertaking a hedge transaction.
- The manner in which effectiveness will be measured throughout the life of the hedge relationship.

At the end of period, no derivatives are designated for hedging purposes as "Fair value hedge" or "Net investment hedge".

The Group's assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedge effectiveness is measured by the Group on a prospective basis at inception, as well as retrospectively (where applicable) and prospectively over the term of the hedge relationship. Sources of ineffectiveness in hedge accounting include the impact of Islamic derivative related credit risk on the valuation of the hedging Islamic derivative and hedged item. To mitigate this credit risk, the Group executes hedging Islamic derivatives with high quality counterparties and the majority of the Group's hedging Islamic derivatives are collateralised.

Fair value hedges:
The Group uses profit rate swaps to hedge against changes in value of investment securities due to profit rate movements. These are designated by the Group as fair value hedges and, therefore the fair value hedge accounting is applied to hedge movements in the value of fixed profit rate assets and liabilities subject to profit rate risk, as well as assets and liabilities subject to foreign exchange risk.

Subsequent to initial designation, changes in the fair value of Islamic derivatives designated as fair value hedges are accounted for in the 'other operating income', along with any changes in the fair value of the hedged asset or liability attributable to the hedged risk.

Cash flow hedges:
The Group uses profit rate swaps and forward rate agreements to hedge against the cash flow risks arising on certain floating rate customer deposits and medium-term financings. Profit rate swaps are also used to hedge against the cash flow risks arising on certain floating rate facilities and receivables. These are designated by the Group as cash flow hedges, and, as such, the Group applies cash flow hedge accounting to hedge the variability in highly probable forecast future cash flows attributable to profit rate risk on variable rate assets and liabilities, and assets and liabilities subject to foreign exchange risk.

The effective portion of changes in the fair value of Islamic derivatives designated as cash flow hedges are recognised in the fair value reserve within equity. Any gain or loss relating to the ineffective portion is recognised immediately in the Group consolidated statement of income.

29 Operating segments
The Group's activities comprise the following main business segments:

Corporate and institutional banking
Within this business segment, the Bank provides to corporate customers a range of products and services and accepts their deposits.

Retail banking and wealth management
Retail segment provides a wide range of products and services to individuals and small and medium enterprises and accepts their deposits.

Treasury
Treasury activities comprise of managing the Group's portfolio of investments, funds management, and interbank treasury operations, and brokerage services.

Others
Other operations of the Group include operations and support functions.

31 December 2025	Corporate and institutional banking AED 000	Retail banking and wealth management AED 000	Treasury AED 000	Others AED 000	Total AED 000
Net income from financing and investment products	**916,696**	**2,784,402**	**175,866**	**698,744**	**4,575,708**
Net fees, commission & other income	**268,856**	**1,093,579**	**23,351**	**5,224**	**1,391,010**
Total operating income	**1,185,552**	**3,877,981**	**199,217**	**703,968**	**5,966,718**
General administrative and other expenses	**(104,229)**	**(1,408,821)**	**(28,820)**	**(331,240)**	**(1,873,110)**
Net impairment loss / (reversal)	**383,244**	**(600,735)**	**(5,391)**	**20,408**	**(202,474)**
Profit for the year before taxation	**1,464,567**	**1,868,425**	**165,006**	**393,136**	**3,891,134**
Segment Assets	**64,088,947**	**52,756,230**	**26,133,051**	**2,787,120**	**145,765,348**
Segment Liabilities and Equity	**47,640,366**	**63,442,456**	**1,080,313**	**33,602,213**	**145,765,348**

31 December 2024	Corporate and institutional banking AED 000	Retail banking and wealth management AED 000	Treasury AED 000	Others AED 000	Total AED 000
Net income from financing and investment products	830,792	2,475,507	266,377	657,097	4,229,773
Net fees, commission & other income	200,085	923,316	2,208	8,678	1,134,287
Total operating income	1,030,877	3,398,823	268,585	665,775	5,364,060
General administrative and other expenses	(87,210)	(1,209,834)	(27,756)	(319,884)	(1,644,684)
Net impairment loss / (reversal)	(196,705)	(484,151)	9,146	40,244	(631,466)
Profit for the year before taxation	746,962	1,704,838	249,975	386,135	3,087,910
Segment Assets	39,695,947	50,832,782	20,650,021	(50,077)	111,128,673
Segment Liabilities and Equity	22,270,112	60,679,483	2,800,732	25,378,346	111,128,673

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30 Commitments and contingencies
The Group's commitments and contingencies are as follows:

	2025 AED 000	2024 AED 000
Letters of credit	**1,147,745**	604,169
Guarantees	**14,074,338**	8,661,048
Liability on risk participations	**30,265**	30,265
Irrevocable financing commitments*	**6,703,627**	2,367,784
	21,955,975	11,663,266

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

The table below summarizes the stage wise balances of unfunded exposures and customer acceptances and ECL thereon:

	31 December 2025			31 December 2024		
AED 000	**Stage 1**	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
Exposure	**22,941,053**	**460,955**	**236,608**	11,982,304	172,185	256,572
Expected credit losses	**92,842**	**12,316**	**236,608**	46,431	9,225	256,572

Unfunded exposure includes guarantees, standby letter of credits, customer acceptances and irrevocable financing commitments

(a) Acceptance
Acceptances are recognised on balance sheet with a corresponding liability. Accordingly, there is no off balance sheet commitment for acceptances.

(b) Capital Commitments
The Group has commitments as at 31 December 2025 for branch refurbishments and automation projects of AED 8.2 million (2024: AED 3.1 million).

31 Related party transactions
The Group is wholly owned by Emirates NBD Bank P.J.S.C., which is partly owned by Investment Corporation of Dubai (40.92%), an entity which is wholly owned by the Government of Dubai.

Customer deposits from and financing to Government related entities, other than those that have been individually disclosed, amount to 16.8% and 3.7% (2024: 17.2% and 4.8%) of the total customer deposits and financing receivables of the Group, respectively.

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

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

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

No impairment losses have been recorded against balances outstanding during the year with key management personnel and their immediate relations at the year end.

Related party balances and transactions are carried out on normal commercial terms and are as follows:

	2025 AED 000	2024 AED 000
Financing and other receivables		
To parent and related companies	**2,949,582**	676,209
To directors and related companies	**8,358**	9,683
To key management personnel and affiliates	**3,089**	3,923
	2,961,029	689,815
Customer deposits and other payables		
From parent and related companies	**4,570,260**	3,790,181
From directors and related companies	**3,315**	1,747
From key management personnel and affiliates	**27,720**	20,404
Directors' remuneration payable	**7,000**	7,000
	4,608,295	3,819,332
Investment securities and Islamic derivatives		
Investment in securities issued by ultimate parent company	**182,550**	181,988
Positive fair value of Islamic derivative – Parent and related companies	**59,121**	45,190
Negative fair value of Islamic derivative – Parent and related companies	**221,601**	111,929
Notional amount of Islamic derivative – Parent and related companies	**14,252,363**	13,832,116
Group Consolidated Statement of Income		
Recharges from group companies	**637,893**	560,029
Income from investment in ultimate parent company	**6,443**	6,436
Directors sitting and other fee	**2,820**	3,682
Income on financing receivables		
From parent and related companies	**78,205**	57,370
Distribution on deposits		
To parent and related companies	**68,354**	25,837

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

	2025 AED 000	2024 AED 000
Key management compensation		
Short term employee benefits	**32,760**	29,275
Post employment benefits	**1,570**	969

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32 Geographical distribution of assets and liabilities

The Group's financial position, before taking into account any collateral held or other credit enhancement, can be analysed by the following regions:

31 December 2025	UAE AED 000	Other GCC AED 000	International AED 000	Total AED 000
Assets				
Cash and deposits with the Central Bank of the UAE	21,447,454	–	–	21,447,454
Due from banks	5,854,045	2,396,631	7,258,818	15,509,494
Investment securities	7,668,075	6,148,492	2,590,005	16,406,572
Financing receivables	82,793,546	1,994,910	4,072,615	88,861,071
Positive fair value of Islamic derivatives	274,812	–	908	275,720
Customer acceptances	1,682,641	–	–	1,682,641
Investment properties	165,356	–	–	165,356
Property and equipment	348,685	–	–	348,685
Other assets	1,068,355	–	–	1,068,355
Total assets	**121,302,969**	**10,540,033**	**13,922,346**	**145,765,348**
Liabilities				
Due to banks	3,565,614	–	1,536,063	5,101,677
Customer deposits	98,923,167	411,048	2,765,138	102,099,353
Sukuk payable	14,588,250	–	–	14,588,250
Negative fair value of Islamic derivatives	259,088	–	345	259,433
Customer acceptances	1,682,641	–	–	1,682,641
Other liabilities	4,291,753	–	–	4,291,753
Total equity	17,742,241	–	–	17,742,241
Total liabilities and equity	**141,052,754**	**411,048**	**4,301,546**	**145,765,348**
Geographical distribution of letters of credit and guarantees	14,774,536	372,964	74,583	15,222,083

31 December 2024				
Geographical distribution of assets	95,631,914	9,313,862	6,182,897	111,128,673
Geographical distribution of liabilities and equity	108,581,056	403,885	2,143,732	111,128,673
Geographical distribution of letters of credit and guarantees	8,950,211	252,799	62,207	9,265,217

33 Financial assets and liabilities

A. Classification of financial assets and financial liabilities

The table below sets out the Group's classification of each class of financial assets and liabilities, and their carrying values.

31 December 2025	FVTPL AED 000	FVOCI AED 000	Amortised cost* AED 000	Hedging instruments AED 000	Total carrying AED 000
Financial assets					
Cash and deposits with the Central Bank of the UAE	–	–	21,447,454	–	21,447,454
Due from banks	–	–	15,509,494	–	15,509,494
Investment securities	62,775	6,221,755	10,122,042	–	16,406,572
Financing receivables	–	–	88,861,071	–	88,861,071
Positive fair value of Islamic derivatives	237,373	–	–	38,347	275,720
Others	–	–	2,390,378	–	2,390,378
	300,148	6,221,755	138,330,439	38,347	144,890,689
Financial liabilities					
Due to banks	–	–	5,101,677	–	5,101,677
Customer deposits	–	–	102,099,353	–	102,099,353
Sukuk payable and other medium term financing	–	–	14,588,250	–	14,588,250
Negative fair value of Islamic derivatives	259,433	–	–	–	259,433
Others	–	–	4,203,776	–	4,203,776
	259,433	–	125,993,056	–	126,252,489

* The carrying values of the financial assets and liabilities (that are not stated at fair value) are not significantly different to their fair values.

31 December 2024	FVTPL AED 000	FVOCI AED 000	Amortised cost* AED 000	Hedging instruments AED 000	Total carrying value AED 000
Financial assets					
Cash and deposits with the Central Bank of the UAE	–	–	14,674,527	–	14,674,527
Due from banks	–	–	10,028,460	–	10,028,460
Investment securities	62,775	5,351,390	8,049,408	–	13,463,573
Financing receivables	–	–	70,479,855	–	70,479,855
Positive fair value of Islamic derivatives	142,450	–	–	14,497	156,947
Others	–	–	1,389,831	–	1,389,831
	205,225	5,351,390	104,622,081	14,497	110,193,193
Financial liabilities					
Due to banks	–	–	5,883,525	–	5,883,525
Customer deposits	–	–	76,784,930	–	76,784,930
Sukuk payable and other medium term financing	–	–	9,263,125	–	9,263,125
Negative fair value of Islamic derivatives	150,020	–	–	–	150,020
Others	–	–	3,064,762	–	3,064,762
	150,020	–	94,996,342	–	95,146,362

* The carrying values of the financial assets and liabilities (that are not stated at fair value) are not significantly different to their fair values.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

33 Financial assets and liabilities (continued)
B. Fair value of financial instruments

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

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

31 December 2025	Level 1 AED 000	Level 2 AED 000	Level 3 AED 000	Total AED 000
Investment securities				
FVOCI				
Government sukuk	1,183,788	–	–	1,183,788
Corporate sukuk	5,037,967	–	–	5,037,967
	6,221,755	–	–	6,221,755
Designated at FVTPL				
Equity	–	–	62,775	62,775
	–	–	62,775	62,775
Islamic derivative financial instruments				
Positive fair value of Islamic derivatives				
Islamic derivatives designated at FVTPL	–	237,373	–	237,373
Islamic derivatives held as cash flow hedge: Profit rate swaps / caps	–	38,347	–	38,347
	–	275,720	–	275,720
Negative fair value of Islamic derivatives				
Islamic derivatives designated at FVTPL	-	(259,433)	-	(259,433)
	-	(259,433)	-	(259,433)
	6,221,755	16,287	62,775	6,300,817

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

	Designated at FVTPL AED 000
Balance as at 1 January 2025	62,775
Total gains or losses:	
– in profit or loss	–
Balance as at 31 December 2025	62,775

31 December 2024	Level 1 AED 000	Level 2 AED 000	Level 3 AED 000	Total AED 000
Investment securities				
FVOCI				
Government sukuk	450,645	–	–	450,645
Corporate sukuk	4,900,745	–	–	4,900,745
	5,351,390	–	–	5,351,390
Designated at FVTPL				
Equity	–	–	62,775	62,775
	–	–	62,775	62,775
Islamic derivative financial instruments				
Positive fair value of Islamic derivatives				
Islamic derivatives designated at FVTPL	–	142,450	–	142,450
Islamic derivatives held as cash flow hedge:				
Profit rate swaps	–	14,497	–	14,497
	–	156,947	–	156,947
Negative fair value of Islamic derivatives				
Islamic derivatives designated at FVTPL	-	(150,020)	-	(150,020)
	-	(150,020)	-	(150,020)
	5,351,390	6,927	62,775	5,421,092

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

	Designated at FVTPL AED 000
Balance as at 1 January 2024	64,172
Total gains or losses:	
– in profit or loss	(1,397)
Balance as at 31 December 2024	62,775

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental.

There have been no transfers between Level 1 and Level 2 during the years ended 31 December 2025 and 31 December 2024.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

34 Notes to the group consolidated statement of cash flows

	2025 AED 000	2024 AED 000
(a) Analysis of changes in cash and cash equivalents during the year		
Balance at beginning of year	**(1,943,789)**	(2,970,520)
Net cash inflow/(outflow)	**6,949,352**	1,026,731
Balance at end of year	**5,005,563**	(1,943,789)
(b) Analysis of cash and cash equivalents		
Cash and deposits with the Central Bank of the UAE	**21,447,454**	14,674,527
Due from banks	**15,537,304**	10,050,681
Due to banks	**(5,101,677)**	(5,883,525)
	31,883,081	18,841,683
Less: Deposits with the Central Bank for regulatory purposes	**(9,654,727)**	(7,705,048)
Less: Murabaha with the Central Bank maturing after three months	**(6,151,398)**	(5,246,541)
Less: Amounts due from banks maturing after three months	**(12,503,254)**	(8,718,911)
Add: Amounts due to banks maturing after three months	**1,431,861**	885,028
	5,005,563	(1,943,789)
(c) Adjustment for non cash and other items		
Net impairment loss / (reversal) on due from banks	**5,589**	8,198
Net impairment loss / (reversal) on investment securities	**152,607**	(9,576)
Net Impairment loss on financing receivables	**300,554**	921,323
Net Impairment loss / (reversal) on unfunded exposure	**29,537**	50,981
Dividend income	**-**	(3,168)
Depreciation / impairment on property and equipment / investment properties	**100,162**	59,430
Unrealised (gain) / loss on investments	**146,868**	1,397
(Discount) / premium on investment securities	**(1,119)**	7,432
(Gain) / loss on sale of properties (investment properties / inventories)	**-**	1,077
Amortization (discount) / premium on Sukuk	**5,399**	4,028
	739,597	1,041,122

35 Capital management and allocation

The CBUAE supervises the Group on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. Effective from 2017, the capital is computed at a Group level using the Basel III framework of the Basel Committee on Banking Supervision (Basel Committee), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework, like Basel II, is structured around three pillars: minimum capital requirements, supervisory review process and market discipline.

Minimum Capital Requirements

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Total Capital.

Additional capital buffers (Capital Conservation Buffer (CCB) and Countercyclical Capital Buffer (CCyB) – maximum up to 2.5% for each buffer) introduced over and above the minimum CET1 requirement of 7%.

Regulatory Capital

The Group's capital base is divided into three main categories, namely CET1, AT1 and Tier 2 ('T2'), depending on their characteristics.

- CET1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory and other reserves, fair value reserve, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under CBUAE guidelines.
- AT1 capital comprises eligible non-common equity capital instruments. The Group does not have AT1 capital at the end of reporting period.
- T2 capital comprises qualifying subordinated financing, and undisclosed reserve.

The capital overview as per Basel III framework is given below:

	2025 AED 000	2024 AED 000
Available capital		
Common equity tier 1 capital	**14,583,602**	14,358,016
Tier 1 capital	**14,583,602**	14,358,016
Total eligible capital	**15,709,495**	15,261,588
Risk-weighted assets		
Credit risk	**90,071,436**	72,285,768
Market risk	**109,636**	61,033
Operational risk	**9,318,823**	7,631,660
Total risk-weighted assets	**99,499,895**	79,978,461

Capital Ratio	2025	2024
a. Total capital ratio for consolidated Group	**15.79%**	19.08%
b. Tier 1 ratio only for consolidated Group	**14.66%**	17.95%
c. CET1 ratio only for consolidated Group	**14.66%**	17.95%

The capital adequacy ratios as per Basel III capital regulation are given below

	2025 AED 000	2024 AED 000
Common Equity Tier 1 (CET1) Capital		
Share Capital	**5,430,422**	5,430,422
Eligible reserves	**2,181,125**	1,664,312
Transitional arrangement: Partial addback of ECL impact to CET1	**-**	166,714
Retained earnings / (–) loss	**10,130,694**	7,205,577
Proposed dividend	**(3,009,665)**	-
CET1 capital after the regulatory adjustments and threshold deduction	**14,732,576**	14,467,025
Less: Regulatory deductions	**(148,974)**	(109,009)
Total CET1 capital after the regulatory adjustments and threshold deduction	**14,583,602**	14,358,016
Total CET1 capital after transitional arrangement for deductions (CET1) (A)	**14,583,602**	14,358,016
Additional Tier 1 (AT1) Capital		
Eligible AT1 capital	**–**	–
Other AT1 Capital (e.g. Share premium, non-controlling interest)	**–**	–
Total AT1 capital after transitional arrangements (AT1) (B)	**–**	–
Tier 2 (T2) Capital		
Other Tier 2 capital (including General Provisions, etc.)	**1,125,893**	903,572
Total T2 Capital (C)	**1,125,893**	903,572
Total Regulatory Capital (A+B+C)	**15,709,495**	15,261,588

1 Proposed dividend for the year ended 31 December 2025 is subject to shareholders' approval at Annual General Meeting.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management
The primary risks to the Group arise from extending credit to corporate and institutional banking and retail banking and wealth management customers. The Group is also exposed to a range of other risk types such as market, operational, liquidity, compliance, reputational, country conduct legal, environmental and social risks that drive the direction of its risk management strategy, product range and risk diversification strategies.

Group Risk Management Framework (GRMF):
The GRMF enables the Group to manage group-wide risks with the objective of maximizing returns while adhering to our risk appetite.

The Group uses a three lines of defense model to support its approach to risk management by clarifying responsibility, encouraging collaboration, and enabling efficient coordination of risk and control activities. The three lines of defense are summarized below:
- Business units: required to ensure the effective management of risks within the scope of their direct organizational responsibilities. All employees within the business units are sufficiently trained and have access to appropriate tools to ensure risk-taking is controlled. Each business unit primarily owns the risk that it underwrites and is equally responsible for designing and implementing necessary controls to mitigate risks emanating from its activities.
- Risk control units: responsible for implementing policies and procedures, monitoring risks taken to ensure all risks are within the Group's risk appetite. Appropriate controls are designed and implemented with adequate reporting in place to anticipate future risks and improve the level of preparedness across the management chain.
- Group Internal Audit: provides independent assurance and reports its findings to all relevant management and governance bodies, accountable line managers, relevant oversight function and committee(s) of the Board.

A. Risk governance
The Group's risk governance structure ensures central oversight and control with clear accountability for and ownership of risk.

The Board of Directors (the Board) has the ultimate responsibility for setting the Group's risk appetite and for the establishment and oversight of the Group's risk management framework. This is managed through a number of committees; namely Board Risk Committee (BRC), Board Credit & Investment Committee (BCIC), Board Profit and Equalization Committee (BPEC) and Board Audit Committee (BAC). The management level committees also actively manage risk particularly the Group Risk Committee (GRC), Management Credit Committee (MCC), Management Investment Committee (MIC) and Asset Liability Management Committee (ALCO).

BRC supports the Board with its risk oversight responsibilities with regards to risk governance, risk appetite and the risk management framework. The BRC approves risk policies and reviews reports and updates on risk management including risk profile, portfolio trends, stress testing, liquidity and capital adequacy and is authorised to investigate or seek any information relating to any activity within its terms of reference.

BCIC supports the Board to manage the credit and investment portfolio of the Group and is responsible for approval / recommendation to board for approval of credit and investment decisions above the MCC and MIC's authority, which do not meet the Board's materiality threshold. It oversees the execution of Group's credit financing approach and reviews the credit profile of material portfolios to ensure alignment with business strategy and risk appetite.

The primary role BAC is to have oversight and review of financial, audit and internal control issues as well as oversee the independence and performance of group's external and internal auditors.

MCC is management level committee with delegated authority carry out credit facilities decisions including but not limited to approval and renewal of credit facilities, review and monitoring of portfolio performance, decisions on debt settlement, provisioning write off and amendments to pricing, grades and waiver.

The role of the MIC is to support the Board in the management of the Investment Portfolios of the Group to ensure they conform to the strategic vision of the same and support the Board in monitoring and reporting the performance of these portfolios.

The ALCO is responsible for balance sheet management and quality of the funding plan as well as the management of capital and the establishment of, and compliance with, policies relating to balance sheet management, including management of our liquidity, capital adequacy and structural foreign exchange and profit rate risk. The committee also approves the contingency funding plan as well as the funds transfer pricing among other things.

The GRC is a senior management committee responsible for the management of all risks throughout the Group other than those delegated to MCC, MIC and Group ALCO and ensures the effective management of risk in support of the Group's business strategy and Group's risk appetite. The committee supports Board Risk Committee in the review of policies to ensure effective management of risks the Group faces including credit, market, operational, reputational, compliance, legal, conduct and environmental and social risks.

B. The risk function
The Risk Function is independent of the business (origination, trading and sales functions) and credit (review and assessment function) to ensure that the necessary balance in risk/return decisions is not compromised by pressures for better results in terms of revenues and to ensure transparency of decisions in accordance with Group standards and policies.

Group Risk assists in controlling and actively managing the Group's overall risk profile. The role of the function is:
- To ensure the risk management framework is effectively communicated and implemented across the Group and is appropriate to the Group's activities;
- To exercise direct oversight for various risk types including but not limited to credit, market, country, operational, reputational, environmental and social risks;
- To ensure that the Group's business strategies, risk policies, procedures and methodologies are consistent with the Group's risk appetite;
- To ensure the integrity of the Group's risk/return decisions guaranteeing their transparency;
- To ensure that appropriate risk management architecture and systems are developed and implemented.

C. Risk appetite
The Group Risk Appetite Statement (Group RAS) is an articulation of the risk that the Group would be willing to accept, underwrite and/or be exposed to in the normal course of its business conduct.

The Group RAS is a critical component and extension of the GRMF. It is a mechanism used by the Group to proactively establish and subsequently monitor the group's risk profile using a set of pre-defined key risk metrics and respective thresholds.

D. Credit risk
Credit risk is the risk of financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligation to the Group. Credit risk arises mainly from interbank, corporate and institutional banking and retail banking and wealth management receivables, and financing commitments arising from such financing activities, but can also arise from credit enhancement provided, such as financial guarantees, letter of credit, endorsement and acceptances.

The Group is also exposed to other credit risks arising from investments in financing securities (sukuk) and other exposures arising from derivatives as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risk management
Group's approach to credit risk management is based on the foundation of independence and integrity of risk management. This is ensured through a well-defined and robust organisation structure duly supported by various risk committees, forums, systems, policies, procedures and processes providing a strong risk infrastructure and management framework.

The Group's credit policy focuses on the core credit principles, financing guidelines and parameters, control and monitoring requirements, problem financing receivable identification, management of high-risk counterparties, provisioning and write-offs. Standard procedures specific to businesses are in place to manage various types of risks across different business segments, products and portfolios.

Portfolio performance is regularly measured against the risk appetite parameters and breaches, if any, are actioned by the Group's senior management.

Corporate and institutional Banking, Business Bank and Private Banking credit risk management
Credit facilities are granted based on the detailed credit risk assessment of the counterparty. The assessment considers amongst other things the purpose of the facility, sources of re-payment, prevailing and potential macro-economic factors, industry trends, customers' credit worthiness and standing within the industry.

The credit facility administration process is undertaken by an independent function to ensure proper execution of all credit approvals, maintenance of documentation and proactive controls over maturities, expiry of limits and collaterals.

Operations are managed by independent units responsible for processing transactions in line with credit approvals and standard operating guidelines.

Management of Early Alert (EA), Watch List (WL) & Impaired Non Performing Financing Receivables (NPFR) – The Group has a well-defined process for identification of EA, WL & NPFR accounts and dealing with them effectively. There are policies which govern credit grading of EA, WL & NPFR accounts and impairment, in line with IFRS and regulatory guidelines.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)
D. Credit Risk (continued)

Credit risk management (continued)

Retail banking credit risk management

The Group has a structured management framework for Retail banking risk management. The framework enables the Group in identification and evaluation of the significance of all credit risks that the Group faces, which may have an adverse material impact on its financial position.

In the retail banking portfolio, losses stem from outright default due to inability or unwillingness of a customer to meet commitments in relation to funding transactions.

The Group's provisioning policy, which is in line with the IFRS and the regulatory guidelines, allows the Group to prudently recognize impairment on its retail portfolios.

Credit approving authorities

BCIC has delegated credit approving authorities to the MCC, MIC and members of senior management to facilitate and effectively manage the business. However, BCIC has retained the ultimate authority to approve credits beyond MCC authority.

Credit risk measurement

The estimation of credit risk for risk management purpose is complex and requires use of models, as the exposure varies with changes in market condition, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Group measures credit risk using PD, EAD and LGD. This is similar to the approach used for the purpose of measuring ECL under IFRS 9.

Credit risk grading

The Group uses internal credit risk grading that reflects its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to various categories of counterparty. Obligor and financing receivable specific information collected at the time of facility application (such as disposable income, and level of collateral for retail exposure; and turnover and industry type considerations which may not be captured as part of the other data inputs into the model.

The credit grades are calibrated, such that the risk of default increases exponentially at each higher risk grade. For example, the difference in the PD between a 1A and 2A rating grade is lower than the difference in the PD between a 3A and 4A rating grade.

The following are additional considerations for each type of portfolio held by the Group:

Retail:

For Retail facility, the bank leverages both credit bureau information and/or in-house model for on boarding a customer. Post origination, the payment behaviour is closely monitored on a period basis and the behavioural score are build using historical payment behaviour and other factors which reflects risk associated with the customers.

Corporate and institutional Banking, Business Banking and Private Banking:

Ratings are determined at the obligor level for these segments. A relationship/portfolio manager incorporates any updated or new information/credit assessment into the credit system on an ongoing basis. In addition, the relationship manager also updates information about the creditworthiness of the obligor every year from sources such as but not limited to, published financial statements. This will determine the updated internal credit rating and PD.

Treasury:

For financing securities (sukuk) in the Treasury portfolio, external rating agency credit grades are used. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realized default rates over the prior 12 months, as published by the rating agency.

The Group's rating method comprises 24 rating levels for instruments not in default (1 to 24) and 4 default classes (25 to 28). The Group's internal rating scale are mapped with external ratings. The master scale assigns each rating category a specified range of probabilities of default, which is stable over the time. The rating models are reviewed for recalibration so that they reflect the latest projections in the light of all actually observed defaults.

ECL measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit-quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognized is classified in Stage 1 and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.
- Financial instrument in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on a lifetime basis.
- ECL is measured after factoring forward-looking information.
- ECL on Purchased or originated credit-impaired financial assets is measured on a lifetime basis.

Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria:

Corporate and Institutional Banking, Business Banking and Private Banking:

Significant increase in credit risk is measured by comparing the risk of default estimated at origination with the risk of default at reporting date in addition to assessing qualitative and quantitative factors.

Retail:

Thresholds have been set for each portfolio based on historical default rates. Facilities exceeding the threshold are considered for significant increase in credit risk.

Qualitative criteria:

The Group also considers in its assessment of significant increase in credit risk, various qualitative factors like significant adverse changes in business, extension of term granted, actual and expected forbearance or restructuring, early sign of cash flows and liquidity problems.

Backstop:

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the obligor is more than 30 days past due on its contractual payments.

The IFRS9 Governance Forum is the committee responsible for the oversight of provisions. The committee has reviewed the calculation process, methodology, and the results of provisions as presented by the EI Chief Risk Officer (EI CRO). Further, the Board approved the provisioning process and associated provisions as presented by the EI CRO, as per Article 9.16 (Standards) of the Credit Risk Management Regulation and accompanying Standards, Circular No. 3/2024 dated 25/7/2024.

Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative:

The obligor is more than 90 days past due on its contractual payments.

Qualitative:

The obligor meets unlikeliness to pay criteria, which indicates the obligor is in significant financial difficulty. These are instances like long-term forbearance, obligor is insolvent, obligor is entering bankruptcy etc.

Curing

The Group continues to monitor such financial instruments for a probationary period of up to 24 months, depending on the payment frequency, to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12 months ECL (Stage 1).

The Group is observing a probationary period of a minimum of 4 instalments (for payments which are on a quarterly basis or shorter) and 12 months (in cases where instalments are on a longer frequency than quarterly) after the restructuring, before upgrading such exposures from Stage 3 to 2.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)
D. Credit Risk (continued)

Credit risk management (continued)

Measuring ECL – Explanations of input, assumptions and estimation techniques

ECL inputs (PD, EAD and LGD) are adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in earlier year) on annual basis. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in ECL computation is the original effective profit rate or an approximation thereof.

The Lifetime PDs are determined based on maturity profile. The maturity profile looks at how defaults develop on a portfolio throughout the remaining life of the financing receivable. The maturity profile is based on historical observed data.

The EADs are determined based on the expected payment profile, which varies by product type.
- For amortizing products and bullet payment financings, this is based on the contractual payments owed by the obligor over the 12 months and lifetime basis. This is also adjusted for any overpayments made by the obligor.
- For revolving products, the EAD is predicted by taking current drawn balance and adding a credit conversion factor which allows for the expected drawdown of the remaining limit by the time of default.

LGDs are computed at facility level. These are based upon information such as exposure, collateral and other criteria's depending upon business segment. In addition, the final LGD is conditioned upon macro-economic outlook.

Forward looking economic information is also included in determining the 12 month and lifetime PD, EAD and LGD.

Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

These economic variables and their associated impact on PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecast of these economic variables (the "base, upside and downside economic scenario along with scenario weighting") are obtained externally on a quarterly basis.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

As with any economic forecasts, the projections and likelihoods of the occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

Credit risk monitoring

Corporate and Institutional Banking, Business Banking and Private Banking: the Group's exposures are continuously monitored through a system of triggers and early warning signals. These are supplemented by monitoring of account conduct, assessment of collateral and market intelligence and early alerts.

Early Alert accounts are identified based on oversight, vigilance and risk triggers. Account strategy and action plans on these accounts are regularly monitored and discussed in the Early Alert Committee meetings.

Additionally, for IFRS 9 ECL computation, credit exposures are monitored and reported as per IFRS 9 and regulatory requirements. Stage migrations, any exceptions to SICR criteria, other credit and impairment related matters are reviewed and approved by IFRS 9 Governance Forum.

Retail banking: risks of the Group's financing portfolio are continuously assessed and monitored on the basis of exceptions, management information reports and returns generated by the business and credit units. Credit risk is also monitored on an ongoing basis with formal monthly and quarterly reporting to ensure that senior management is aware of shifts in the credit quality of the portfolio along with changing external factors.

Group credit risk mitigation strategy

The Group operates within prudential exposure ceilings set by the Board in line with the UAE Central Bank guidelines. There are well laid out processes for exception management and escalation.

The Group has adopted measures to diversify the exposures to various sectors. Diversification is achieved by limiting concentration through setting customer, industry and geographical limits.

The risk transfer in the form of syndicated financings and risk participation agreements with other banks are globally accepted practices followed by the Group, where appropriate, to limit its exposure.

Collateral management

Collaterals and guarantees are effectively used as mitigating tools by the Group. The quality of collateral is continuously monitored and assessed, and the Group seeks to ensure enforceability of the collateral. Major categories of collaterals include cash/ fixed deposits, inventories, shares, guarantees (corporate, bank and personal guarantees), immovable properties, receivables, gold and vehicles.

Collaterals are revalued regularly as per the Group's credit policy. In addition, ad hoc valuations are also carried out depending on the nature of collateral and general economic condition. This enables the Group to assess the fair market value of the collateral and ensure that risks are appropriately managed. Security structures and legal covenants are also subject to regular review.

Please refer to Pillar 3 disclosures for additional information on collaterals.

Write offs

Financing and Sukuk in corporate and institutional banking and Treasury are written off (either partially or in full) when there is no reasonable prospect of recovery. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of the amounts due.

Non performing consumer financing and credit cards, except for mortgage facilities and home financing, are written off at 181 days past due. All receivables remain active on the financing management system for recovery and any legal strategy the Group may deem fit to use.

E. Analysis by economic activity for assets:

The Group monitors concentrations of credit risk by economic activity sector. The analysis by economic activity is as follows:

	2025		2024	
	Financing receivables	**Others**	Financing receivables	Others
Manufacturing	**5,218,944**	**1,163,766**	2,661,385	731,820
Construction	**376,731**	**267,853**	382,593	259,642
Trade	**5,542,965**	**-**	5,782,657	-
Transport and communication	**1,213,643**	**1,342,928**	638,533	1,347,690
Utilities and services	**3,904,102**	**1,048,223**	2,106,761	896,191
Sovereign	**2,992,841**	**6,508,423**	1,418,238	4,816,553
Personal	**52,454,365**	**-**	45,976,812	-
Real estate	**10,976,785**	**-**	8,578,624	-
Hotels and restaurants	**376,319**	**-**	38,709	-
Management of companies and enterprises	**7,633,222**	**-**	4,682,710	-
Financial institutions and investment companies	**1,459,770**	**21,686,408**	1,601,651	15,383,365
Others	**5,019,726**	**92,639**	4,521,013	92,748
Total Assets	**97,169,413**	**32,110,240**	78,389,686	23,528,009
Less: Deferred Income	**(4,587,592)**	**-**	(3,213,965)	-
Less: Expected credit loss	**(3,720,750)**	**(194,174)**	(4,695,866)	(35,976)
	88,861,071	**31,916,066**	70,479,855	23,492,033

Others includes due from banks and investment securities.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)
F. Classification of investment securities as per their external ratings

As of 31 December 2025

Ratings	Designated at FVTPL AED 000	FVOCI AED 000	Amortised cost AED 000	Total AED 000
AAA	–	–	238,608	238,608
AA- to AA+	–	1,338,359	3,221,965	4,560,324
A- to A+	–	3,211,755	4,306,580	7,518,335
Lower than A-	–	1,437,675	2,315,104	3,752,779
Unrated	62,775	241,827	198,288	502,890
Less: Expected credit loss	–	(7,861)	(158,503)	(166,364)
	62,775	6,221,755	10,122,042	16,406,572

Of which issued by:

	Designated at FVTPL AED 000	FVOCI AED 000	Amortised cost AED 000	Total AED 000
Governments	–	1,186,710	5,321,712	6,508,422
Public sector enterprises	–	4,719,682	4,811,960	9,531,642
Private sector and others	62,775	323,224	146,873	532,872
Less: Expected credit loss	–	(7,861)	(158,503)	(166,364)
	62,775	6,221,755	10,122,042	16,406,572

As of 31 December 2024

Ratings	Designated at FVTPL AED 000	FVOCI AED 000	Amortised cost AED 000	Total AED 000
AAA	-	-	238,463	238,463
AA- to AA+	-	730,319	2,219,450	2,949,769
A- to A+	-	2,910,839	3,754,676	6,665,515
Lower than A-	-	1,454,566	1,790,618	3,245,184
Unrated	62,775	264,207	51,415	378,397
Less: Expected credit loss	-	(8,541)	(5,214)	(13,755)
	62,775	5,351,390	8,049,408	13,463,573

Of which issued by:

	Designated at FVTPL AED 000	FVOCI AED 000	Amortised cost AED 000	Total AED 000
Governments	-	455,522	4,361,031	4,816,553
Public sector enterprises	-	4,350,508	3,693,591	8,044,099
Private sector and others	62,775	553,901	-	616,676
Less: Expected credit loss	-	(8,541)	(5,214)	(13,755)
	62,775	5,351,390	8,049,408	13,463,573

G. Risk gross maximum exposure:

The table below shows the gross maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross, before the effect of use of master netting and collateral agreements.

	2025 AED 000	2024 AED 000
Deposits with Central Bank	20,346,138	13,503,946
Due from banks	15,509,494	10,028,460
Investment securities	16,406,572	13,463,573
Financing receivables	88,861,071	70,479,855
Positive fair value of Islamic derivatives	275,720	156,947
Customer acceptances	1,682,641	747,795
Other assets	342,525	200,518
Total (A)	143,424,161	108,581,094
Contingent liabilities	15,252,348	9,295,482
Irrevocable commitments	6,703,627	2,367,784
Total (B)	21,955,975	11,663,266
Total credit risk exposure (A + B)	165,380,136	120,244,360

H. Credit quality analysis:

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

AED 000 31 December 2025	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Financing receivables				
Balance as at 1 January	69,066,216	2,809,330	3,300,175	75,175,721
Transfers from stage 1	(4,168,580)	3,655,299	513,281	-
Transfers from stage 2	848,366	(976,354)	127,988	-
Transfers from stage 3	56,671	67,333	(124,004)	-
New financial assets, net of payments and others	19,307,719	(530,371)	(50,727)	18,726,621
Amounts written off during the year	–	–	(1,320,521)	(1,320,521)
Total gross financing receivables as at 31 December	85,110,392	5,025,237	2,446,192	92,581,821
Expected credit losses	(1,229,749)	(472,215)	(2,018,786)	(3,720,750)
Carrying amount	83,880,643	4,553,022	427,406	88,861,071
By business units				
Corporate Banking	35,900,838	2,121,748	1,103,879	39,126,465
Retail Banking	49,209,554	2,903,489	1,342,313	53,455,356
Total gross financing receivables	85,110,392	5,025,237	2,446,192	92,581,821

AED 000 31 December 2024	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Financing receivables				
Balance as at 1 January	52,544,710	2,372,055	3,682,118	58,598,883
Transfers from stage 1	(2,101,057)	1,926,817	174,240	-
Transfers from stage 2	1,019,064	(1,805,363)	786,299	-
Transfers from stage 3	13,261	42,231	(55,492)	-
New financial assets, net of payments and others	17,590,238	273,590	(312,437)	17,551,391
Amounts written off during the year	–	–	(974,553)	(974,553)
Total gross financing receivables as at 31 December	69,066,216	2,809,330	3,300,175	75,175,721
Expected credit losses	(1,219,370)	(365,036)	(3,111,460)	(4,695,866)
Carrying amount	67,846,846	2,444,294	188,715	70,479,855
By business units				
Corporate Banking	26,853,785	1,202,415	2,645,908	30,702,108
Retail Banking	42,212,431	1,606,915	654,267	44,473,613
Total gross financing receivables	69,066,216	2,809,330	3,300,175	75,175,721

The stage 1 and stage 2 are performing financing receivables having grades 1a- 4f while stage 3 is non- performing financing receivable having grades 5a- 5d.

Corporate Banking – Performing does not include any exposure against watchlist customers.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)
I. Amounts arising from ECL

Financing receivables	31 December 2025				31 December 2024			
AED 000	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at 1 January	**1,219,370**	**365,036**	**3,111,460**	**4,695,866**	1,264,296	275,465	3,311,385	4,851,146
Transfers from Stage 1	**(71,128)**	**61,852**	**9,276**	**–**	(95,828)	66,646	29,182	-
Transfers from Stage 2	**44,429**	**(59,581)**	**15,152**	**–**	46,517	(260,676)	214,159	-
Transfers from Stage 3	**35,448**	**7,177**	**(42,625)**	**–**	6,845	3,036	(9,881)	-
Allowances for impairment made during the year	**1,630**	**97,731**	**1,078,430**	**1,177,791**	(2,460)	280,565	850,752	1,128,857
Write back / recoveries made during the year	**-**	**-**	**(877,237)**	**(877,237)**	-	-	(207,534)	(207,534)
Amounts written off during the year	**-**	**-**	**(1,320,521)**	**(1,320,521)**	-	-	(974,553)	(974,553)
Others*	**-**	**-**	**44,851**	**44,851**	-	-	(102,050)	(102,050)
Closing balance as at 31 December	**1,229,749**	**472,215**	**2,018,786**	**3,720,750**	1,219,370	365,036	3,111,460	4,695,866

The contractual amount outstanding on financing receivables which were written off during the year, and are still subject to enforcement activity amounted to AED 1,321 million (2024: AED 975 million).

J. Market risk
Market Risk is the risk that the value of financial instruments in the Group's book – with the inclusion of some other financial assets and liabilities could produce a loss because of changes in future market conditions.

The Group takes on market risks in the pursuit of its strategic and business objectives.

The Group predominantly pursues opportunities in the market that exposes itself to the following categories of market risk – which are actively managed and monitored:
- Profit Rate Risk: losses in value due to changes in the level, slope and curvature of yield curves, the volatility of profit rates and changes in credit spreads
- FX Risk: losses in value due to exposures to changes in spot prices, forward prices and volatilities of currency rates
- Credit Spread Risk: Losses in the value due to change in credit spreads driven by associated credit risk of the security issuer/ underlying
- Commodity Price Risk: losses in value due to exposures to changes in spot prices, forward prices, and volatilities of commodities such as precious metals.

The Group's risk exposures to market risk are segregated into Trading and Banking Books. The Trading Book include those financial instruments held with trading intent arising from market-making, position-taking and other so designated financial instruments accounted for at fair value daily. The Banking Book include financial instruments not held with trading intent that arise from the management of Profit Rate risk and FX risk from the Group's retail and corporate and institutional banking assets and liabilities, and other financial investments designated as either FVOCI or Amortised Cost.

Market risk oversight and management process
As part of the Group's enterprise-wide risk management framework, an extensive governance processes are applied to the market risk taking activities. This governance framework includes, inter alia:
- Approval by the Group's Board Risk Committee (BRC) and Asset-Liability Committee (ALCO) of a set of risk limits with appropriate monitoring, reporting and limits excesses' escalation procedures subject to regular review and consistent with the Bank's approach to strict compliance with Shari'ah rules and principles.
- comprehensive set of policies, procedures and limits; and
- Monitoring a wide range of risk metrics appropriate for the respective dealing activities – such as risk sensitivities, Gross and Net open positions, Value-at-Risk (VaR) and stop-loss limits.

The Group uses appropriate and independently validated market standard models for the revaluation and risk measurement of its linear and non-linear financial products and receives regular market information from independent market data providers in order to measure and monitor market risk.

The bank uses following metrics to measure market risk on an ongoing basis:
i. Non statistical metrics:
Profit rate sensitivity, (DV01), FX sensitivity (FX01), Net open/ Net Gross outstanding positions, Maximum notional

ii. Statistical metrics:
Value-at-Risk (VaR), Stressed VaR (sVaR) for Trading Book and Banking Book Investments

Value-at-Risk
To better capture the multi-dimensional aspects of market risk, the Group's primary market risk metric is a statistical one, Value-at-Risk (VaR), which is used for short-term risk holding periods. VaR metrics are calculated daily for the specific asset classes, such as Profit Rate VaR, Foreign Exchange VaR and Total VaR
i. Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is not significantly exposed to currency risk since the majority of the assets and liabilities of the Group are denominated predominately in either AED or in USD-pegged currencies from other GCC countries.

ii. Price risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The effect on equity due to reasonably possible change in equity indices, with all other variables held constant, is as follows:

	2025			2024		
	% Change in market indices	Effect on net profit AED 000	Effect on OCI AED 000	% Change in market indices	Effect on net profit AED 000	Effect on OCI AED 000
Equity	**10**	**6,278**	**–**	10	6,278	–
Sukuk	**10**	**–**	**622,176**	10	–	535,139

K. Operational risk
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. This definition includes legal risks (described as exposure to fines, penalties and punitive damages resulting from supervisory actions, as well as private settlements), regulatory risks, and the risk arising from change initiatives.

Operational Risk Governance Framework
The Group applies a three line of defense model for operational risk management. The business and support units form the first line of defense. They have the primary responsibility and accountability for identifying operational risk in their areas and to promptly mitigate any issues.

The Operational Risk function as the second line of defense, provide consistent and standardized methods and tools to business and support functions for managing operational risk. The Group Operational Risk unit monitors the risk management process and compliance to the operational risk policies and procedures. It conducts independent analysis of the operational risk exposure and the bank's mitigating strategies.

Internal Audit acts as the third line of defense, provides independent assurance to the Board of Directors.

Operational Risk Management Process
The Group has set up the Operational Risk function within Risk Management Team to establish the framework and governance structure set out in the operational risk policy. The risk management process comprises mainly of the below elements:
- Risk Assessment
- Risk Monitoring and Review
- Risk Treatment
- Risk Reporting

This function develops and implements the methods for the identification, assessment and monitoring of Operational Risk throughout the Group and provides regular and comprehensive reporting on operational risks to senior management. The function supports business and other support units to monitor and manage their individual operational risks. Furthermore, the Group Operational Risk function also provides analysis and reports on operational risks to management committees (Board Risk Committee, Group Risk Committee, Local Risk Committee), and to the CBUAE as per regulations, guidelines / circulars and conducts independent oversight and monitoring of risks and mitigating measures.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)
K. Operational risk (continued)
Insurance Management
The Group obtains comprehensive and tailored insurance cover to protect the Group against unexpected and unforeseeable losses. Islamic insurance cover is obtained from high rated insurance companies in the international reinsurance market. The requirements for insurance are reviewed annually and the insurance cover is aligned to changes of the Group's risk exposure.

Fraud Management
The Board and Management are determined to build and maintain a credible defense to the threat posed by fraud.

In line with the evolving banking technologies and digital landscape, management has recognized the need for greater focus on anti-fraud capabilities of the Group. As such the bank is continuously investing into advanced systems and controls for the interdiction of frauds perpetrated against the bank. The bank has increased monitoring and enhanced detective controls to manage fraud risks, which arise from new technologies and new methods of banking.

The Group has a specialized Fraud Prevention and Investigation (FP&I) team which focuses on investigation of fraud attempts against the bank, spreading fraud awareness to stakeholders, identification and mitigation of fraud risks. The team has independent reporting to Board Risk Committee.

The Group has policies and procedures in place to ensure compliance with prevailing legislation and limit risk, including the risk of fraud.

Whistleblowing
The Group is committed to the highest standards of openness, integrity and accountability in the delivery of its services. Whilst the Group has instituted a wide range of rules, regulations, procedures and codes of practice to deliver on its commitments, fraud, malpractice, abuse and/or wrongdoing may unfortunately occur.

As such, the Group as part of 'Whistleblowers Policy', provides the platform to employees for reporting of malpractices. The policy is designed to encourage employees to report suspected internal fraud and other breaches, through specified channels, while safeguarding the employee from retribution.

Cyber Security Management
Emirates Islamic considers Information and related processes, systems, and networks as an important and valuable asset. These assets are required to be protected to ensure their confidentiality, availability and integrity at all times.

The Group has established a comprehensive cyber security framework based on three line of defense model.

The framework ensures Emirates Islamic is resilient to sustain cyber security threats in an evolving and increasingly complex digital environment.

Business Continuity Management
Business Continuity Management (BCM) is defined as a "holistic management process that identifies potential threats to an organization and the impacts to business operations that those threats, if realized, might cause, and which provides a framework for building organizational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities."

The business continuity process across the Group is based on the international standard ISO22301:2012 (E). The BRC is responsible for providing oversight and strategy for Business Continuity Management. Business and support units are responsible to ensure appropriate Business Continuity Plans are in place and tested for their respective areas. The effectiveness of the Business Continuity Plans is monitored independently by Group Operational Risk.

L. Liquidity risk
Liquidity Risk refers to the inability of the Group to fund an increase in assets and meet obligations as they become due (Structural Funding Risk), or the inability to convert assets into cash at reasonable prices (Market Liquidity Risk). The risk arises from mismatches in the amount and timings of cash flows.

Objectives and Governance structure
The objective of the Group's liquidity and funding management framework is to ensure that all foreseeable funding commitments (under both normal and stressed conditions) can be met when due, and that access to the wholesale markets is coordinated and cost effective. To this end, the Group maintains a diversified funding base comprising core retail and corporate customer deposits and institutional balances. This is augmented with wholesale funding and portfolios of highly liquid assets diversified by currency and maturity which are held to enable the Group to respond quickly and smoothly to unforeseen liquidity requirements.

Policies and Procedures
Specifically, liquidity and funding management process includes:
- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;
- mis-match analysis between assets and liabilities for different periods with a focus on shorter time frames. These gap reports are based on contractual cash flow, retention and decay assumptions for non-maturing assets and liabilities and potential liquidity demand through undrawn commitments;
- monitoring balance sheet liquidity and financing receivables to deposits ratios against internal and regulatory requirements;
- maintaining a diverse range of funding sources with back-up facilities;
- managing the concentration and profile of financing maturities;
- maintaining financing plans;
- monitoring customer depositor concentration in order to avoid undue reliance on large individual depositors and ensure a satisfactory overall funding mix; and
- maintaining liquidity and funding contingency plans. These plans identify early indicators of distress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crisis, while minimising adverse long-term implications for the business.

M. Maturity analysis of assets and liabilities
The table below summarizes the maturity profile of the Group's assets and liabilities based on their carrying values:

31 December 2025	Within 3 months AED 000	Over 3 months to 1 year AED 000	Over 1 year to 3 years AED 000	Over 3 years to 5 years AED 000	Undated and Over 5 years AED 000	Total AED 000
Assets						
Cash and deposits with the Central bank of the UAE	18,920,010	2,527,444	–	–	–	21,447,454
Due from banks	4,669,291	4,012,935	6,827,268	–	–	15,509,494
Investment securities	508,532	1,481,625	4,365,793	5,793,168	4,257,454	16,406,572
Financing receivables	16,710,746	14,169,983	24,409,811	12,869,496	20,701,035	88,861,071
Positive fair value of Islamic derivatives	166	13,642	105,886	123,778	32,248	275,720
Investment properties	–	–	–	–	165,356	165,356
Customer acceptances	1,682,641	–	–	–	–	1,682,641
Property and equipment	–	–	–	–	348,685	348,685
Other Assets	867,978	–	–	–	200,377	1,068,355
Total assets	43,359,364	22,205,629	35,708,758	18,786,442	25,705,155	145,765,348

31 December 2025	Within 3 months AED 000	Over 3 months to 1 year AED 000	Over 1 year to 3 years AED 000	Over 3 years to 5 years AED 000	Undated and Over 5 years AED 000	Total AED 000
Liabilities						
Due to banks	1,468,023	661,041	–	–	2,972,613	5,101,677
Customer deposits	80,814,923	17,252,185	1,183,601	1,728,923	1,119,721	102,099,353
Sukuk payable and other medium term financing	1,000,000	1,836,250	4,407,000	5,508,750	1,836,250	14,588,250
Negative fair value of Islamic derivatives	6,965	8,005	90,579	115,035	38,849	259,433
Customer acceptances	1,682,641	–	–	–	–	1,682,641
Other liabilities	2,712,430	–	–	–	1,579,323	4,291,753
Total equity	–	–	–	–	17,742,241	17,742,241
Total liabilities and equity	87,684,982	19,757,481	5,681,180	7,352,708	25,288,997	145,765,348
Off balance sheet						
Letter of credits and guarantees	7,147,107	6,029,364	1,903,598	142,014	–	15,222,083

31 December 2024						
Assets	33,794,086	16,906,858	24,565,285	16,096,253	19,766,191	111,128,673
Liabilities and equity	68,553,049	15,010,965	5,356,085	3,527,251	18,681,323	111,128,673
Off balance sheet	4,234,072	2,699,499	2,042,882	30,337	258,427	9,265,217

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)

N. Analysis of financial liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2025 based on contractual undiscounted payment obligations.

Payments which are subject to notice are treated as if notice was given immediately. However, the Group expects that many customers will not request payment on the earliest date, the Group could be required to pay, and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

31 December 2025	Carrying amount AED 000	Gross nominal outflows AED 000	Within 3 months AED 000	Over 3 months to 1 year AED 000	Over 1 year to 3 years AED 000	Over 3 years to 5 years AED 000	Over 5 years AED 000
Financial liabilities							
Due to banks	**5,101,677**	**(5,120,057)**	**(1,472,123)**	**(675,321)**	**–**	**–**	**(2,972,613)**
Customer deposits	**102,099,353**	**(103,160,761)**	**(80,922,919)**	**(17,609,556)**	**(1,512,017)**	**(1,936,330)**	**(1,179,939)**
Sukuk payable	**14,588,250**	**(16,192,058)**	**(1,033,738)**	**(2,059,384)**	**(5,334,893)**	**(5,904,129)**	**(1,859,914)**
	121,789,280	**(124,472,876)**	**(83,428,780)**	**(20,344,261)**	**(6,846,910)**	**(7,840,459)**	**(6,012,466)**
Letters of credit and guarantees	**15,222,083**	**(15,222,083)**	**(7,147,107)**	**(6,029,364)**	**(1,903,598)**	**(142,014)**	**–**
Irrevocable financing commitments	**6,703,627**	**(6,703,627)**	**(5,748,041)**	**(525,122)**	**(119,911)**	**(181,778)**	**(128,775)**

31 December 2024	Carrying amount AED 000	Gross nominal outflows AED 000	Within 3 months AED 000	Over 3 months to 1 year AED 000	Over 1 year to 3 years AED 000	Over 3 years to 5 years AED 000	Over 5 years AED 000
Financial liabilities							
Due to banks	5,883,525	(5,928,658)	(3,055,075)	(888,422)	–	–	(1,985,161)
Customer deposits	76,784,930	(77,411,503)	(62,947,335)	(12,555,064)	(759,402)	(802,160)	(347,542)
Sukuk payable	9,263,125	(10,264,367)	(35,010)	(2,112,401)	(5,138,000)	(2,978,956)	–
	91,931,580	(93,604,528)	(66,037,420)	(15,555,887)	(5,897,402)	(3,781,116)	(2,332,703)
Letters of credit and guarantees	9,265,217	(9,265,217)	(4,234,072)	(2,699,499)	(2,042,882)	(30,337)	(258,427)
Irrevocable financing commitments	2,367,784	(2,367,784)	(2,086,851)	(102,187)	(1,940)	(6,014)	(170,792)

O. Profit rate risk in the banking book

Profit Rate Risk in the Banking Book ('PRRBB') is defined as the exposure of the non-trading products of the Group to profit rates. Non-trading portfolios include all banking book positions that arise from the profit rate on the Group's retail and commercial banking assets and liabilities, and financial investments designated at fair value through other comprehensive income and amortised cost. PRRBB arises principally from mismatches between the future yields on assets and their funding costs, as a result of profit rate changes.

In order to manage this risk optimally, PRRBB in non-trading portfolios is transferred to Treasury under the supervision of the ALCO, through Funds Transfer Pricing (FTP) Systems. Group ALCO is required to regularly monitor all such profit rate risk positions to ensure they comply with profit rate risk limits.

For measuring overall profit sensitivity in the banking book, the Group conducts stress tests by simulating parallel shifts to the yield curve(s) ranging from 50 basis points to 200 basis points, and assessing the corresponding impact on its net income from financing and investment products.

	As at December 2025	As at December 2024
AED 000	Impact	Impact
Rates Up 200 bp	**699,122**	370,011
Rates Down 200 bp	**(670,695)**	(711,907)

The profit rate sensitivities set out in the table above are based on a set scenario i.e. the projections above assume that profit rates of all maturities move by the same quantum and, therefore, do not reflect the potential effect on net income from financing and investment products of some rates changing while others remain unchanged. The projections also make the assumption that all positions run to maturity. New models for behavioral assumptions have been developed and implemented during the year 2025 and the above Net Profit Income sensitivity numbers for 31 December 2025 are not directly comparable with the previous year. This effect does not incorporate actions that would be taken by Group Treasury or in the business units to mitigate the impact of this profit rate risk. In practice, Group Treasury seeks proactively to change the profit rate risk profile to minimize losses and optimize net revenues.

P. Profit rate repricing analysis*

31 December 2025	Less than 1 month Actual	Over 1 month to 3 months Actual	Over 3 months to 6 months Actual	Over 6 months to 1 year Actual	Over 1 year Actual	Non-profit bearing Actual	Total AED 000
Assets							
Cash and deposits with the Central Bank of the UAE	**250,243**	**3,623,954**	**1,522,542**	**1,004,902**	**–**	**15,045,813**	**21,447,454**
Due from banks	**6,514,101**	**6,177,289**	**942,586**	**1,088,967**	**–**	**786,551**	**15,509,494**
Investment securities	**508,595**	**–**	**1,112,098**	**369,527**	**14,353,577**	**62,775**	**16,406,572**
Financing receivables	**28,634,185**	**28,925,578**	**8,825,865**	**4,730,827**	**17,744,616**	**–**	**88,861,071**
Positive fair value of Islamic derivatives	**–**	**–**	**–**	**–**	**–**	**275,720**	**275,720**
Investment properties	**–**	**–**	**–**	**–**	**–**	**165,356**	**165,356**
Customer acceptances	**–**	**–**	**–**	**–**	**–**	**1,682,641**	**1,682,641**
Property and equipment	**–**	**–**	**–**	**–**	**–**	**348,685**	**348,685**
Other assets	**–**	**–**	**–**	**–**	**–**	**1,068,355**	**1,068,355**
Total assets	**35,907,124**	**38,726,821**	**12,403,091**	**7,194,223**	**32,098,193**	**19,435,896**	**145,765,348**

* Represents when the profit rate will be repriced for each class of assets and liabilities.

31 December 2025	Less than 1 month Actual	Over 1 month to 3 months Actual	Over 3 months to 6 months Actual	Over 6 months to 1 year Actual	Over 1 year Actual	Non-profit bearing Actual	Total AED 000
Liabilities and equity							
Due to banks	**241,946**	**752,283**	**–**	**661,041**	**–**	**3,446,407**	**5,101,677**
Customer deposits	**36,523,951**	**5,520,424**	**8,312,578**	**8,764,307**	**2,275,331**	**40,702,762**	**102,099,353**
Sukuk payable and other medium term financing	**–**	**5,407,000**	**–**	**1,836,250**	**7,345,000**	**–**	**14,588,250**
Negative fair value of Islamic derivatives	**–**	**–**	**–**	**–**	**–**	**259,433**	**259,433**
Customer acceptances	**–**	**–**	**–**	**–**	**–**	**1,682,641**	**1,682,641**
Other liabilities	**–**	**–**	**–**	**–**	**–**	**4,291,753**	**4,291,753**
Total equity	**–**	**–**	**–**	**–**	**–**	**17,742,241**	**17,742,241**
Total liabilities and equity	**36,765,897**	**11,679,707**	**8,312,578**	**11,261,598**	**9,620,331**	**68,125,237**	**145,765,348**
ON BALANCE SHEET GAP	**(858,773)**	**27,047,114**	**4,090,513**	**(4,067,375)**	**22,477,862**	**(48,689,341)**	**–**
PROFIT RATE SENSITIVITY GAP – 2025	**(858,773)**	**27,047,114**	**4,090,513**	**(4,067,375)**	**22,477,862**	**(48,689,341)**	**–**
CUMULATIVE PROFIT RATE SENSITIVITY GAP – 2025	**(858,773)**	**26,188,341**	**30,278,854**	**26,211,479**	**48,689,341**	**–**	**–**
CUMULATIVE PROFIT RATE SENSITIVITY GAP – 2024	2,057,323	28,945,291	29,146,602	27,147,313	44,505,842	–	–

* Represents when the profit rate will be repriced for each class of assets and liabilities.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)

Q. Reputational risk

Reputational risk is the risk of damage to a Group's reputation as a result of any event, arising from negative publicity about its business practices, conduct, or financial condition. Such negative publicity may affect public or stakeholder confidence in the Group leading to a decline in customer base, business revenue, liquidity, or capital position. Reputational Risk may also arise as a result of negative stakeholder opinion. This could be a result of any event, behaviour, action, or inaction, either by the Group's itself, our employees or those with whom we are associated.

Reputational risk damage can often arise from a secondary effect or outcome of other interconnected risks, as defined within the Group Risk Management Framework. As such, these additional risk categories when assessing reputational risks and their measurement.

The Groups Reputational Risk policy is defined to ensure all organizational units identify, measure, manage and monitor the reputational risks that arise from the ongoing operations of the Group during its transactions with clients, setting up of new products business practices, counterparties, customer complaints and claims, sponsorship, and media relations. The governance of the Group's reputational risk management is integrated into the Group's broader risk management framework.

R. ICAAP and Stress-Testing

Stress testing is an integral part of the Group's risk management process. It includes scenario analysis and is conducted regularly. In particular, the ICAAP (a group-wide exercise spanning risk types) is performed annually. On top of this, additional stress tests are carried out in response to microeconomic and macroeconomic conditions or portfolio and branch/subsidiary level. Every stress test is documented and the results are discussed at the EXCO level and approved by the GRC and the BRC.

Stress testing alerts senior management to the Group's potential vulnerability to exceptional but plausible adverse events. As such, stress testing enable us to assess capital adequacy and identify potential risky portfolio segments as well as inherent systematic risks. This then allows us to develop the right contingency plans, exit strategies and mitigating actions beforehand.

S. Recovery Plan

The Group maintains a Recovery Plan (RP) developed in compliance with supervisory expectations and guidelines and international best practices. The primary objective of the RP is to identify and assess that the recovery options available to the Group, are sufficient, robust and adequately diversified to offset a wide range of shocks and facilitate the Group's return to financial health and operation as a going concern. The recovery plan is subject to regular review and is approved by GRC and BRC.

T. Model Risk

Model risk is the risk of potential adverse consequences arising from decision made based on incorrect or misused model outputs and reports. As the Group has a robust model governance and Management approach, potential losses arising from the outputs of the internal models due to errors in the development, implementation, or use of such models are well understood and managed.

A specialised model management unit within the Group oversees the validation and use of models for regulatory and/or financial reporting purposes, guided by the Group Model Governance and Management Framework. This ensures that the models follow a robust approach of validation prior to use. The governance process for the models is performed across the model life cycle. All Tier 1 and Tier 2 models are managed through a centralised Model Inventory System to track and manage their use. The Group Model Validation Standards outline the minimum requirements that models should meet prior to use.

U. Regulatory/compliance risk

Regulatory/Compliance risk is the risk of reputational and/or financial losses due to the failure to comply with applicable laws, regulations or sanctions.

The Group has an independent Compliance function, with the necessary mandate and authority to enforce and monitor compliance on a Group wide basis. This includes compliance with the applicable laws and regulations across the various jurisdictions where the Group operates as well as those of the USD / EU clearing centres.

Compliance policies covering key areas such as Sanctions, Anti Money Laundering (AML), Counter Terrorist Financing (CTF), Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) are applicable Group wide and are supplemented where necessary to address any unique local requirements. These policies are supported by automated screening and monitoring systems and associated investigation teams to help comply with the Sanctions, AML, CTF, FATCA and CRS requirements. Independent Compliance Monitoring is undertaken to provide assurance over the effectiveness of controls. Mandatory Compliance Training is provided to all relevant staff both at onboarding and periodically thereafter to help ensure that key requirements are complied with.

Shariah non-compliance risk

Non-compliance with Internal Shariah Supervision Committee's Resolutions and Fatwas while taking administrative decision, products or executing financial products' contracts, may cause a reputational risk for the Group.

The Group has permanent Internal Shariah Control Department to evaluate all existing and proposed solutions prior to presenting it to Internal Shariah Supervision Committee for approval and to conduct a periodic Shariah audit to ensure compliance with Shariah principles and rules.

Based on the Shariah Governance Standard for Islamic Financial Institutions issued by the Higher Sharia Authority of the Central Bank of UAE ("HSA") on 21 April 2020 (the "Standard"), the Bank's Board of Directors ("Board") is ultimately responsible for the Bank's compliance with Shariah principles. The ISSC is the highest authority in the Bank from a Shariah governance perspective. The Board is expected to be aware of Shariah non-compliance risk and its potential impact on the Bank. The Board Risk Committee supervises and monitors management of Shariah non-compliance risk and sets controls in relation to this type of risk, in consultation with ISSC and through the Internal Shariah control Division of the Bank. ("ISCD"). The Board risk committee ensures the availability of an information system that enables the Bank to measure, assess and report Shariah non-compliance risk. Reports are provided in a timely manner to the Board and Senior Management, in formats suitable for their use and understanding. The Bank implements effective internal Shariah controls adopting the three lines of defense approach where each line is independent, which includes:

- The first line of defense, represented by the business line, sets clear policies, procedures, and controls, approved by Internal Shariah Supervision Committee of the Bank ("ISSC"), and executes the business activities in a manner compliant with the principles of Shariah at all times.
- The second line of defense, represented by the ISCD, undertakes amongst the others the Shariah control and Shariah compliance functions.
- The third line of defense represented by Internal Shariah Audit Department undertakes the execution of Shariah audit assignments of the Bank and reports its findings to the ISSC.

V. Environmental, social and governance (ESG) risk

The rapidly changing global landscape, marked by challenges such as climate change, the evolving expectations of our stakeholders, as well as a continuous evolution of international standards, particularly in the areas of sustainability accounting, audit and ethics necessitates a proactive approach to ESG. The Group continues to develop its approach to ESG in line with progressing standards, both regionally and globally.

Climate related risk

Climate risks relate to the financial and non-financial impacts that may arise as a result of climate change. There are two categories of climate risks: physical risks, as a result of climate change and environmental factors that are event driven (acute) or longer-term shifts (chronic) and may vary in severity and frequency across various scenarios, and transition risks, which arises from the shift to a low carbon economy. Managing climate risk is critical in the pursuit of sustainable growth and transitioning towards a low carbon economy. Both, physical and transition risks can affect households, businesses and the wider macroeconomy and manifest within the Group's principal risks in several ways.

The Group considers climate risk as part of the broader environmental and social risks. Our strategy on climate risk has been incorporated into the Risk Management Framework through the implementation of a Climate Risk Policy and Environmental Social Risk Framework and is guided by the three-lines of defense approach.

The Group's Board of Directors bears the final responsibility for all aspects concerning climate related risks. The Board actively participates in shaping our ESG strategy and is regularly briefed on the progress of this strategy by the Executive Committee.

Impact of climate risk on accounting judgments and estimates

The Group is currently assessing the financial impacts associated with climate-related credit risk. Using the results of ongoing analysis, the Group intends to highlight and address risks and opportunities which present immediate and anticipated effects on financial position, performance and planning as well as cashflows and to disclose the actions taken to manage these risks and opportunities.

As at 31 December 2025, the Group raised sukuk payable amounting to AED 4,591 million (2024: AED 2,754 million) through sustainable and green financings in capital markets.

Notes to the Group Consolidated Financial Statements continued
For the year ended 31 December 2025

36 Risk management (continued)
W. Risk management framework and processes at Group entities
In establishing risk management policies & processes at the Group entities level, due consideration is given to the entities' specific regulatory environment.

X. Internal Audit's role in overall risk management
The Group Internal Audit is an independent appraisal function established by the Board of Directors to examine and evaluate the activities of the Group including all aspects of the Group Risk Management. The department is organisationally independent of all other functions in the bank. The unit is headed by the Chief Audit Officer, who is accountable to the Board of Directors through the Board Audit Committee.

The primary objectives of Group Internal Audit is to provide assurance on risks to which the Group' business are exposed, evaluate the adequacy and effectiveness of financial/operating controls and the Corporate Governance environment, assess the extent to which assets are accounted for and safeguarded from losses and conduct follow-up activities to assess and report on the degree to which management has addressed risks and compliance with action plans previously agreed.

The unit's mission is achieved through a risk based annual audit plan approved by the Board Audit Committee. A formal report is prepared at the end of each quarter which includes a summary of audit activity completed during the period and an update on the status of previously reported matters for Board Audit Committee attention.

The Board Audit Committee reviews and approves Group Internal Audit's plans and resources and evaluates the effectiveness of the Internal Audit function. External advisers also periodically conduct an assessment of the function.

37 Legal proceedings
Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Group is party to legal proceedings and regulatory matters arising out of its normal business operations. The Group has proper controls and policies for managing legal claims. The recognition of provisions is determined in accordance with the accounting policies set out in Note 6. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of these matters as at 31 December 2025. Any provision recognised does not constitute an admission of wrongdoing or legal liability. Based on the information available, no material adverse impact on the financial position of the Group is expected to arise from legal claims as at 31 December 2025 other than to the extent already provided.

38 Charity and donation
Charity and donation (including Zakat) made during the year amount to AED 46.3 million (2024: AED 37.0 million).

39 Comparative amounts
Certain prior year comparatives have been reclassified wherever necessary to conform to the presentation adopted in the current year.

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