

**ABU DHABI ISLAMIC BANK PJSC**

**Condensed consolidated interim  
financial statements  
30 June 2025 (Unaudited)**

**ABU DHABI ISLAMIC BANK PJSC**

**Condensed consolidated interim financial statements  
30 June 2025 (unaudited)**

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# Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

**To the Board of Directors of Abu Dhabi Islamic Bank PJSC**

## Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of Abu Dhabi Islamic Bank PJSC (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2025;
- the condensed consolidated interim statement of profit or loss for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated interim statement of comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2025; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

## Scope of Review

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



**Abu Dhabi Islamic Bank PJSC**  
*Independent Auditors' Report*  
*on Review of Condensed Consolidated Interim Financial Statements*  
*30 June 2025*

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

#### Other Matter

The condensed consolidated interim financial statements of the Group as at and for the six-month period ended 30 June 2024 were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on 24 July 2024 and the consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 28 January 2025.

KPMG Lower Gulf Limited

Adil Abid  
Registration No.: 5541  
Abu Dhabi, United Arab Emirates

Date: **23 JUL 2025**

**Condensed consolidated interim statement of profit or loss**  
**For the three-months and six-months period ended (unaudited)**

	Notes	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		AED '000	AED '000	AED '000	AED '000
<b>Operating income</b>					
Income from murabaha, mudaraba and wakala with financial institutions		526,578	510,209	1,059,619	1,094,458
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	5	2,634,561	2,178,306	5,098,447	4,259,649
Income from sukuk measured at amortised cost		334,754	208,168	610,616	425,595
Income from investments measured at fair value	6	64,561	63,831	144,449	132,671
Share of results of associates and joint ventures		25,153	20,622	49,600	50,657
Fees and commission income, net	7	546,553	436,943	1,090,562	855,144
Foreign exchange income		209,297	130,136	392,034	197,823
Income from investment properties		20,446	9,595	30,998	19,062
Other income		5,498	331,487	7,872	346,897
		<b>4,367,401</b>	<b>3,889,297</b>	<b>8,484,197</b>	<b>7,381,956</b>
<b>Operating expenses</b>					
Employees' costs	8	(505,330)	(465,790)	(997,023)	(921,383)
General and administrative expenses	9	(246,361)	(214,489)	(494,123)	(439,249)
Depreciation		(87,912)	(80,324)	(175,851)	(161,994)
Amortisation of intangibles	25	(2,281)	(2,415)	(4,557)	(5,782)
Provision for impairment, net	10	(199,483)	(292,557)	(305,063)	(401,704)
		<b>(1,041,367)</b>	<b>(1,055,575)</b>	<b>(1,976,617)</b>	<b>(1,930,112)</b>
<b>Profit from operations, before distribution to depositors and sukuk holders</b>		<b>3,326,034</b>	<b>2,833,722</b>	<b>6,507,580</b>	<b>5,451,844</b>
Distribution to depositors and sukuk holders	11	(1,305,158)	(1,057,204)	(2,550,479)	(2,032,561)
<b>Profit for the period before tax</b>		<b>2,020,876</b>	<b>1,776,518</b>	<b>3,957,101</b>	<b>3,419,283</b>
Tax	12	(240,575)	(198,248)	(466,587)	(389,877)
<b>Profit for the period after Tax</b>		<b>1,780,301</b>	<b>1,578,270</b>	<b>3,490,514</b>	<b>3,029,406</b>
<i>Attributable to:</i>					
Equity holders of the Bank		1,676,381	1,493,042	3,292,353	2,849,979
Non-controlling interest		103,920	85,228	198,161	179,427
		<b>1,780,301</b>	<b>1,578,270</b>	<b>3,490,514</b>	<b>3,029,406</b>
Basic and diluted earnings per share attributable to ordinary shares (AED)	13	<b>0.442</b>	<b>0.390</b>	<b>0.860</b>	<b>0.736</b>

The attached notes 1 to 41 form part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of comprehensive income**  
**For the three-months and six-months period ended (unaudited)**

	Notes	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		AED '000	AED '000	AED '000	AED '000
<b>Profit for the period after tax</b>		<b>1,780,301</b>	<b>1,578,270</b>	<b>3,490,514</b>	<b>3,029,406</b>
<b>Other comprehensive gain (loss)</b>					
<i>Items that will not be reclassified to consolidated income statement</i>					
Net movement on valuation of equity investments carried at fair value through other comprehensive income	31	(2,155)	579	(1,112)	(3,086)
Other movement in reserves	31	(2,934)	9	4,319	3,839
Directors' remuneration paid	35	-	-	(16,100)	(16,100)
<i>Items that may be subsequently reclassified to consolidated income statement</i>					
Net movement in valuation of investments in sukuk carried at fair value through other comprehensive income	31	17,135	(7,316)	47,642	(25,475)
Exchange differences arising on translation of foreign operations	31	31,466	(14,159)	32,817	(540,756)
(Loss) gain on hedge of foreign operations	31	(5,211)	522	(7,937)	2,012
Fair value gain on cash flow hedge	31	11,553	2,491	14,894	3,444
<b>Other comprehensive gain (loss) for the period</b>		<b>49,854</b>	<b>(17,874)</b>	<b>74,523</b>	<b>(576,122)</b>
<b>Total comprehensive income for the period</b>		<b>1,830,155</b>	<b>1,560,396</b>	<b>3,565,037</b>	<b>2,453,284</b>
<i>Attributable to:</i>					
Equity holders of the Bank		1,726,235	1,475,168	3,366,876	2,273,857
Non-controlling interest		103,920	85,228	198,161	179,427
		<b>1,830,155</b>	<b>1,560,396</b>	<b>3,565,037</b>	<b>2,453,284</b>

The attached notes 1 to 41 form part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of financial position  
At 30 June 2025 (unaudited)**

	Notes	30 June 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
<b>ASSETS</b>			
Cash and balances with central banks	14	37,844,662	32,039,942
Balances and wakala deposits with Islamic banks and other financial institutions	15	8,739,326	7,649,939
Murabaha and mudaraba with financial institutions	16	3,956,892	2,957,529
Murabaha and other Islamic financing	17	99,676,176	85,344,623
Ijara financing	18	63,074,711	57,266,216
Investment in sukuk measured at amortised cost	19	29,199,956	23,758,093
Investments measured at fair value	20	5,533,746	5,528,404
Investment in associates and joint ventures	21	954,165	895,698
Investment properties	22	1,317,434	1,332,988
Development properties	23	742,965	722,940
Other assets	24	6,168,734	5,357,886
Property and equipment		2,691,433	2,645,669
Goodwill and intangibles	25	451,395	409,868
<b>Total assets</b>		<b>260,351,595</b>	<b>225,909,795</b>
<b>LIABILITIES</b>			
Due to financial institutions	26	9,081,558	5,529,669
Depositors' accounts	27	212,831,451	182,675,253
Other liabilities	28	7,895,296	7,551,385
Sukuk financing instrument	29	1,836,250	1,836,250
<b>Total liabilities</b>		<b>231,644,555</b>	<b>197,592,557</b>
<b>EQUITY</b>			
Share capital	30	3,632,000	3,632,000
Legal reserve		2,698,984	2,670,774
General reserve		3,947,182	3,947,177
Credit risk reserve		400,000	400,000
Retained earnings		13,397,271	13,501,350
Other reserves	31	(1,316,732)	(1,559,991)
Tier 1 sukuk	32	4,754,375	4,754,375
<b>Equity attributable to the equity and Tier 1 sukuk holders of the Bank</b>		<b>27,513,080</b>	<b>27,345,685</b>
Non-controlling interest		1,193,960	971,553
<b>Total equity</b>		<b>28,707,040</b>	<b>28,317,238</b>
<b>Total liabilities and equity</b>		<b>260,351,595</b>	<b>225,909,795</b>

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition, financial performance and cash flows of the Group as of, and for, the periods presented therein.

  
H.E. Jawaan Awaidha Suhail Al Khaili  
Chairman

  
Mohamed Abdelbary  
Group Chief Executive Officer

The attached notes 1 to 41 form part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of changes in equity**  
**For the six-months period ended (unaudited)**

<i>Attributable to the equity and Tier 1 sukuk holders of the Bank</i>										
	Share capital	Legal reserve	General reserve	Credit risk reserve	Retained earnings	Other reserves	Tier 1 sukuk	Total	Non-controlling interest	Total equity
Notes	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Balance at 1 January 2025 – audited	3,632,000	2,670,774	3,947,177	400,000	13,501,350	(1,559,991)	4,754,375	27,345,685	971,553	28,317,238
Profit for the period	-	-	-	-	3,292,353	-	-	3,292,353	198,161	3,490,514
Other comprehensive (loss) income	-	-	-	-	(16,100)	90,623	-	74,523	-	74,523
Profit paid on Tier 1 sukuk – Listed (third issue)	32	-	-	-	(99,846)	-	-	(99,846)	-	(99,846)
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	32	-	-	-	(69,298)	-	-	(69,298)	-	(69,298)
Dividends paid	39	-	-	-	(3,030,337)	-	-	(3,030,337)	-	(3,030,337)
Transfer to Impairment reserve – General	31	-	-	-	(123,638)	123,638	-	-	-	-
Loss on disposal of FVTOCI investment	-	-	-	-	(28,998)	28,998	-	-	-	-
Movement in reserves	-	28,210	-	-	(28,215)	-	-	-	-	-
Other movement in non-controlling Interest	-	-	-	-	-	-	-	-	24,246	24,246
<b>Balance at 30 June 2025 - unaudited</b>	<b>3,632,000</b>	<b>2,698,984</b>	<b>3,947,182</b>	<b>400,000</b>	<b>13,397,271</b>	<b>(1,316,732)</b>	<b>4,754,375</b>	<b>27,513,080</b>	<b>1,193,960</b>	<b>28,707,040</b>
Balance at 1 January 2024 – audited	3,632,000	2,647,420	3,431,547	400,000	11,358,406	(1,094,992)	4,754,375	25,128,756	1,113,612	26,242,368
Profit for the period	-	-	-	-	2,849,979	-	-	2,849,979	179,427	3,029,406
Other comprehensive loss	-	-	-	-	(16,100)	(560,022)	-	(576,122)	-	(576,122)
Profit paid on Tier 1 sukuk – Listed (third issue)	32	-	-	-	(99,846)	-	-	(99,846)	-	(99,846)
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	32	-	-	-	(77,583)	-	-	(77,583)	-	(77,583)
Dividends paid	39	-	-	-	(2,595,469)	-	-	(2,595,469)	-	(2,595,469)
Dividends paid to charity	-	-	-	-	(20,000)	-	-	(20,000)	-	(20,000)
Transfer to Impairment reserve – General	31	-	-	-	(121,262)	121,262	-	-	-	-
Transfer to Impairment reserve – Specific	31	6,663	-	-	12,855	(12,855)	-	-	-	-
Movement in reserves	-	-	-	-	(37,103)	30,440	-	-	-	-
Other movement in non-controlling Interest	-	-	-	-	-	-	-	-	(416,500)	(416,500)
<b>Balance at 30 June 2024 - unaudited</b>	<b>3,632,000</b>	<b>2,654,083</b>	<b>3,431,547</b>	<b>400,000</b>	<b>11,253,877</b>	<b>(1,516,167)</b>	<b>4,754,375</b>	<b>24,609,715</b>	<b>876,539</b>	<b>25,486,254</b>

The attached notes 1 to 41 form part of these condensed consolidated interim financial statements.



**Condensed consolidated interim statement of cash flows**  
**For the six months period ended (unaudited)**

		30 June 2025 AED '000	30 June 2024 AED '000
	Notes		
<b>Operating activities</b>			
Profit for the period		3,490,514	3,029,406
Adjustments for:			
Depreciation on investment properties	22	7,066	7,285
Depreciation on property and equipment		136,750	126,110
Depreciation on right-of-use assets		32,035	28,599
Amortisation of intangibles	25	4,557	5,782
Share of results of associates and joint ventures		(49,600)	(50,657)
Realised gain on investments carried at fair value through profit or loss	6	(17,026)	(15,358)
Unrealised gain on investments carried at fair value through profit or loss	6	(5,423)	(343)
Realised gain on investments carried at fair value through other comprehensive income	6	(1,931)	-
Dividend income	6	(1,839)	(576)
Finance cost on lease liabilities	9	3,050	3,356
Provision for impairment, net	10	305,063	401,704
Gain on disposal of investment properties		(12,170)	(326)
<b>Changes in operating assets and liabilities</b>		<b>3,891,046</b>	<b>3,534,982</b>
Increase in balances with central banks		(2,469,097)	(4,133,523)
Increase in balances and wakala deposits with Islamic banks and other financial institutions		(300,370)	(2,905,861)
(Increase) decrease in murabaha and mudaraba with financial institutions		(973,206)	475,239
Increase in murabaha and other Islamic financing		(14,616,275)	(15,456,436)
Increase in ijara financing		(5,889,536)	(5,575,449)
Movement in investments carried at fair value through profit or loss		(115,237)	80,014
Increase in other assets		(804,809)	(728,067)
Increase in due to financial institutions		4,872,618	4,642,596
Increase in depositors' accounts		30,148,261	22,076,212
Increase in other liabilities		344,202	2,015,892
<b>Cash from operations</b>		<b>14,087,597</b>	<b>4,025,599</b>
Directors' remuneration paid		(16,100)	(16,100)
<b>Net cash from operating activities</b>		<b>14,071,497</b>	<b>4,009,499</b>
<b>Investing activities</b>			
Proceeds (additions) in investments carried at fair value through other comprehensive income		228,163	(40,389)
Net purchases in investments carried at amortised cost		(5,432,012)	(2,773,756)
Dividend received		1,839	576
Dividend received from associates		18,250	13,124
Proceeds from disposal of investment properties		20,585	1,450
Additions in development properties		(20,025)	-
Purchase of property and equipment		(214,549)	(153,521)
<b>Net cash used in investing activities</b>		<b>(5,397,749)</b>	<b>(2,952,516)</b>
<b>Financing activities</b>			
Profit paid on Tier 1 sukuk – Listed (third issue)	32	(99,846)	(99,846)
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	32	(69,298)	(77,583)
Finance cost on lease liability	9	(3,050)	(3,356)
Dividends paid		(3,030,337)	(2,595,469)
<b>Net cash used in financing activities</b>		<b>(3,202,531)</b>	<b>(2,776,254)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>5,471,217</b>	<b>(1,719,271)</b>
Cash and cash equivalents at 1 January		10,529,357	12,727,308
<b>Cash and cash equivalents at 30 June</b>	34	<b>16,000,574</b>	<b>11,008,037</b>
Operating cash flows from profit on balances and wakala deposits with Islamic banks and other financial institutions, murabaha and mudaraba with financial institutions, customer financing, sukuk and customer deposits are as follows:			
Profit received		6,503,484	5,363,606
Profit paid to depositors		2,483,916	1,645,761

The attached notes 1 to 41 form part of these condensed consolidated interim financial statements.

**Notes to the condensed consolidated interim financial statements  
30 June 2025 (Unaudited)**

**1 Legal status and principal activities**

Abu Dhabi Islamic Bank PJSC ("the Bank") was incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE), as a public joint stock company with limited liability, in accordance with the provisions of the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended) and the Amiri Decree No. 9 of 1997. Federal Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and came into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law").

The Bank and its subsidiaries ("the Group") carry out full banking services, financing and investing activities through various Islamic instruments such as Murabaha, Istisna'a, Mudaraba, Musharaka, Ijara, Wakalah, Sukuk etc. The activities of the Bank are conducted in accordance with Islamic Shari'a, which prohibits usury as determined by the Internal Shari'a Supervisory Committee of the Bank, and within the provisions of the Articles and Memorandum of Association of the respective entities within the Group.

In addition to its main office in Abu Dhabi, the Bank operates through its 60 branches in UAE (2024: 59 branches) and 3 overseas branches in Iraq, Qatar and Sudan and subsidiaries in the UAE and the United Kingdom. The condensed consolidated interim financial statements combine the activities of the Bank's head office, its branches and subsidiaries.

The registered office of the Bank is at P O Box 313, Abu Dhabi, UAE.

The condensed consolidated interim financial statements of the Group were authorised for issue by the Board of Directors on 23 July 2025.

**2 Definitions**

The following terms are used in the condensed consolidated interim financial statements with the meanings specified:

**Murabaha**

A sale contract, in which the Group sells to a customer a physical asset, goods, or shares already owned and possessed (either physically or constructively) at a selling price that consists of the purchase cost plus a mark-up profit.

**Istisna'a**

A sale contract, in which the Group (Al Saanee) sells an asset to be developed using its own materials to a customer (Al Mustasnee) according to pre-agreed upon precise specification, at a specific price, installments dates and to be delivered on a specific date. This developed asset can be either developed directly by the Group or through a subcontractor and then it is handed over to the customer on the pre-agreed upon date.

**Ijara**

A lease contract whereby the Group (the Lessor) leases to a customer (the Lessee) a service or the usufruct of an owned or rented physical asset that either exists currently or to be constructed in future (forward lease) for a specific period of time at specific rental installments. The lease contract could be ended by transferring the ownership of a leased physical asset through an independent mode to the lessee.

**Notes to the condensed consolidated interim financial statements  
30 June 2025 (Unaudited)**

**2 Definitions (continued)**

**Qard Hasan**

A non-profit bearing loan that enables the borrower to use the borrowed amount for a specific period of time, at the end of which the same borrowed amounts would be repaid free of any charges or profits.

**Musharaka**

A contract between the Group and a customer to entering into a partnership in an existing project (or to be established), or in the ownership of a specific asset, either on ongoing basis or for a limited time, during which the Group enters in particular arrangements with the customer to sell to him/her its share in this partnership until he/she becomes the sole owner of it (diminishing musharaka). Profits are distributed according to the mutual agreement of the parties as stipulated in the contract; however, losses are borne according to the exact shares in the Musharaka capital on a pro-rata basis.

**Mudaraba**

A contract between the Group and a customer, whereby one party provides the funds (Rab Al Mal) and the other party (the Mudarib) invests the funds in a project or a particular activity and any generated profits are distributed between the parties according to the profit shares that were pre-agreed upon in the contract. The Mudarib is responsible of all losses caused by his misconduct, negligence or violation of the terms and conditions of the Mudaraba; otherwise, losses are borne by Rab Al Mal.

**Wakalah**

A contract between the Group and a customer whereby one party (the principal: the Muwakkil) appoints the other party (the agent: Wakil) to invest certain funds according to the terms and conditions of the Wakala for a fixed fee in addition to any profit exceeding the expected profit as an incentive for the Wakil for the good performance. Any losses as a result of the misconduct or negligence or violation of the terms and conditions of the Wakala are borne by the Wakil; otherwise, they are borne by the principal.

**Sukuk**

Certificates which are equal in value and represent common shares in the ownership of a specific physical asset (leased or to be leased either existing or to be constructed in future), or in the ownership of cash receivables of selling an existing-owned asset, or in the ownership of goods receivables, or in the ownership of the assets of Mudaraba or Partnership companies. In all these cases, the Sukuk holders shall be the owners of their common shares in the leased assets, or in the cash receivables, or the goods receivable, or in the assets of the Partnership or the Mudaraba.

**3 Basis of preparation**

**3.1 (a) Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and in compliance with general principles of the Shari'a as determined by the Group's Internal Shari'a Supervisory Committee and applicable requirements of the laws of the UAE.

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**3 Basis of preparation (continued)**

**3.1 (b) Accounting convention**

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income, Shari'a compliant alternatives of derivative financial instruments which have been measured at fair value and land, held as property and equipment, which has been carried at revalued amount.

The condensed consolidated interim financial statements have been presented in UAE Dirhams (AED), which is the functional currency of the Bank and all values are rounded to the nearest thousand AED except where otherwise indicated.

**3.1 (c) Basis of consolidation**

The condensed consolidated interim financial statements comprise the financial statements of the Bank and those of its following subsidiaries:

	Activity	Country of incorporation	Percentage of holding	
			2025	2024
Abu Dhabi Islamic Bank – Egypt (S.A.E)**	Islamic banking	Egypt	53%	53%
Abu Dhabi Islamic Securities Company LLC	Equity brokerage services	United Arab Emirates	95%	95%
Burooj Properties LLC	Real estate investments	United Arab Emirates	100%	100%
MPM Properties LLC	Real estate services	United Arab Emirates	100%	100%
ADIB Invest 1	Equity brokerage services	BVI	100%	100%
Kawader Services LLC	Manpower supply	United Arab Emirates	100%	100%
ADIB (UK) Limited	Other services	United Kingdom	100%	100%
ADIB Capital Ltd	Funds services	United Arab Emirates	100%	100%
Fractionalized Sukuk Holding Limited*	Special purpose vehicle	United Arab Emirates	-	-
ADIB Sukuk Company II Ltd*	Special purpose vehicle	Cayman Island	-	-
ADIB Capital Invest 3 Ltd*	Special purpose vehicle	Cayman Island	-	-

\*The Bank does not have any direct holding in these entities and they are considered to be a subsidiary by virtue of control.

\*\* It has been approved by ADIB Internal Shari'a Supervisory Committee to consolidate the financial statements of ADIB Egypt with ADIB Group following the use of an exceptionally acceptable structure in the absence of a permanent structure to invest ADIB Egypt liquidity in a way other than the direct investment of such liquidity in the conventional securities issued by the Central Bank of Egypt and which allowed the recognition of the income accordingly. The Bank continues to recognize the profits that have been purified prior the use of the structured mentioned above.

These condensed consolidated interim financial statements include the operations of the subsidiaries over which the Bank has control. Subsidiaries are fully 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.

The financial statements of the subsidiaries are prepared for the same reporting year as the Bank, using consistent accounting policies. All intra-group balances, transactions, income and expenses and gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interest represent the portion of the net income or loss and net assets of the subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity of the Bank.

**Notes to the condensed consolidated interim financial statements  
30 June 2025 (unaudited)****3 Basis of preparation (continued)****3.2 Significant judgements and estimates**

The preparation of the condensed consolidated interim financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors. In order to reduce the element of subjectivity, the Group has laid down clear criteria to enable estimation of future cash flows. As estimates are based on judgments, actual results may differ, resulting in future changes in such provisions.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2024.

**4 Material accounting policies**

The condensed consolidated interim financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. In addition, results for the six months ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The accounting policies used in the preparation of the condensed consolidated interim financial statements, except as mentioned below, are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

**Collateralised Murabaha**

The Group entered into collateralized murabaha arrangement whereby sukuk are held as collateral with counterparties. The liability to the counterparties under these agreements are shown as "Collateralised Murabaha" in the interim condensed consolidated financial statements. The Murabaha installment (profit) paid to the counterparties over the life of the Collateralised Murabaha is recorded in the interim condensed consolidated financial statements.

**Changes in accounting policies after the adoption of IFRS**

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

- Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not .

**Notes to the condensed consolidated interim financial statements  
30 June 2025 (unaudited)**

**4 Material accounting policies (continued)**

**New and revised IFRS in issue but not yet effective and not early adopted**

<b><u>New and revised IFRSs</u></b>	<b><u>Effective for annual periods beginning on or after</u></b>
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual improvements to IFRS Accounting Standard – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosure	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Deferred indefinitely

The above stated new standards and amendments are not expected to have any significant impact on the consolidated interim financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated interim financial statements of the Company.

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**5 Income from Murabaha, Mudaraba, Ijara and other Islamic financing from customers**

	Three months ended 30 June		Six months ended 30 June	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Vehicle murabaha	248,804	192,758	481,204	368,278
Goods murabaha	465,140	384,222	919,992	693,137
Share murabaha	219,857	219,224	438,980	441,080
Commodities murabaha – Al Khair	146,350	126,597	288,017	245,599
Islamic covered cards (murabaha)	145,158	109,686	275,223	218,031
Other murabaha	282,641	185,762	523,303	369,451
Total murabaha	1,507,950	1,218,249	2,926,719	2,335,576
Mudaraba	219,028	197,636	428,225	384,447
Wakala	38,504	72,324	86,471	152,798
Ijara	866,556	688,877	1,651,966	1,385,296
Istisna'a	2,523	1,220	5,066	1,532
	2,634,561	2,178,306	5,098,447	4,259,649

**6 Income from investments measured at fair value**

	Three months ended 30 June		Six months ended 30 June	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Income from sukuk measured at fair value through profit or loss	26,414	26,086	52,391	53,794
Income from sukuk measured at fair value through other comprehensive income	26,252	28,607	56,993	57,432
Realised gain on sale of investments carried at fair value through profit or loss	10,321	4,968	17,026	15,358
Unrealised (loss) gain on investments carried at fair value through profit or loss	(3,795)	1,079	5,423	343
Realised gain on investments carried at FVTOCI Sukuk	-	-	1,931	-
Gain from other investment assets	3,530	2,515	8,846	5,168
Dividend income	1,839	576	1,839	576
	64,561	63,831	144,449	132,671

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**7 Fees and commission income, net**

	Three months ended 30 June		Six months ended 30 June	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
<b>Fees and commission income</b>				
Fees and commission income on cards	510,816	424,420	1,007,199	831,038
Trade related fees and commission	41,328	37,042	114,834	73,832
Accounts services fees	40,067	34,147	79,125	68,645
Projects and property management fees	16,006	10,011	33,265	22,818
Risk participation and arrangement fees	101,913	48,959	166,483	87,643
Brokerage fees and commission	15,213	8,899	25,172	17,534
Other fees and commissions	187,515	154,585	369,488	316,727
<b>Total fees and commission income</b>	<b>912,858</b>	<b>718,063</b>	<b>1,795,566</b>	<b>1,418,237</b>
<b>Fees and commission expenses</b>				
Card related fees and commission expenses	(318,422)	(241,456)	(611,076)	(490,106)
Other fees and commission expenses	(47,883)	(39,664)	(93,928)	(72,987)
<b>Total fees and commission expenses</b>	<b>(366,305)</b>	<b>(281,120)</b>	<b>(705,004)</b>	<b>(563,093)</b>
<b>Fees and commission income, net</b>	<b>546,553</b>	<b>436,943</b>	<b>1,090,562</b>	<b>855,144</b>

**8 Employees' costs**

	Three months ended 30 June		Six months ended 30 June	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Salaries and wages	437,386	408,002	877,454	807,522
End of service benefits	28,878	25,002	48,502	42,960
Other staff expenses	39,066	32,786	71,067	70,901
<b>Total employees' costs</b>	<b>505,330</b>	<b>465,790</b>	<b>997,023</b>	<b>921,383</b>



**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**9 General and administrative expenses**

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Legal and professional expenses	32,754	30,560	72,395	66,793
Premises expenses	26,707	26,281	49,521	52,024
Marketing and advertising expenses	21,035	22,023	43,933	40,522
Communication expenses	29,239	26,163	58,959	52,103
Technology related expenses	76,425	67,596	153,634	129,991
Finance cost on lease liabilities	1,548	1,649	3,050	3,356
Other operating expenses	58,653	40,217	112,631	94,460
	<b>246,361</b>	<b>214,489</b>	<b>494,123</b>	<b>439,249</b>

**10 Provision for impairment, net**

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Murabaha and other Islamic financing	196,755	40,364	279,828	124,155
Ijara financing	25,015	215,265	81,041	243,556
Direct write-off, net of recoveries	2,291	4,573	4,894	7,463
Others	(24,578)	32,355	(60,700)	26,530
	<b>199,483</b>	<b>292,557</b>	<b>305,063</b>	<b>401,704</b>

**11 Distribution to depositors and sukuk holders**

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Investment accounts	1,279,091	1,031,208	2,498,413	1,980,421
Sukuk holders	26,067	25,996	52,066	52,140
	<b>1,305,158</b>	<b>1,057,204</b>	<b>2,550,479</b>	<b>2,032,561</b>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**12 Tax**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. As the Group’s accounting year ends on 31 December, the first tax period commenced from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

Furthermore, Bank pays taxes on its international branches and subsidiary in accordance with the tax laws prevailing in those countries mainly Egypt where the tax rate is 22.5%.

The current tax charge is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2025 AED ‘000	2024 AED ‘000	2025 AED ‘000	2024 AED ‘000
As per UAE Corporate Tax Law	<b>146,602</b>	124,394	<b>283,019</b>	225,454
As per other international tax jurisdiction	<b>93,973</b>	73,854	<b>183,568</b>	164,423
	<b>240,575</b>	198,248	<b>466,587</b>	389,877
Effective Tax Rate (“ETR”)	<b>11.9%</b>	11.2%	<b>11.8%</b>	11.4%

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**12 Tax continued**

The reconciliation of tax expense to the accounting profit before tax is as follows:

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED '000</b>	<b>AED '000</b>
Accounting Profit before tax	<b>3,957,101</b>	3,419,283
Tax expense at 9% (UAE Corporate tax rate)	<b>356,139</b>	307,735
<b>Tax effect of difference:</b>		
Tax effect of different tax rates operating in different jurisdictions	<b>118,798</b>	98,781
Others	<b>(8,350)</b>	(16,639)
	<b>466,587</b>	389,877

**Pillar 2**

In line with the OECD's Global Minimum Tax initiative (Pillar Two), the UAE Ministry of Finance has implemented a Domestic Minimum Top-Up Tax (DMTT) of 15%, which will be applicable to Multinational Enterprises (MNEs) for financial years commencing on or after 1 January 2025. The Group qualifies as an MNE, having consolidated revenue that exceeds the EUR 750 million threshold in two out of the four preceding years; therefore, the DMTT regulations will apply to the Group.

As per Article 9.3 of the UAE DMTT framework offers Initial Phase of International Activity (IPIA) relief, which permits a reduction of the top-up tax to zero for UAE entities for up to five years, provided that specific conditions are met. The Group fulfills the criteria for IPIA relief for FY 2025.

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**13 Basic and diluted earnings per share**

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of any financial instruments with dilutive effects.

The following reflects the income and shares data used in the earnings per share computations:

	Notes	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
Profit for the period attributable to equity holders - (AED '000)		<b>1,676,381</b>	1,493,042	<b>3,292,353</b>	2,849,979
Less: profit attributable to Tier 1 sukuk:					
- Listed (third issue) - (AED '000)	<b>32</b>	-	-	<b>(99,846)</b>	(99,846)
- Government of Abu Dhabi - (AED '000)	<b>32</b>	<b>(69,298)</b>	(77,583)	<b>(69,298)</b>	(77,583)
Profit for the period attributable to ordinary shareholders after deducting profit relating to Tier 1 sukuk (AED '000)		<b>1,607,083</b>	1,415,459	<b>3,123,209</b>	2,672,550
Weighted average number of ordinary shares in issue (000's)		<b>3,632,000</b>	3,632,000	<b>3,632,000</b>	3,632,000
Basic and diluted earnings per share (AED)		<b>0.442</b>	0.390	<b>0.860</b>	0.736

The Bank does not have any instruments which would have a dilutive impact on earnings per share when converted or exercised. Profit on Tier 1 sukuk is reflected in the EPS computation on the payment of such profit.

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**14 Cash and balances with central banks**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Cash on hand	<b>2,216,468</b>	2,112,161
Balances with central banks:		
- Current accounts	<b>623,322</b>	1,143,318
- Statutory reserve	<b>21,559,621</b>	19,229,985
- Islamic certificate of deposits	<b>13,448,280</b>	9,555,686
	<b>37,847,691</b>	32,041,150
Less: provision for impairment	<b>(3,029)</b>	(1,208)
	<b>37,844,662</b>	32,039,942

The Bank is required to maintain statutory reserves with the Central Bank of the UAE, Egypt, Iraq and Sudan on demand, time and other deposits. The statutory reserves are not available for use in the Bank's day-to-day operations and cannot be withdrawn without the approval of the Central Bank. Cash on hand and current accounts are not profit-bearing. Islamic certificate of deposits are profit bearing, which is based on entering into international commodities Murabaha transaction in which Central Bank of the UAE and Central Bank of Iraq are the buyers and the Bank is the seller.

The distribution of the cash and balances with central banks by geographic region is as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
UAE	<b>33,766,874</b>	28,183,540
Rest of the Middle East	<b>2,422,280</b>	2,394,497
Others	<b>1,658,537</b>	1,463,113
	<b>37,847,691</b>	32,041,150

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**15 Balances and wakala deposits with Islamic banks and other financial institutions**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Current accounts	788,639	848,985
Wakala deposits	7,963,033	6,808,703
	<hr/>	<hr/>
Less: provision for impairment	8,751,672 (12,346)	7,657,688 (7,749)
	<hr/>	<hr/>
	<b>8,739,326</b>	<b>7,649,939</b>
	<hr/>	<hr/>

In accordance with Shari'a principles, deposits are invested only with Islamic financial institutions. The Bank does not earn profits on current accounts with banks and financial institutions.

The distribution of the balances and wakala deposits with Islamic banks and other financial institutions by geographic region is as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
UAE	545,680	57,495
Rest of the Middle East	7,330,140	6,528,742
Europe	170,112	313,737
Others	705,740	757,714
	<hr/>	<hr/>
	<b>8,751,672</b>	<b>7,657,688</b>
	<hr/>	<hr/>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**16 Murabaha and Mudaraba with financial institutions**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Murabaha	<b>3,976,156</b>	2,991,073
Less: provision for impairment	<b>(19,264)</b>	(33,544)
	<b>3,956,892</b>	2,957,529

In accordance with Shari'a principles, Mudaraba are with Islamic financial institutions or provided for the activities that are entirely Sharia' compliant.

The distribution of the gross murabaha and mudaraba with financial institutions by geographic region is as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
UAE	<b>43,532</b>	23,492
Rest of the Middle East	<b>184,046</b>	100,269
Others	<b>3,748,578</b>	2,867,312
	<b>3,976,156</b>	2,991,073

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**17 Murabaha and other Islamic financing**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Vehicle murabaha	13,318,874	11,654,053
Goods murabaha	47,028,946	35,889,499
Share murabaha	10,812,396	11,129,377
Commodities murabaha – Al Khair	11,146,892	10,475,983
Islamic covered cards (Murabaha)	15,091,470	12,435,065
Other murabaha	13,850,621	12,342,823
	<hr/>	<hr/>
Total murabaha	111,249,199	93,926,800
Mudaraba	5,894,761	4,732,765
Wakala	2,953,513	3,692,104
Istisna'a	137,493	104,910
Other financing receivables	138,923	181,366
	<hr/>	<hr/>
Total murabaha and other Islamic financing	120,373,889	102,637,945
Less: deferred income on murabaha	(19,019,265)	(15,627,648)
	<hr/>	<hr/>
	101,354,624	87,010,297
Less: provision for impairment	(1,678,448)	(1,665,674)
	<hr/>	<hr/>
	99,676,176	85,344,623
	<hr/>	<hr/>



**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**17 Murabaha and other Islamic financing (continued)**

The distribution of the gross murabaha and other Islamic financing by industry sector and geographic region was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b>Industry sector</b>		
Government	13,857,795	9,497,175
Public sector	18,953,137	14,023,427
Corporates	8,743,223	7,467,357
Financial institutions	6,460,517	6,412,769
Individuals	51,729,178	48,216,977
Small and medium enterprises	1,610,774	1,392,592
	<b>101,354,624</b>	<b>87,010,297</b>
<b>Geographic region</b>		
UAE	75,328,964	67,892,641
Rest of the Middle East	11,838,310	7,832,576
Europe	3,940,800	3,700,564
Others	10,246,550	7,584,516
	<b>101,354,624</b>	<b>87,010,297</b>

**18 Ijara financing**

This represents net investment in assets leased for periods which either approximate or cover major parts of the estimated useful lives of such assets. The documentation includes a separate undertaking from the Bank to sell the leased assets to the lessee upon the maturity of the lease.

The aggregate future lease receivables are as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Ijara Financing	65,862,024	60,108,940
Less: provision for impairment	(2,787,313)	(2,842,724)
	<b>63,074,711</b>	<b>57,266,216</b>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**18 Ijara financing (continued)**

The distribution of the gross ijara financing by industry sector and geographic region was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b>Industry sector</b>		
Government	1,429,632	1,538,884
Public sector	5,992,655	4,901,628
Corporates	16,120,425	17,958,261
Individuals	41,880,071	35,376,612
Small and medium enterprises	324,837	175,441
Non-profit organisations	114,404	158,114
	<b>65,862,024</b>	<b>60,108,940</b>
<b>Geographic region</b>		
UAE	63,023,306	57,501,433
Rest of the Middle East	1,627,718	1,579,789
Europe	507,800	514,035
Others	703,200	513,683
	<b>65,862,024</b>	<b>60,108,940</b>

**19 Investment in sukuk measured at amortised cost**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Sukuk – Quoted	29,295,069	23,862,504
Less: provision for impairment	(95,113)	(104,411)
	<b>29,199,956</b>	<b>23,758,093</b>

The Group entered into collateralized murabaha arrangement whereby sukuks are held as collateral with counterparties. The risks and rewards relating to the sukuks collateralised remain with the Group. At 30 June 2025, certain sukuks with an aggregate carrying value of AED 6,200,042 thousand (fair value of AED 5,954,133 thousand) [31 December 2024: nil] which were collateralized against Collateralised murabaha amounts to AED 5,429,168 thousand (31 December 2024: nil).

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**19 Investment in sukuk measured at amortised cost (continued)**

The distribution of the gross investments by geographic region was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
UAE	14,171,757	12,095,090
Rest of the Middle East	12,595,943	8,925,158
Europe	91,287	91,232
Others	2,436,082	2,751,024
	<b>29,295,069</b>	<b>23,862,504</b>

**20 Investments measured at fair value**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<i>Investments carried at fair value through profit or loss</i>		
Quoted investments		
Equities	9,970	24,546
Sukuk	2,047,472	1,899,327
	<b>2,057,442</b>	<b>1,923,873</b>
Unquoted sukuk	<b>331,703</b>	<b>327,586</b>
	<b>2,389,145</b>	<b>2,251,459</b>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**20 Investments measured at fair value (continued)**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<i>Investments carried at fair value through other comprehensive income</i>		
Quoted investments		
Equities	25,614	24,882
Sukuk	2,810,208	2,924,449
	<u>2,835,822</u>	<u>2,949,331</u>
Unquoted investments		
Sukuk	58,323	68,686
Funds	187,072	214,338
Private equities	116,261	115,827
	<u>361,656</u>	<u>398,851</u>
	<u>3,197,478</u>	<u>3,348,182</u>
Less: provision for impairment	5,586,623 (52,877)	5,599,641 (71,237)
	<u>5,533,746</u>	<u>5,528,404</u>

Unquoted sukuk carried at fair value through profit or loss includes financial assets acquired as part of settlement of an existing financing exposure that has been transferred to a new entity controlled by the financiers. The instrument is expected to be settled through sale of operating assets transferred to the new entity.

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**20 Investments measured at fair value (continued)**

The distribution of the gross investments by geographic region was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b>Geography region</b>		
UAE	3,174,576	2,792,343
Rest of the Middle East	1,613,078	1,791,738
Europe	11,764	11,582
Others	787,205	1,003,978
	<b>5,586,623</b>	<b>5,599,641</b>

**21 Investment in associates and joint ventures**

The movement in the carrying amount during the period was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
At the beginning of the period	910,854	849,490
Share of results	49,600	99,894
Dividends received	(18,250)	(18,124)
Foreign currency translation	27,117	(20,406)
	<b>969,321</b>	<b>910,854</b>
Less: provision for impairment	(15,156)	(15,156)
	<b>954,165</b>	<b>895,698</b>
Net balance at the end of the period		

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**21 Investment in associates and joint ventures (continued)**

The movement in the provision for impairment during the period was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
At the beginning / end of the period	<b>15,156</b>	15,156

Details of the Bank's investment in associates and joint ventures at 30 June is as follows:

	Place of incorporation	Proportion of ownership interest		Principal activity
		2025 %	2024 %	
<i>Associates</i>				
Abu Dhabi National Takaful PJSC	UAE	42	42	Islamic insurance
Bosna Bank International D.D	Bosnia	27	27	Islamic banking
The Residential REIT (IC) Limited	UAE	29	29	Real estate fund
<i>Joint ventures</i>				
Saudi Finance Company CSJC	Kingdom of Saudi Arabia	51	51	Islamic Retail Finance
Arab Link Money Transfer PSC (under liquidation)	UAE	51	51	Currency Exchange
Abu Dhabi Islamic Merchant Acquiring Company LLC	UAE	51	51	Merchant acquiring

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**22 Investment properties**

The movement in investment properties balance during the period was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b>Cost</b>		
Balance at the beginning of the period	1,496,592	1,499,533
Foreign currency translation	13	(828)
Disposals during the period	(20,217)	(2,113)
	<hr/>	<hr/>
Gross balance at the end of the period	1,476,388	1,496,592
Less: provision for impairment	(31,943)	(31,943)
	<hr/>	<hr/>
Net balance at the end of the period	1,444,445	1,464,649
	<hr/>	<hr/>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period	131,661	117,516
Charge for the period	7,066	14,587
Relating to disposals	(11,716)	(442)
	<hr/>	<hr/>
Balance at the end of the period	127,011	131,661
	<hr/>	<hr/>
Net book value at the end of the period	1,317,434	1,332,988
	<hr/>	<hr/>

The property rental income earned by the Group from its investment properties, that are leased out under operating leases, amounted to AED 18,828 thousand (30 June 2024: AED 18,736 thousand) for the six months period ended 30 June 2025.

The movement in the provision for impairment during the period was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
At the beginning of the period	31,943	119,247
Reversals during the year	-	(87,000)
Relating to disposals	-	(304)
	<hr/>	<hr/>
At the end of the period	31,943	31,943
	<hr/>	<hr/>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**22 Investment properties (continued)**

The distribution of the investment properties by geographic region was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
UAE	1,340,702	1,356,141
Rest of the Middle East	8,214	8,214
Others	461	576
	<b>1,349,377</b>	<b>1,364,931</b>

**23 Development properties**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
At the beginning of the period	846,620	846,620
Additions during the period	20,025	-
	<b>866,645</b>	<b>846,620</b>
Less: provision for impairment	<b>(123,680)</b>	<b>(123,680)</b>
	<b>742,965</b>	<b>722,940</b>

The movement in the provision for impairment during the period was as follows:

At the beginning/end of the period	<b>123,680</b>	<b>123,680</b>
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Development properties include land with a carrying value of AED 676,320 thousand (2024: AED 676,320 thousand) pertaining to a subsidiary of the Bank.

All development properties are located in the UAE.



**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**24 Other assets**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Acceptances	756,007	1,034,329
Assets acquired in satisfaction of claims	132,451	88,425
Trade receivables	496,572	475,733
Prepaid expenses	1,328,555	1,274,549
Accrued profit	955,958	675,554
Positive fair value of Shari'a compliant alternatives of derivative financial instruments	19,593	-
Others, net	2,479,598	1,809,296
	<b>6,168,734</b>	<b>5,357,886</b>

Assets acquired in exchange for claims in order to achieve an orderly realization are recorded as "Assets acquired in satisfaction of claims". The asset acquired is recorded at the lower of its fair value less costs to sell and the carrying amount of the claim (net of provision for impairment) at the date of exchange.

**25 Goodwill and intangibles**

	<b>Other intangible assets</b>			
	<b>Goodwill AED '000</b>	<b>Core deposit AED '000</b>	<b>License AED '000</b>	<b>Total AED '000</b>
At 1 January 2024 – audited	246,878	156,722	231,738	635,338
Exchange translation differences	(53,805)	(70,169)	(91,019)	(214,993)
Amortisation during the year	-	(10,477)	-	(10,477)
<b>At 1 January 2025 – audited</b>	<b>193,073</b>	<b>76,076</b>	<b>140,719</b>	<b>409,868</b>
Exchange translation & other differences	40,134	2,592	3,358	46,084
Amortisation during the period	-	(4,557)	-	(4,557)
<b>At 30 June 2025 - unaudited</b>	<b>233,207</b>	<b>74,111</b>	<b>144,077</b>	<b>451,395</b>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**26 Due to financial institutions**

	<b>30 June 2025 AED '000 (unaudited)</b>	31 December 2024 AED '000 (audited)
Current accounts	1,952,548	1,734,019
Investment deposits	1,699,842	3,795,650
Collateralised murabaha with banks	5,429,168	-
	<u>9,081,558</u>	<u>5,529,669</u>

The collateral provided against these collateralised murabaha are disclosed in note 19.

**27 Depositors' accounts**

	<b>30 June 2025 AED '000 (unaudited)</b>	31 December 2024 AED '000 (audited)
Current accounts	55,883,893	50,819,862
Investment accounts	156,194,692	131,118,093
Investment risk reserve	752,866	737,298
	<u>212,831,451</u>	<u>182,675,253</u>

The movement in the investment risk reserve during the period was as follows:

At the beginning of the period	737,298	759,312
Share of profit and payments made during the period	15,568	(22,014)
	<u>752,866</u>	<u>737,298</u>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**27 Depositors' accounts (continued)**

The distribution of the gross depositors' accounts by industry sector was as follows:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
Government	34,495,132	31,027,886
Public sector	23,335,753	12,705,731
Corporates	19,948,030	16,442,512
Financial institutions	3,132,264	3,633,921
Individuals	103,287,378	94,586,219
Small and medium enterprises	24,406,930	20,618,189
Non-profit organisations	4,225,964	3,660,795
	<b>212,831,451</b>	<b>182,675,253</b>

The Bank invests all of its investment accounts including saving accounts, adjusted for UAE, Egypt, Iraq and Sudan Central Bank reserve requirements and the Group's liquidity requirements.

With respect to investment deposits, the Bank is liable only in case of misconduct, negligence or breach of contract otherwise it is on the account of the fund's provider (Rab Al Mal) or the principal (the Muwakkil).

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**28 Other liabilities**

	<b>30 June 2025 AED '000 (unaudited)</b>	31 December 2024 AED '000 (audited)
Accounts payable	718,918	560,794
Acceptances	756,007	1,034,329
Lease liabilities	170,624	139,116
Accrued profit for distribution to depositors and sukuk holders	781,805	730,810
Bankers' cheques	1,683,092	1,808,080
Provision for staff benefits and other expenses	444,914	551,212
Retentions payable	101,765	75,598
Advances from customers	79,555	44,051
Accrued expenses	344,500	309,934
Deferred income	399,766	364,931
Negative fair value of Shari'a compliant alternatives of derivative financial instruments (note 40)	3,589	11,188
Others	2,410,761	1,921,342
	<b>7,895,296</b>	<b>7,551,385</b>

**29 Sukuk financing instrument**

	<b>30 June 2025 AED '000 (unaudited)</b>	31 December 2024 AED '000 (audited)
Sukuk financing instrument	1,836,250	1,836,250

In November 2023, the Bank through a AAOIFI Shari'a compliant sukuk arrangement, raised medium term green sukuk amounting to AED 1,836,250 thousand (USD 500 million) under a USD 5 billion programme. The sukuk are listed on the London Stock Exchange's International Securities Market (ISM) and the Abu Dhabi Securities Exchange (ADX). The sukuk will mature in November 2028. The sukuk deserved rental proceeds are distributed in accordance with expected profit rate.

**Notes to the condensed consolidated interim financial statements  
30 June 2025 (unaudited)**

**29 Sukuk financing instrument (continued)**

**Terms of arrangement**

The terms of the arrangement include transfer of the ownership of certain assets (the "Ijarah Assets"), from identified ijara financing assets in the portfolio of the Bank, to a sukuk company, ADIB Sukuk Company II Ltd - the Issuer, a subsidiary of the Bank, specially formed for the sukuk transaction. The assets are owned by the Sukuk holders, however the assets are controlled by the Bank and shall continue to be serviced by the Bank as the Servicing agent.

The issuer will pay the quarterly distribution amount from rental proceeds generated and received from the Ijarah Assets. Such proceeds are expected to be sufficient to cover the quarterly distribution amount payable to the sukuk holders on the quarterly distribution dates. Upon maturity of the sukuk, the Bank has undertaken to repurchase the Ijarah Assets at an exercise price, specified in the relevant Purchase Undertaking.

**30 Share capital**

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b><i>Authorised share capital</i></b>		
4,000,000 thousand (2024: 4,000,000 thousand)		
ordinary shares of AED 1 each (2024: AED 1 each)	<b>4,000,000</b>	<b>4,000,000</b>
<b><i>Issued and fully paid share capital</i></b>		
3,632,000 thousand (2024: 3,632,000 thousand)		
ordinary shares of AED 1 each (2024: AED 1 each)	<b>3,632,000</b>	<b>3,632,000</b>

Notes to the condensed consolidated interim financial statements  
30 June 2025 (unaudited)

31 Other reserves

	Cumulative changes in fair values AED '000	Land revaluation reserve AED '000	Foreign currency translation reserve AED '000	Hedging reserve AED '000	Impairment reserve – Specific AED '000	Impairment reserve – General AED '000	Others AED '000	Total AED '000
<b>At 1 January 2025 - audited</b>	<b>(331,204)</b>	<b>137,400</b>	<b>(1,690,718)</b>	<b>(3,341)</b>	<b>-</b>	<b>331,186</b>	<b>(3,314)</b>	<b>(1,559,991)</b>
Net movement in valuation of equity investment carried at FVTOCI	47,642	-	-	-	-	-	-	47,642
Net movement in valuation of investment in sukuk carried at FVTOCI	(1,112)	-	-	-	-	-	-	(1,112)
Loss on disposal of investments carried at FVTOCI	28,998	-	-	-	-	-	-	28,998
Exchange differences arising on translation of foreign operations	-	-	32,817	-	-	-	-	32,817
Loss on hedge of foreign operations	-	-	(7,937)	-	-	-	-	(7,937)
Fair value gain on cash flow hedges	-	-	-	14,894	-	-	-	14,894
Net movement in impairment reserve – General	-	-	-	-	-	123,638	-	123,638
Net movement in other reserves	-	-	-	-	-	-	4,319	4,319
<b>At 30 June 2025 - unaudited</b>	<b>(255,676)</b>	<b>137,400</b>	<b>(1,665,838)</b>	<b>11,553</b>	<b>-</b>	<b>454,824</b>	<b>1,005</b>	<b>(1,316,732)</b>
<b>At 1 January 2024 - audited</b>	<b>(389,983)</b>	<b>137,400</b>	<b>(1,085,422)</b>	<b>2,064</b>	<b>207,673</b>	<b>43,696</b>	<b>(10,420)</b>	<b>(1,094,992)</b>
Net movement in valuation of equity investment carried at FVTOCI	(3,086)	-	-	-	-	-	-	(3,086)
Net movement in valuation of investment in sukuk carried at FVTOCI	4,965	-	-	-	-	-	-	4,965
Exchange differences arising on translation of foreign operations	-	-	(540,756)	-	-	-	-	(540,756)
Gain on hedge of foreign operations	-	-	2,012	-	-	-	-	2,012
Fair value gain on cash flow hedges	-	-	-	3,444	-	-	-	3,444
Net movement in impairment reserve – Specific	-	-	-	-	(12,855)	-	-	(12,855)
Net movement in impairment reserve – General	-	-	-	-	-	121,262	-	121,262
Net movement in other reserves	-	-	-	-	-	-	3,839	3,839
<b>At 30 June 2024 - unaudited</b>	<b>(388,104)</b>	<b>137,400</b>	<b>(1,624,166)</b>	<b>5,508</b>	<b>194,818</b>	<b>164,958</b>	<b>(6,581)</b>	<b>(1,516,167)</b>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**32 Tier 1 sukuk**

	<b>30 June 2025 AED '000 (unaudited)</b>	31 December 2024 AED '000 (audited)
Tier 1 sukuk – Listed (third issue)	2,754,375	2,754,375
Tier 1 sukuk – Government of Abu Dhabi	2,000,000	2,000,000
	<hr/> 4,754,375 <hr/>	<hr/> 4,754,375 <hr/>

**Tier 1 sukuk – Listed (third issue)**

On 18 July 2023, the Bank through a Shari'a compliant sukuk arrangement has issued Tier 1 sukuk – Listed (third issue) (the "Sukuk") amounting to AED 2,754,375 thousand (USD 750 million). This Sukuk was issued under the authorities approved by the shareholders of the Bank in the Annual General Meeting held on 06 March 2023. Issuance costs amounting to AED 12,305 thousand were incurred at the time of issuance.

This Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitute direct, unsecured, subordinated obligations of the Bank upon its conclusion subject to the terms and conditions of the mudaraba. The sukuk is listed on the London Stock Exchange's International Securities Market (ISM) and is callable by the Bank after period ending on 18 January 2029 (the "First Call Date") or any achieved profit payment date thereafter subject to certain conditions. The Sukuk bear an expected mudaraba profit rate of 7.25%, such achieved profit is payable during the initial period of five and half years semi-annually in arrears. After the initial period, and for every 5th year thereafter, resets to a new expected mudaraba profit rate based on the then 5.5 year US treasury rate plus an expected margin of 3.059%. Profit distributions will be reported in the consolidated statement of changes in equity.

The Bank may, at its sole discretion, elect not to make any mudaraba profit distributions as expected and the event is not considered an event of default. If the Bank makes a non-payment election or a non-payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or (b) redeem, purchase, cancel, reduce or otherwise acquire any of the share capital or any securities of the Bank ranking pari passu with or junior to the Sukuk except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until the occurrence of the next following payment of expected mudaraba profit distribution

**Notes to the condensed consolidated interim financial statements  
30 June 2025 (unaudited)**

**32 Tier 1 sukuk (continued)**

**Tier 1 sukuk – Government of Abu Dhabi**

On 16 April 2009, under the Government of Abu Dhabi Bank capitalisation programme, the Bank has issued Tier 1 sukuk (the "Sukuk-Gov") to the Department of Finance of the Government of Abu Dhabi, with a principal amount of AED 2,000,000 thousand. Issuance of this Sukuk-Gov was approved by the shareholders of the Bank in the Extraordinary General Meeting held on 22 March 2009.

On 15 December 2021, amended and restated Mudaraba Agreement was signed to make the Sukuk-Gov compliant with Basel 3.

This Sukuk-Gov is a perpetual security in respect of which there is no fixed redemption date and constitute direct, unsecured, subordinated obligations of the Bank subject to the terms and conditions of the Mudaraba. Based on the amended and restated Mudaraba Agreement dated 15 December 2021, the Sukuk-Gov is callable by the Bank after period ending on 16 April 2027 (the "Call Date") or any achieved profit payment date thereafter subject to certain conditions.

The Sukuk-Gov had an expected mudaraba profit rate of 6% payable during the initial period of five years semi-annually in arrears. The initial period of five years ended on 16 April 2014. After the initial period, Sukuk-Gov bear an expected variable mudaraba profit rate payable of 6 months EIBOR plus an expected margin of 2.3%. Profit distributions will be reported in the consolidated statement of changes in equity. No changes were made to expected mudaraba profit rates under the amended and restated Mudaraba Agreement dated 15 December 2021.

The Bank may, at its sole discretion, elect not to make any Mudaraba profit distributions as expected and the event is not considered an event of default. If the Bank makes a non-payment election or a non-payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or (b) redeem, purchase, cancel, reduce or otherwise acquire any of the share capital or any securities of the Bank ranking pari passu with or junior to the Sukuk except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until the occurrence of two consecutive expected mudaraba profit distribution.



**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**33 Contingent liabilities and commitments**

The Bank has the following credit related contingencies, commitments and other capital commitments:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b><i>Contingent liabilities</i></b>		
Letters of credit	2,306,886	2,174,348
Letters of guarantee	10,521,600	9,624,729
	<b>12,828,486</b>	<b>11,799,077</b>
<b><i>Commitments</i></b>		
Undrawn facilities commitments	4,135,491	3,542,190
Future capital expenditure	231,885	239,836
	<b>4,367,376</b>	<b>3,782,026</b>
	<b>17,195,862</b>	<b>15,581,103</b>

**34 Cash and cash equivalents**

	<b>Six months ended 30 June 2025 (unaudited)</b>	<b>Six months ended 30 June 2024 (unaudited)</b>
Cash and balances with central banks, short term	10,695,639	8,190,778
Balances and wakala deposits with Islamic banks and other financial institutions, short term	8,449,068	6,315,539
Murabaha and mudaraba with financial institutions, short term	43,532	29,618
Due to financial institutions, short term	(3,187,665)	(3,527,898)
	<b>16,000,574</b>	<b>11,008,037</b>

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**35 Related party transactions**

In the ordinary course of its activities, the Bank enters into transactions with related parties, comprising major shareholders, directors, associates and joint ventures, key management and their related concerns. The Bank obtains collateral, including charges over real estate properties and securities, the extent of which is dependent on the Bank's assessment of the credit risk of the related party. During 2021, related party financing were renegotiated based on the terms approved by the Board of Directors and are free of any specific provision for impairment. Transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During the period, significant transactions with related parties included in the condensed consolidated interim statement of profit or loss were as follows:

	Major shareholder AED '000	Directors AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<b>30 June 2025 - unaudited</b>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	4,531	-	4,531
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	20,821	4	7,193	41,415	69,433
Fees and commission income, net	1	26	14	1,642	1,683
Operating expenses	-	462	-	-	462
Distribution to depositors and sukuk holders	289	407	650	164	1,510
<b>30 June 2024 - unaudited</b>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	2,338	-	2,338
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	20,936	-	-	45,497	66,433
Fees and commission income, net	1	9	26	433	469
Operating expenses	-	378	-	-	378
Distribution to depositors and sukuk holders	1,252	362	925	615	3,154

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**35 Related party transactions**

The related party balances included in the condensed consolidated interim statement of financial position were as follows:

	Major shareholder AED '000	Directors AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<b>30 June 2025 - unaudited</b>					
Murabaha and mudaraba with financial Institutions	-	-	184,463	-	184,463
Murabaha, mudaraba, ijara and other Islamic financing	2,046,946	338	251,243	3,972,431	6,270,958
Other assets	-	-	46,208	49,890	96,098
	<b>2,046,946</b>	<b>338</b>	<b>481,914</b>	<b>4,022,321</b>	<b>6,551,519</b>
Due to financial institutions	-	-	197	-	197
Depositors' accounts	378	33,067	41,738	30,800	105,983
Other liabilities	-	6	35	49,960	50,001
	<b>378</b>	<b>33,073</b>	<b>41,970</b>	<b>80,760</b>	<b>156,181</b>
Contingencies	-	788	9,945	148,220	158,953
<b>31 December 2024 - audited</b>					
Murabaha and mudaraba with financial institutions	-	-	101,225	-	101,225
Murabaha, mudaraba, ijara and other Islamic financing	2,060,994	-	251,723	3,981,598	6,294,315
Other assets	-	-	39,257	-	39,257
	<b>2,060,994</b>	<b>-</b>	<b>392,205</b>	<b>3,981,598</b>	<b>6,434,797</b>
Due to financial institutions	-	-	177	-	177
Depositors' accounts	9	22,312	35,996	35,178	93,495
Other liabilities	-	-	300	48	348
	<b>9</b>	<b>22,312</b>	<b>36,473</b>	<b>35,226</b>	<b>94,020</b>
Contingencies	-	-	10,000	52,441	62,441

**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**35 Related party transactions (continued)**

**Compensation of key management personnel**

The compensation of key management personnel during the period was as follows:

	<b>Six months ended 30 June 2025 (unaudited)</b>	<b>Six months ended 30 June 2024 (unaudited)</b>
Salaries and other benefits	<b>15,320</b>	14,829
Employees' end of service benefits	<b>1,312</b>	1,372
	<b>16,632</b>	16,201

During 2025, AED 16,100 thousand was paid to Board of Directors pertaining to the year ended 31 December 2024 after the approval by the shareholders at the Annual General Assembly held on 10 March 2025.

**36 Segment information**

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision makers of the Bank in order to allocate resources to the segment and to assess its performance. Information reported to the chief operating decision makers for the purpose of resource allocation and assessment of performance is based on following strategic business units offering products and services to the different markets.

Global Retail banking - Principally handling small and medium businesses and individual customers' deposits, providing consumer and commercial murabahat, Ijara, Islamic covered card and funds transfer facilities and trade finance facilities.

Global Wholesale banking – Principally handling financing and other credit facilities and deposits and current accounts for corporate and institutional customers.

Private banking - Principally handling financing and other credit facilities, deposits and current accounts for high net worth individual customers.

Treasury – Principally handling money market, trading and treasury services, as well as the management of the Bank's funding operations by use of investment deposits.

Real estate – Subsidiaries of the Bank handling the acquisition, selling, development and leasing including both land and buildings, management and resale of properties and all associated activities.

Other operations - Other operations comprises mainly of Head Office including unallocated costs.

Associates and Subsidiaries – Include Banks subsidiaries (not included above), associates and joint ventures, operating within and outside UAE.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

**Notes to the condensed consolidated interim financial statements**  
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**36 Segment information (continued)**

	Global retail banking AED '000	Global wholesale banking AED '000	Private banking AED '000	Treasury AED '000	Real estate AED '000	Other operations AED '000	Associates & Subsidiaries AED '000	Total AED '000
<b>30 June 2025 – unaudited</b>								
<b>Revenue and results</b>								
Segment revenues, net	2,883,314	1,023,382	125,662	310,063	56,267	603,694	931,336	5,933,718
Operating expenses excluding provision for impairment, net	(1,146,157)	(143,669)	(43,475)	(22,533)	(31,675)	(80,662)	(203,383)	(1,671,554)
Operating profit	1,737,157	879,713	82,187	287,530	24,592	523,032	727,953	4,262,164
Provision for impairment, net	(220,580)	(98,752)	508	19,268	-	57,663	(63,170)	(305,063)
Profit for the period before tax	1,516,577	780,961	82,695	306,798	24,592	580,695	664,783	3,957,101
Tax	-	(23,840)	-	-	(2,213)	(283,994)	(156,540)	(466,587)
Profit for the period after tax	1,516,577	757,121	82,695	306,798	22,379	296,701	508,243	3,490,514
Non-controlling interest	-	-	-	-	-	-	(198,161)	(198,161)
Profit for the period attributable to equity holders of the Bank	1,516,577	757,121	82,695	306,798	22,379	296,701	310,082	3,292,353
<b>Assets</b>								
Segmental assets	102,685,406	73,706,885	5,371,760	46,749,977	2,116,790	5,023,677	24,697,100	260,351,595
<b>Liabilities</b>								
Segmental liabilities	112,704,728	59,829,614	15,765,839	16,979,506	87,599	5,572,225	20,705,044	231,644,555
<b>30 June 2024 – unaudited</b>								
<b>Revenue and results</b>								
Segment revenues, net	3,023,998	802,638	120,937	77,018	43,045	477,029	804,730	5,349,395
Operating expenses excluding provision for impairment, net	(1,044,071)	(138,343)	(44,130)	(23,765)	(26,619)	(45,691)	(205,789)	(1,528,408)
Operating profit	1,979,927	664,295	76,807	53,253	16,426	431,338	598,941	3,820,987
Provision for impairment, net	(282,970)	(72,159)	938	(32,948)	-	48,296	(62,861)	(401,704)
Profit for the period before zakat and tax	1,696,957	592,136	77,745	20,305	16,426	479,634	536,080	3,419,283
Zakat and tax	-	(17,147)	(1,213)	-	(1,453)	(220,345)	(149,719)	(389,877)
Profit for the period after zakat and tax	1,696,957	574,989	76,532	20,305	14,973	259,289	386,361	3,029,406
Non-controlling interest	-	-	-	-	-	-	(179,427)	(179,427)
Profit for the period attributable to equity holders of the Bank	1,696,957	574,989	76,532	20,305	14,973	259,289	206,934	2,849,979
<b>31 December 2024 – audited</b>								
<b>Assets</b>								
Segmental assets	91,021,539	64,618,530	5,285,170	36,338,884	2,073,119	5,203,757	21,368,796	225,909,795
<b>Liabilities</b>								
Segmental liabilities	102,835,267	46,882,672	14,735,220	10,518,202	84,231	4,604,021	17,932,944	197,592,557

## 36 Segment information (continued)

The Group operates in two principal geographic areas that are domestic and international. The United Arab Emirates is designated as domestic area which represents the operations of the Group that originates from the U.A.E. branches, associates and subsidiaries; and international area represents the operations of the Bank that originates from its branches in Iraq, Qatar and Sudan and through its subsidiaries and associates outside U.A.E.

			Six months ended <b>30 June 2025</b> (unaudited)			Six months ended <b>30 June 2024</b> (unaudited)
	<b>Domestic</b>	<b>International</b>	<b>Total</b>	<b>Domestic</b>	<b>International</b>	<b>Total</b>
	AED ‘000	AED ‘000	AED ‘000	AED ‘000	AED ‘000	AED ‘000
<b>Revenue and results</b>	<b>4,907,110</b>	<b>1,026,608</b>	<b>5,933,718</b>			
Segment revenues, net				4,421,402	927,993	5,349,395
Operating expenses excluding provision for impairment, net	(1,450,359)	(221,195)	(1,671,554)	(1,306,675)	(221,733)	(1,528,408)
Operating profit	3,456,751	805,413	4,262,164	3,114,727	706,260	3,820,987
Provision for impairment, net	(276,204)	(28,859)	(305,063)	(324,691)	(77,013)	(401,704)
<b>Profit for the period before tax</b>	<b>3,180,547</b>	<b>776,554</b>	<b>3,957,101</b>	<b>2,790,036</b>	<b>629,247</b>	<b>3,419,283</b>
Tax	(289,888)	(176,699)	(466,587)	(224,241)	(165,636)	(389,877)
<b>Profit for the period after tax</b>	<b>2,890,659</b>	<b>599,855</b>	<b>3,490,514</b>	<b>2,565,795</b>	<b>463,611</b>	<b>3,029,406</b>
Non-controlling interest	(1,493)	(196,668)	(198,161)	(1,167)	(178,260)	(179,427)
Profit for the period attributable to equity holders of the Bank	2,889,166	403,187	3,292,353	2,564,628	285,351	2,849,979
			<b>30 June</b>			<b>31 December</b>
			<b>2025</b>			<b>2024</b>
			(unaudited)			(audited)
	<b>Domestic</b>	<b>International</b>	<b>Total</b>	<b>Domestic</b>	<b>International</b>	<b>Total</b>
	AED ‘000	AED ‘000	AED ‘000	AED ‘000	AED ‘000	AED ‘000
<b>Assets</b>						
Segmental assets	230,406,269	29,945,326	260,351,595	199,424,832	26,484,963	225,909,795
<b>Liabilities</b>						
Segmental liabilities	208,086,656	23,557,899	231,644,555	176,651,702	20,940,855	197,592,557

Notes to the condensed consolidated interim financial statements  
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37 Risk management

Credit quality per stage for financial assets

The details of gross exposure of financial assets and their expected credit losses per stages was as follows:

	Gross exposure			Total AED '000	Expected credit loss (ECL)			Total AED '000
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000		Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	
<i>30 June 2025 - unaudited</i>								
Cash and balances with central banks	12,303,197	1,145,083	-	13,448,280	455	2,574	-	3,029
Balances and wakala deposits with								
Islamic banks and other financial institutions	8,751,672	-	-	8,751,672	12,346	-	-	12,346
Murabaha and mudaraba with financial institutions	3,920,339	55,817		3,976,156	19,102	162		19,264
Murabaha and other Islamic financing	96,826,268	3,578,772	949,584	101,354,624	517,968	494,832	665,648	1,678,448
Ijara financing	58,895,662	2,144,587	4,821,775	65,862,024	477,775	98,052	2,211,486	2,787,313
Investment in sukuk measured at amortised cost	29,283,281	-	11,788	29,295,069	83,325	-	11,788	95,113
Investments measured at fair value	2,809,839	-	58,692	2,868,531	8,989	-	43,888	52,877
Other assets	1,238,099	13,615	4,048	1,255,762	19,230	241	840	20,311
	<u>214,028,357</u>	<u>6,937,874</u>	<u>5,845,887</u>	<u>226,812,118</u>	<u>1,139,190</u>	<u>595,861</u>	<u>2,933,650</u>	<u>4,668,701</u>
Contingent liabilities and commitments	<u>16,127,281</u>	<u>367,465</u>	<u>469,231</u>	<u>16,963,977</u>	<u>139,807</u>	<u>10,519</u>	<u>53,646</u>	<u>203,972</u>
	<u>230,155,638</u>	<u>7,305,339</u>	<u>6,315,118</u>	<u>243,776,095</u>	<u>1,278,997</u>	<u>606,380</u>	<u>2,987,296</u>	<u>4,872,673</u>

Notes to the condensed consolidated interim financial statements  
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37 Risk management (continued)

Credit quality per stage for financial assets

	Gross exposure			Total AED '000	Expected credit loss (ECL)			Total AED '000
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000		Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	
<b>31 December 2024 - audited</b>								
Cash and balances with central banks	8,852,513	703,173	-	9,555,686	537	671	-	1,208
Balances and wakala deposits with Islamic banks and other financial institutions	7,657,688	-	-	7,657,688	7,749	-	-	7,749
Murabaha and mudaraba with financial institutions	2,991,073	-	-	2,991,073	33,544	-	-	33,544
Murabaha and other Islamic financing	83,693,459	2,300,809	1,016,029	87,010,297	444,350	437,945	783,379	1,665,674
Ijara financing	52,412,079	2,771,830	4,925,031	60,108,940	509,501	102,394	2,230,829	2,842,724
Investment in sukuk measured at amortised cost	23,850,716	-	11,788	23,862,504	92,623	-	11,788	104,411
Investments measured at fair value	2,925,081	-	68,054	2,993,135	19,579	-	51,658	71,237
Other assets	1,435,285	7,274	2,264	1,444,823	21,379	59	2,264	23,702
	183,817,894	5,783,086	6,023,166	195,624,146	1,129,262	541,069	3,079,918	4,750,249
Contingent liabilities and commitments	14,331,748	506,085	503,434	15,341,267	111,876	17,935	91,562	221,373
	198,149,642	6,289,171	6,526,600	210,965,413	1,241,138	559,004	3,171,480	4,971,622



**Notes to the condensed consolidated interim financial statements**  
**30 June 2025 (unaudited)**

**38 Capital adequacy ratio**

The Central Bank of the UAE sets and monitors capital requirements for the Group as a whole. 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.

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

For 2025 and onwards, CCB will be required to be maintained at 2.5% (2024: 2.5%) of the Capital base. In December 2024, CB UAE has decided to increase the CCyB requirement to 0.50% on the private sector credit exposures in the UAE. The requirement will phase-in over 12 months beginning from 1 January 2025 with CCyB rate of 0.50% becoming effective on 1 January 2026.

	<b>Basel III</b>	
	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
<b><i>Capital base</i></b>		
Common Equity Tier 1	22,338,383	19,316,205
Additional Tier 1 capital	4,854,999	4,843,132
	<hr/>	<hr/>
Tier 1 capital	27,193,382	24,159,337
Tier 2 capital	1,963,233	1,776,107
	<hr/>	<hr/>
<b>Total capital base</b>	<b>29,156,615</b>	<b>25,935,444</b>
	<hr/>	<hr/>
<b><i>Risk weighted assets</i></b>		
Credit risk	156,013,611	142,088,529
Market risk	3,130,099	2,804,211
Operational risk	16,905,468	15,090,593
	<hr/>	<hr/>
<b>Total risk weighted assets</b>	<b>176,049,178</b>	<b>159,983,333</b>
	<hr/>	<hr/>
<b><i>Capital ratios</i></b>		
Common Equity Tier 1 ratio	12.69%	12.07%
	<hr/>	<hr/>
Total Tier 1 capital ratio	15.45%	15.10%
	<hr/>	<hr/>
Total capital ratio	16.56%	16.21%
	<hr/>	<hr/>

**Notes to the condensed consolidated interim financial statements  
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**39 Dividends**

During 2025, cash dividend of 83.43% of the paid-up capital relating to year ended 31 December 2024 amounting to AED 3,030,337 thousand was paid after the approval by the shareholders at the Annual General Assembly held on 10 March 2025.

During 2024, cash dividend of 71.46% of the paid-up capital relating to year ended 31 December 2023 amounting to AED 2,595,469 thousand was paid after the approval by the shareholders at the Annual General Assembly held on 29 February 2024.

**40 Fair value of financial instruments**

**Fair value measurement recognized in the consolidated statement of financial position**

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

**Quoted market prices – Level 1**

Financial instruments are classified as Level 1 if their values are observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions.

**Valuation techniques using observable inputs – Level 2**

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuation based on observable inputs includes financial instruments such as Shari'a compliant alternatives of derivatives and forwards which are valued using market standard pricing techniques and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

**Valuation techniques using significant unobservable inputs – Level 3**

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market.

Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations or other analytical techniques. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

**Notes to the condensed consolidated interim financial statements  
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**40 Fair value of financial instruments (continued)**

Financial instruments under this category mainly include sukuk, private equity instruments and funds measured at FVTPL. The carrying values of these investments are adjusted as follows:

- a) Sukuk – using latest available net book value; and
- b) Private equity instruments and Funds – based on the net asset value assessed internally.

Investment properties are classified as Level 3 as their valuation incorporates significant unobservable inputs. The fair value of the properties has been determined either based on transactions observable in the market or valuation models.

The valuation methodologies considered by valuers include:

- a) Comparison method: This method derives the value by analyzing recent sales transactions of similar properties in a similar location.
- b) Investment method: This method derives the value by converting the future cash flow to a single current capital value.

**Notes to the condensed consolidated interim financial statements**  
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**40 Fair value of financial instruments (continued)**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observable.

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
<b>30 June 2025 - unaudited</b>				
<b>Assets and liabilities measured at fair value:</b>				
<b>Financial assets</b>				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	9,970	-	-	9,970
Sukuk	2,047,472	-	-	2,047,472
	<u>2,057,442</u>	<u>-</u>	<u>-</u>	<u>2,057,442</u>
Unquoted sukuk	-	-	331,703	331,703
	<u>2,057,442</u>	<u>-</u>	<u>331,703</u>	<u>2,389,145</u>
<i>Investments carried at fair value through other comprehensive income</i>				
Quoted investments				
Equities	25,614	-	-	25,614
Sukuk	2,810,208	-	-	2,810,208
	<u>2,835,822</u>	<u>-</u>	<u>-</u>	<u>2,835,822</u>
Unquoted investments				
Sukuk	-	-	58,323	58,323
Funds	-	-	187,072	187,072
Private equities	-	-	116,261	116,261
	<u>-</u>	<u>-</u>	<u>361,656</u>	<u>361,656</u>
	<u>2,835,822</u>	<u>-</u>	<u>361,656</u>	<u>3,197,478</u>
	<u>4,893,264</u>	<u>-</u>	<u>693,359</u>	<u>5,586,623</u>
Shari'a compliant alternatives of swap (note 24)	-	19,593	-	19,593
	<u>-</u>	<u>19,593</u>	<u>-</u>	<u>19,593</u>
<b>Financial Liabilities</b>				
Shari'a compliant alternatives of swap (note 28)	-	3,589	-	3,589
	<u>-</u>	<u>3,589</u>	<u>-</u>	<u>3,589</u>
<b>Assets for which fair values are disclosed:</b>				
Investment properties	-	-	1,621,723	1,621,723
	<u>-</u>	<u>-</u>	<u>1,621,723</u>	<u>1,621,723</u>
Investment carried at amortised cost - Sukuk	28,848,384	-	-	28,848,384
	<u>28,848,384</u>	<u>-</u>	<u>-</u>	<u>28,848,384</u>
Assets acquired in satisfaction of claims	-	179,711	-	179,711
	<u>-</u>	<u>179,711</u>	<u>-</u>	<u>179,711</u>

**Notes to the condensed consolidated interim financial statements**  
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**40 Fair value of financial instruments (continued)**

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
<i>31 December 2024 - audited</i>				
<b>Assets and liabilities measured at fair value:</b>				
<b>Financial assets</b>				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	24,546	-	-	24,546
Sukuk	1,899,327	-	-	1,899,327
	1,923,873	-	-	1,923,873
Unquoted sukuk	-	-	327,586	327,586
	1,923,873	-	327,586	2,251,459
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	24,882	-	-	24,882
Sukuk	2,924,449	-	-	2,924,449
	2,949,331	-	-	2,949,331
<i>Unquoted investments</i>				
Sukuk	-	-	68,686	68,686
Funds	-	-	214,338	214,338
Private equities	-	-	115,827	115,827
	-	-	398,851	398,851
	2,949,331	-	398,851	3,348,182
	4,873,204	-	726,437	5,599,641
Shari'a compliant alternatives of swap (note 24)	-	-	-	-
<b>Financial liabilities</b>				
Shari'a compliant alternatives of swap (note 28)	-	11,188	-	11,188
<b>Assets for which fair values are disclosed:</b>				
Investment properties	-	-	1,639,698	1,639,698
Investment carried at amortised cost - Sukuk	22,925,497	-	-	22,925,497
Assets acquired in satisfaction of claims	-	135,685	-	135,685

**Notes to the condensed consolidated interim financial statements**  
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**40 Fair value of financial instruments (continued)**

There were no transfers between level 1, 2 and 3 during the period (2024: Nil).

A significant part of the investments classified under Level 3 are valued using inputs from investment managers and in the opinion of the management it is not practical to disclose the sensitivity of inputs to the valuation techniques used.

The following table shows a reconciliation of the opening and closing amount of level 3 of financial assets which are recorded at fair value:

	<b>30 June 2025 AED '000 (unaudited)</b>	<b>31 December 2024 AED '000 (audited)</b>
At the beginning of the period	<b>398,851</b>	206,094
Net (settlements) purchases	<b>(39,277)</b>	183,625
Gain recorded in equity	<b>1,240</b>	29,563
Foreign currency translation	<b>842</b>	(20,431)
	<hr/>	<hr/>
At the end of the period	<b>361,656</b>	398,851
	<hr/>	<hr/>

**41 Seasonality of results**

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These condensed consolidated interim financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.