Interim Report

To the shareholders of Albaraka Bank Limited
Unaudited results for the period ended 30 June 2026

alBaraka Bank

Statement of comprehensive income

	Six months ended - 30 June			Year ended
	2026	**2025**	**% change**	**31 Dec 2025**
	R'000	R'000		R'000
Income earned from advances calculated using effective profit rates	434 205	412 966	5	835 606
Income earned from interbank placements - murabaha	6 509	14 840	(56)	26 039
Income earned from interbank placements - mudarabah	22 634	27 220	(17)	52 343
Income from Sovereign Sukuk	43 812	41 668	5	84 968
Gross income earned	**507 160**	**496 694**	**2**	**998 956**
Credit loss expense	(36 885)	(2 903)	1171	(14 892)
Gross income after credit loss expense	**470 275**	**493 791**	**(5)**	**984 064**
Income paid to depositors	(188 195)	(200 312)	(6)	(399 469)
Income paid to Tier 2 sukuk holders	(14 416)	(14 955)	(4)	(29 476)
Net income earned	**267 664**	**278 524**	**(4)**	**555 119**
Fee and commission income	30 624	27 045	13	65 905
Other operating income	1 655	1 855	(11)	3 807
Net income from operations	**299 943**	**307 424**	**(2)**	**624 831**
Operating expenditure	(189 061)	(178 856)	6	(373 276)
Finance costs	(122)	(201)	(39)	(367)
Profit before taxation	**110 760**	**128 367**	**(14)**	**251 188**
Taxation	(26 646)	(32 073)	(17)	(62 159)
Profit after tax for the period attributable to equity holders	**84 114**	**96 294**	**(13)**	**189 029**
Items subsequently classified to profit and loss				
Fair value gains net of tax	-	-	-	145
Total comprehensive income for the period	**84 114**	**96 294**	**(13)**	**189 174**
Attributable to ordinary shareholders	74 156	85 964	(14)	168 716
Attributable to Additional Tier 1 Sukuk instrument holders	9 958	10 330	(4)	20 458
Weighted average number of shares in issue ('000)	32 240	32 240		32 240
Basic and diluted earnings per share (cents)	230,0	266,6	(14)	522,9

Statement of financial position

	Six months ended - 30 June			Year ended
	2026	**2025** (Restated)*	**% change**	**31 Dec 2025**
	R'000	R'000		R'000
Assets				
Deferred Tax Asset	48 410	37 052	31	44 676
Property and equipment	100 316	101 793	(1)	99 323
Right of use asset	1 504	2 994	(50)	2 300
Investment property	10 339	10 339	-	10 339
Intangible assets	41 495	49 984	(17)	48 652
Investment securities	17 857	17 680	1	17 858
Advances and other receivables*	8 587 466	7 338 865	17	8 067 341
Interbank & Sovereign Sukuk placements*	1 279 765	1 555 423	(18)	1 196 517
Regulatory balances	645 302	618 975	4	633 270
South African Revenue Service receivable	337	-	-	47
Cash and cash equivalents	204 634	100 008	105	239 804
Total assets	**10 937 425**	**9 833 113**	**11**	**10 360 127**
Equity and liabilities				
Equity				
Share capital	322 403	322 403	-	322 403
Share premium	82 196	82 196	-	82 196
Other reserves	2 674	2 529	6	2 674
Retained income	888 839	780 436	14	814 683
Shareholders' interests	**1 296 112**	**1 187 564**	**9**	**1 221 956**
Additional Tier 1 Sukuk instrument holders	124 000	124 000	-	124 000
Total equity	**1 420 112**	**1 311 564**	**8**	**1 345 956**
Liabilities				
Deferred Tax Liability	18 185	18 190	0	18 197
Welfare and charitable funds	64 270	64 575	0	63 046
Sukuk Holders	311 248	311 248	-	311 248
Provision for leave pay	11 891	10 109	18	10 956
Lease liabilities	1 921	3 499	(45)	2 794
Accounts payable	102 005	101 024	1	81 559
South African Revenue Service payable	-	2 220	-	2 206
Deposits from customers*	9 007 793	8 010 684	12	8 524 165
Total liabilities	**9 517 313**	**8 521 549**	**12**	**9 014 171**
Total equity and liabilities	**10 937 425**	**9 833 113**	**11**	**10 360 127**

* Comparative amounts as at 30 June 2025 have been restated to align with the 31 December 2025 disclosures in the Annual Financial Statements, which is available on www.albaraka.co.za.

Statement of changes in shareholders' equity

	Share capital R'000	Share premium R'000	Other reserves R'000	Retained income R'000	Shareholders' interest R'000	AT1 Sukuk instrument holders R'000	Total Equity R'000
Balance at beginning of year - 1 Jan 2026	322 403	82 196	2 674	814 683	1 221 956	124 000	1 345 956
Total comprehensive income for the period	-	-	-	74 156	74 156	9 958	84 114
Profit paid to Additional Tier 1 Sukuk instrument holders	-	-	-	-	-	(9 958)	(9 958)
Balance at end of period - 30 June 2026	**322 403**	**82 196**	**2 674**	**888 839**	**1 296 112**	**124 000**	**1 420 112**

Commentary on the unaudited results for the period ended 30 June 2026

Group position

12-month position

Over the 12 months to 30 June 2026, the bank recorded strong growth in both its deposit-taking and financing activities. Term deposits and transactional banking balances grew by R997 million or 12%, while customer advances and other receivables increased by R1.2 billion or 17%. Liquidity held in shariah-compliant interbank and sovereign sukuk placements was utilised to support the demand for financing, with these placements reducing by R276 million or 18%.

6-month position

During the six-month period to 30 June 2026, customer advances and other receivables grew by R520 million or 6%, while interbank and sovereign sukuk placements increased by R83 million or 7%. This growth was funded primarily by the deposit book, which increased by R484 million or 6%, supplemented by a reduction in cash and cash equivalents of R35 million or 15%.

Group performance

Six months ended 30 June 2026

The following commentary reflects the year-on-year change in the Group results for the six months ended 30 June 2026 compared to the six months ended 30 June 2025.

Income earned from advances increased by R21 million or 5%, in line with the growth in the advances book. Income earned from sovereign sukuk grew by R2 million or 5%. Consistent with the year-on-year reduction in interbank placements, the related income reduced by R13 million or 31%.

The Group recorded higher credit losses (R37 million) compared with the corresponding prior period (R3 million), reflecting increased provisioning arising from updated credit risk assessments. Overall portfolio performance remained resilient.

After accounting for profits shared with depositors, net income earned decreased by R11 million or 4%.

Fee and commission income increased by R4 million or 13%, driven mainly by higher commission and partnership income earned on the sale of unit trusts, together with increased foreign exchange earnings and service fees earned on transactional banking.

Operating expenditure increased by R10 million or 6%, primarily due to increases in staff, technology-related and transactional banking costs, together with higher municipal charges on properties. These increases were partially offset by lower advertising expenditure.

After accounting for the above, net profit before taxation decreased by R18 million or 14%, closing at R111 million for the six months ended 30 June 2026.

Total comprehensive income amounted to R84 million, of which R10 million is attributable to Additional Tier 1 Sukuk instrument holders and R74 million to ordinary shareholders. This represents a decrease in earnings attributable to ordinary shareholders of R12 million or 14%. Consequently, basic and diluted earnings per share reduced by 14% to 230,0 cents.

General

The strong momentum achieved in the financing book over the past twelve months positions the Group well for earnings growth in the second half of 2026. Management's priorities are to sustain the growth in advances while protecting margin, and to further grow transactional banking and deposit balances as a stable funding base.

Asset quality remains a key area of focus along with active management of non-performing advances. Disciplined expense management continues, with cost-reduction initiatives pursued alongside ongoing investment in technology and digital capabilities.

Domestic economic growth, monetary policy changes, political and geopolitical developments all carry potential implications for credit demand, funding costs and asset quality, and will continue to be monitored closely.

Additional Disclosures

Additional disclosure requirements in terms of Regulation 43 of the Banks Act may be accessed via the bank's website, being: www.albaraka.co.za, when published in line with regulations.

For and on behalf of the Board

18 August 2026

Shabir Chohan

Mr Zahid Fakey
CHAIRMAN

Mr Shabir Chohan
CHIEF EXECUTIVE