

ABU DHABI ISLAMIC BANK PJSC

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

ABU DHABI ISLAMIC BANK PJSC

Condensed consolidated interim financial statements 30 September 2025 (unaudited)

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KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Corniche Road, P.O. Box 7613
Abu Dhabi, United Arab Emirates
Tel. +971 (2) 401 4800, www.kpmg.com/ae

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 September 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 September 2025;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated interim statement of comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 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 September 2025

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 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 nine-month period ended 30 September 2024 were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on 30 October 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: 22 October 2025

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

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Operating income					
Income from murabaha, mudaraba and wakala with financial institutions		582,567	550,265	1,642,186	1,644,723
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	5	2,846,217	2,311,868	7,944,664	6,571,517
Income from sukuk measured at amortised cost		356,895	224,663	967,511	650,258
Income from investments measured at fair value	6	88,101	109,935	232,550	242,606
Share of results of associates and joint ventures		26,135	18,758	75,735	69,415
Fees and commission income, net	7	541,202	530,315	1,631,764	1,385,459
Foreign exchange income		194,039	168,424	586,073	366,247
Income from investment properties		8,973	9,561	39,971	28,623
Other income		76,868	2,601	84,740	349,498
		4,720,997	3,926,390	13,205,194	11,308,346
Operating expenses					
Employees' costs	8	(568,925)	(476,430)	(1,565,948)	(1,397,813)
General and administrative expenses	9	(253,301)	(233,177)	(747,424)	(672,426)
Depreciation		(89,050)	(83,606)	(264,901)	(245,600)
Amortisation of intangibles	25	(2,361)	(2,371)	(6,918)	(8,153)
Provision for impairment, net	10	(206,050)	(46,288)	(511,113)	(447,992)
		(1,119,687)	(841,872)	(3,096,304)	(2,771,984)
Profit from operations, before distribution to depositors and sukuk holders		3,601,310	3,084,518	10,108,890	8,536,362
Distribution to depositors and sukuk holders	11	(1,506,393)	(1,280,982)	(4,056,872)	(3,313,543)
Profit for the period before tax		2,094,917	1,803,536	6,052,018	5,222,819
Income tax expense	12	(269,707)	(198,177)	(736,294)	(588,054)
Profit for the period after tax		1,825,210	1,605,359	5,315,724	4,634,765
<i>Attributable to:</i>					
Equity holders of the Bank		1,724,495	1,538,096	5,016,848	4,388,075
Non-controlling interest		100,715	67,263	298,876	246,690
		1,825,210	1,605,359	5,315,724	4,634,765
Basic and diluted earnings per share attributable to ordinary shares (AED)	13	0.447	0.396	1.307	1.132

The attached notes 1 to 42 form part of these condensed consolidated interim financial statements.

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

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2025	2024	2025	2024
		AED '000	AED '000	AED '000	AED '000
Profit for the period after tax		1,825,210	1,605,359	5,315,724	4,634,765
Other comprehensive income (loss)					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net movement on valuation of equity investments					
carried at fair value through other comprehensive income, net of tax	31	(9,952)	(464)	(11,064)	(3,550)
Other movement in reserves	31	2,806	127	7,125	3,966
Directors' remuneration paid	35	-	-	(16,100)	(16,100)
<i>Items that may be subsequently reclassified to profit or loss</i>					
Net movement in valuation of investments in sukuk carried at fair value through other comprehensive income, net of tax	31	39,948	102,259	87,590	76,784
Exchange differences arising on translation of foreign operations	31	48,350	(10,215)	81,167	(550,971)
Loss on hedge of foreign operations	31	(73)	(2,719)	(8,010)	(707)
Fair value (loss) gain on cash flow hedge, net of tax	31	(11,553)	(4,172)	3,341	(728)
Other comprehensive income (loss) for the period		69,526	84,816	144,049	(491,306)
Total comprehensive income for the period		1,894,736	1,690,175	5,459,773	4,143,459
<i>Attributable to:</i>					
Equity holders of the Bank		1,794,021	1,622,912	5,160,897	3,896,769
Non-controlling interest		100,715	67,263	298,876	246,690
		1,894,736	1,690,175	5,459,773	4,143,459

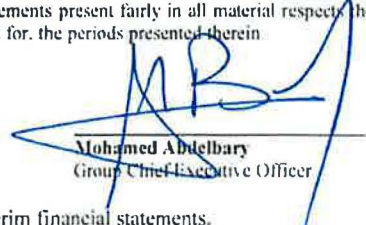
The attached notes 1 to 42 form part of these condensed consolidated interim financial statements.

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

	Notes	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
ASSETS			
Cash and balances with central banks	14	37,462,297	32,039,942
Balances and wakala deposits with Islamic banks and other financial institutions	15	9,168,536	7,649,939
Murabaha and mudaraba with financial institutions	16	5,432,032	2,957,529
Murabaha and other Islamic financing	17	104,325,665	85,344,623
Ijara financing	18	66,475,117	57,266,216
Investment in sukuk measured at amortised cost	19	29,319,142	23,758,093
Investments measured at fair value	20	5,440,197	5,528,404
Investment in associates and joint ventures	21	981,767	895,698
Investment properties	22	1,313,988	1,332,988
Development properties	23	742,965	722,940
Other assets	24	5,872,338	5,357,886
Property and equipment		2,737,912	2,643,669
Goodwill and intangibles	25	462,301	409,868
Total assets		269,734,257	225,909,795
LIABILITIES			
Due to financial institutions	26	7,344,529	5,529,669
Depositors' accounts	27	221,667,691	182,675,253
Other liabilities	28	8,342,631	7,551,385
Sukuk financing instrument	29	1,836,250	1,836,250
Total liabilities		239,191,101	197,592,557
EQUITY			
Share capital	30	3,632,000	3,632,000
Legal reserve		2,700,017	2,670,774
General reserve		3,947,188	3,947,177
Credit risk reserve		400,000	400,000
Retained earnings		14,814,951	13,501,350
Other reserves	31	(1,041,276)	(1,559,991)
Tier 1 sukuk	32	4,754,375	4,754,375
Equity attributable to the equity and Tier 1 sukuk holders of the Bank		29,207,255	27,345,685
Non-controlling interest		1,335,901	971,553
Total equity		30,543,156	28,317,238
Total liabilities and equity		269,734,257	225,909,795

To the best of our knowledge, the condensed consolidated interim 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. Juwaan Awaidha Suhail Al Khaili
Chairman


Mohamed Abdelbary
Group Chief Executive Officer

The attached notes 1 to 42 form part of these condensed consolidated interim financial statements.

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

<i>Attributable to the equity and Tier 1 sukuk holders of the Bank</i>										
Notes	Share capital AED '000	Legal reserve AED '000	General reserve AED '000	Credit risk reserve AED '000	Retained earnings AED '000	Other reserves AED '000	Tier 1 sukuk AED '000	Total AED '000	Non-controlling interest AED '000	Total equity 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	-	-	-	-	5,016,848	-	-	5,016,848	298,876	5,315,724
Other comprehensive (loss) income	-	-	-	-	(16,100)	160,149	-	144,049	-	144,049
Profit paid on Tier 1 sukuk – Listed (third issue) 32	-	-	-	-	(199,692)	-	-	(199,692)	-	(199,692)
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	-	-	-	-	(329,568)	329,568	-	-	-	-
Loss on disposal of FVTOCI investment	-	-	-	-	(28,998)	28,998	-	-	-	-
Movement in reserves	-	29,243	11	-	(29,254)	-	-	-	-	-
Other movement in non-controlling Interest	-	-	-	-	-	-	-	-	65,472	65,472
Balance at 30 September 2025 - unaudited	3,632,000	2,700,017	3,947,188	400,000	14,814,951	(1,041,276)	4,754,375	29,207,255	1,335,901	30,543,156
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	-	-	-	-	4,388,075	-	-	4,388,075	246,690	4,634,765
Other comprehensive loss	-	-	-	-	(16,100)	(475,206)	-	(491,306)	-	(491,306)
Profit paid on Tier 1 sukuk – Listed (third issue) 32	-	-	-	-	(199,692)	-	-	(199,692)	-	(199,692)
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	-	-	-	-	(89,227)	89,227	-	-	-	-
Transfer to Impairment reserve – Specific 31	-	-	-	-	16,972	(16,972)	-	-	-	-
Movement in reserves	-	24,001	-	-	(54,441)	30,440	-	-	-	-
Other movement in non-controlling Interest	-	-	-	-	-	-	-	-	(426,208)	(426,208)
Balance at 30 September 2024 - unaudited	3,632,000	2,671,421	3,431,547	400,000	12,710,941	(1,467,503)	4,754,375	26,132,781	934,094	27,066,875

The attached notes 1 to 42 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows
For the nine-months period ended (unaudited)

		30 September 2025 AED '000	30 September 2024 AED '000
	Notes		
Operating activities			
Profit for the period after tax		5,315,724	4,634,765
Adjustments for:			
Depreciation on investment properties	22	10,526	10,937
Depreciation on property and equipment		206,524	191,829
Depreciation on right-of-use assets		47,851	42,834
Amortisation of intangibles	25	6,918	8,153
Share of results of associates and joint ventures		(75,735)	(69,415)
Realised gain on investments carried at fair value through profit or loss	6	(42,426)	(38,215)
Unrealised gain on investments carried at fair value through profit or loss	6	(8,791)	(32,365)
Realised gain on investments carried at fair value through other comprehensive income	6	(1,931)	-
Dividend income	6	(1,839)	(665)
Finance cost on lease liabilities	9	4,485	4,915
Provision for impairment, net	10	511,113	447,992
Provision for taxation	12	736,294	588,054
Gain on disposal of investment properties		(12,170)	(326)
Changes in operating assets and liabilities		6,696,543	5,788,493
Increase in balances with central banks		(1,427,183)	(6,400,319)
Increase in balances and wakala deposits with Islamic banks and other financial institutions		(240,411)	(3,916,297)
(Increase) decrease in murabaha and mudaraba with financial institutions		(2,459,215)	85,835
Increase in murabaha and other Islamic financing		(19,450,337)	(17,272,456)
Increase in ijara financing		(9,348,769)	(7,197,121)
Movement in investments carried at fair value through profit or loss		192,633	17,006
Increase in other assets		(501,409)	(1,245,699)
Increase in due to financial institutions		2,811,492	3,568,661
Increase in depositors' accounts		38,984,428	30,562,907
Increase in other liabilities		890,742	2,909,050
Cash from operations		16,148,514	6,900,060
Tax paid		(764,424)	(353,150)
Directors' remuneration paid		(16,100)	(16,100)
Net cash from operating activities		15,367,990	6,530,810
Investing activities			
Net Proceeds (additions) in investments carried at fair value through other comprehensive income		80,789	(130,990)
Net purchases in investments carried at amortised cost		(5,527,264)	(4,171,330)
Dividend received		1,839	665
Dividend received from associates		18,250	18,124
Proceeds from disposal of investment properties		20,585	1,450
Additions in development properties	23	(20,025)	-
Purchase of property and equipment		(346,617)	(212,369)
Net cash used in investing activities		(5,772,443)	(4,494,450)
Financing activities			
Profit paid on Tier 1 sukuk – Listed (third issue)	32	(199,692)	(199,692)
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	32	(69,298)	(77,583)
Finance cost on lease liability	9	(4,485)	(4,915)
Dividends paid		(3,030,337)	(2,595,469)
Net cash used in financing activities		(3,303,812)	(2,877,659)
Increase (decrease) in cash and cash equivalents		6,291,735	(841,299)
Cash and cash equivalents at 1 January		12,263,376	14,241,129
Cash and cash equivalents at 30 September	34	18,555,111	13,399,830
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		10,318,829	8,306,702
Profit paid to depositors		3,839,447	2,770,762

The attached notes 1 to 42 form part of these condensed consolidated interim financial statements.

**Notes to the condensed consolidated interim financial statements
30 September 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. UAE Federal Decree 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 61 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 22 October 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 September 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 September 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 condensed consolidated interim statement of comprehensive income and within equity in the condensed consolidated interim statement of financial position, separately from shareholders' equity of the Bank.

**Notes to the condensed consolidated interim financial statements
30 September 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 IFRS Accounting 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 nine months ended 30 September 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 condensed consolidated interim financial statements. The Murabaha installment (profit) paid to the counterparties over the life of the Collateralised Murabaha is recorded in the condensed consolidated interim financial statements.

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

4 Material accounting policies (continued)

Changes in accounting policies after the adoption of IFRS

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRS Accounting Standards 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.

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

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
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 condensed consolidated interim financial statements of the Group.

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Vehicle murabaha	269,904	202,452	751,108	570,730
Goods murabaha	551,517	459,146	1,471,509	1,152,283
Share murabaha	227,520	219,784	666,500	660,864
Commodities murabaha – Al Khair	150,040	132,720	438,057	378,319
Islamic covered cards (murabaha)	153,154	112,923	428,377	330,954
Other murabaha	330,872	203,768	854,175	573,219
Total murabaha	1,683,007	1,330,793	4,609,726	3,666,369
Mudaraba	226,106	192,828	654,331	577,275
Wakala	35,154	20,557	121,625	173,355
Ijara	899,397	765,523	2,551,363	2,150,819
Istisna'a	2,553	2,167	7,619	3,699
	2,846,217	2,311,868	7,944,664	6,571,517

6 Income from investments measured at fair value

	Three months ended 30 September		Nine months ended 30 September	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Income from sukuk measured at fair value through profit or loss	27,133	26,881	79,524	80,675
Income from sukuk measured at fair value through other comprehensive income	26,312	27,711	83,305	85,143
Realised gain on sale of investments carried at fair value through profit or loss	25,400	22,857	42,426	38,215
Unrealised gain on investments carried at fair value through profit or loss	3,368	32,022	8,791	32,365
Realised gain on investments carried at FVTOCI Sukuk	-	-	1,931	-
Gain from other investment assets	5,888	375	14,734	5,543
Dividend income	-	89	1,839	665
	88,101	109,935	232,550	242,606

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

7 Fees and commission income, net

	Three months ended		Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Fees and commission income				
Fees and commission income on cards	578,252	583,468	1,585,451	1,414,506
Trade related fees and commission	43,283	33,030	158,117	106,862
Accounts services fees	42,187	33,989	121,312	102,634
Projects and property management fees	18,283	12,118	51,548	34,936
Risk participation and arrangement fees	49,312	27,221	215,795	114,864
Brokerage fees and commission	15,156	12,164	40,328	29,698
Other fees and commissions	200,824	175,615	570,312	492,342
Total fees and commission income	947,297	877,605	2,742,863	2,295,842
Fees and commission expenses				
Card related fees and commission expenses	(352,659)	(305,936)	(963,735)	(796,042)
Other fees and commission expenses	(53,436)	(41,354)	(147,364)	(114,341)
Total fees and commission expenses	(406,095)	(347,290)	(1,111,099)	(910,383)
Fees and commission income, net	541,202	530,315	1,631,764	1,385,459

8 Employees' costs

	Three months ended		Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Salaries and wages	505,204	423,319	1,382,658	1,230,841
End of service benefits	21,994	22,096	70,496	65,056
Other staff expenses	41,727	31,015	112,794	101,916
	568,925	476,430	1,565,948	1,397,813

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

9 General and administrative expenses

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Legal and professional expenses	38,933	30,169	111,328	96,962
Premises expenses	27,804	29,019	77,325	81,043
Marketing and advertising expenses	29,935	23,206	73,868	63,728
Communication expenses	28,813	27,462	87,772	79,565
Technology related expenses	69,002	64,781	222,636	194,772
Finance cost on lease liabilities	1,435	1,559	4,485	4,915
Other operating expenses	57,379	56,981	170,010	151,441
	253,301	233,177	747,424	672,426

10 Provision for impairment, net

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Murabaha and other Islamic financing	181,852	139,655	461,680	263,810
Ijara financing	58,827	(7,505)	139,868	236,051
Direct write-off, net of recoveries	2,721	3,674	7,615	11,137
Others	(37,350)	(89,536)	(98,050)	(63,006)
	206,050	46,288	511,113	447,992

11 Distribution to depositors and sukuk holders

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Investment accounts	1,480,250	1,254,838	3,978,663	3,235,259
Sukuk holders	26,143	26,144	78,209	78,284
	1,506,393	1,280,982	4,056,872	3,313,543

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

12 Income tax expense

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, the respective tax return has been filed 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		Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
	AED ‘000	AED ‘000	AED ‘000	AED ‘000
As per UAE Corporate Tax Law	169,082	125,323	452,101	350,777
As per other international tax jurisdiction	100,625	72,854	284,193	237,277
	269,707	198,177	736,294	588,054
Effective Tax Rate (“ETR”)	12.9%	11.0%	12.2%	11.3%

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 September 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 September		Nine months ended 30 September	
		2025	2024	2025	2024
Profit for the period attributable to equity holders - (AED '000)		1,724,495	1,538,096	5,016,848	4,388,075
Less: profit attributable to Tier 1 sukuk:					
- Listed (third issue) - (AED '000)	32	(99,846)	(99,846)	(199,692)	(199,692)
- Government of Abu Dhabi - (AED '000)	32	-	-	(69,298)	(77,583)
Profit for the period attributable to ordinary shareholders after deducting profit relating to Tier 1 sukuk (AED '000)		1,624,649	1,438,250	4,747,858	4,110,800
Weighted average number of ordinary shares in issue (000's)		3,632,000	3,632,000	3,632,000	3,632,000
Basic and diluted earnings per share (AED)		0.447	0.396	1.307	1.132

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 September 2025 (unaudited)

14 Cash and balances with central banks

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Cash on hand	2,142,781	2,112,161
Balances with central banks:		
- Current accounts	1,267,832	1,143,318
- Statutory reserve	22,281,779	19,229,985
- Islamic certificate of deposits	11,772,976	9,555,686
Less: provision for impairment	37,465,368 (3,071)	32,041,150 (1,208)
	37,462,297	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:

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
UAE	32,771,403	28,183,540
Rest of the Middle East	2,750,902	2,394,497
Others	1,943,063	1,463,113
	37,465,368	32,041,150

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

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Current accounts	890,122	848,985
Wakala deposits	8,284,934	6,808,703
	9,175,056	7,657,688
Less: provision for impairment	(6,520)	(7,749)
	9,168,536	7,649,939

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:

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
UAE	1,748,497	57,495
Rest of the Middle East	6,358,528	6,528,742
Europe	265,820	313,737
Others	802,211	757,714
	9,175,056	7,657,688

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

16 Murabaha and Mudaraba with financial institutions

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Murabaha	5,464,772	2,991,073
Less: provision for impairment	(32,740)	(33,544)
	<u>5,432,032</u>	<u>2,957,529</u>

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:

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
UAE	45,314	23,492
Rest of the Middle East	202,768	100,269
Others	5,216,690	2,867,312
	<u>5,464,772</u>	<u>2,991,073</u>

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

17 Murabaha and other Islamic financing

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Vehicle murabaha	14,067,011	11,654,053
Goods murabaha	49,491,837	35,889,499
Share murabaha	10,758,037	11,129,377
Commodities murabaha – Al Khair	11,759,043	10,475,983
Islamic covered cards (Murabaha)	15,852,430	12,435,065
Other murabaha	14,807,487	12,342,823
Total murabaha	116,735,845	93,926,800
Mudaraba	6,579,255	4,732,765
Wakala	2,492,038	3,692,104
Istisna'a	132,737	104,910
Other financing receivables	144,683	181,366
Total murabaha and other Islamic financing	126,084,558	102,637,945
Less: deferred income on murabaha	(19,964,276)	(15,627,648)
	106,120,282	87,010,297
Less: provision for impairment	(1,794,617)	(1,665,674)
	104,325,665	85,344,623

Notes to the condensed consolidated interim financial statements
30 September 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:

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Industry sector		
Government	13,864,211	9,497,175
Public sector	19,912,704	14,023,427
Corporates	9,557,267	7,467,357
Financial institutions	5,648,439	6,412,769
Individuals	55,440,895	48,216,977
Small and medium enterprises	1,696,766	1,392,592
	106,120,282	87,010,297
Geographic region		
UAE	79,109,101	67,892,641
Rest of the Middle East	11,450,504	7,832,576
Europe	3,884,711	3,700,564
Others	11,675,966	7,584,516
	106,120,282	87,010,297

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:

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Ijara financing	69,112,271	60,108,940
Less: provision for impairment	(2,637,154)	(2,842,724)
	66,475,117	57,266,216

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

18 Ijara financing (continued)

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Industry sector		
Government	1,319,959	1,538,884
Public sector	5,736,834	4,901,628
Corporates	17,577,919	17,958,261
Individuals	44,035,697	35,376,612
Small and medium enterprises	328,663	175,441
Non-profit organisations	113,199	158,114
	69,112,271	60,108,940
Geographic region		
UAE	66,248,933	57,501,433
Rest of the Middle East	1,668,253	1,579,789
Europe	466,812	514,035
Others	728,273	513,683
	69,112,271	60,108,940

19 Investment in sukuk measured at amortised cost

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Sukuk – Quoted	29,390,335	23,862,504
Less: provision for impairment	(71,193)	(104,411)
	29,319,142	23,758,093

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 September 2025, certain sukuks with an aggregate carrying value of AED 4,362,827 thousand (fair value of AED 4,215,866 thousand) [31 December 2024: nil] which were collateralized against Collateralised murabaha amounts to AED 3,907,543 thousand (31 December 2024: nil).

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

19 Investment in sukuk measured at amortised cost (continued)

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
UAE	14,310,981	12,095,090
Rest of the Middle East	12,612,925	8,925,158
Europe	91,315	91,232
Others	2,375,114	2,751,024
	29,390,335	23,862,504

20 Investments measured at fair value

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
<i>Investments carried at fair value through profit or loss</i>		
Quoted investments		
Equities	11,296	24,546
Sukuk	1,764,952	1,899,327
	1,776,248	1,923,873
Unquoted sukuk	333,795	327,586
	2,110,043	2,251,459

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

20 Investments measured at fair value (continued)

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
<i>Investments carried at fair value through other comprehensive income</i>		
Quoted investments		
Equities	25,418	24,882
Sukuk	2,719,176	2,924,449
	2,744,594	2,949,331
Unquoted investments		
Sukuk	50,835	68,686
Funds	462,800	214,338
Private equities	116,619	115,827
	630,254	398,851
	3,374,848	3,348,182
	5,484,891	5,599,641
Less: provision for impairment	(44,694)	(71,237)
	5,440,197	5,528,404

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 September 2025 (unaudited)

20 Investments measured at fair value (continued)

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Geography region		
UAE	3,076,008	2,792,343
Rest of the Middle East	1,639,135	1,791,738
Europe	879	11,582
Others	768,869	1,003,978
	5,484,891	5,599,641

21 Investment in associates and joint ventures

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
At the beginning of the period	910,854	849,490
Share of results	75,735	99,894
Dividends received	(18,250)	(18,124)
Foreign currency translation	28,584	(20,406)
At the end of the period	996,923	910,854
Less: provision for impairment	(15,156)	(15,156)
Net balance at the end of the period	981,767	895,698

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

21 Investment in associates and joint ventures (continued)

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

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

Details of the Bank's investment in associates and joint ventures at 30 September 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 September 2025 (unaudited)

22 Investment properties

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Cost		
Balance at the beginning of the period	1,496,592	1,499,533
Foreign currency translation	27	(828)
Disposals during the period	(20,217)	(2,113)
Gross balance at the end of the period	1,476,402	1,496,592
Less: provision for impairment	(31,943)	(31,943)
Net balance at the end of the period	1,444,459	1,464,649
Accumulated depreciation		
Balance at the beginning of the period	131,661	117,516
Charge for the period	10,526	14,587
Relating to disposals	(11,716)	(442)
Balance at the end of the period	130,471	131,661
Net book value at the end of the period	1,313,988	1,332,988

The property rental income earned by the Group from its investment properties, that are leased out under operating leases, amounted to AED 27,801 thousand (30 September 2024: AED 28,297 thousand) for the nine months period ended 30 September 2025.

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
At the beginning of the period	31,943	119,247
Reversals during the period	-	(87,000)
Relating to disposals	-	(304)
At the end of the period	31,943	31,943

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

22 Investment properties (continued)

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
UAE	1,337,261	1,356,141
Rest of the Middle East	8,214	8,214
Others	456	576
	1,345,931	1,364,931

23 Development properties

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

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

At the beginning/end of the period	123,680	123,680
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Development properties include land with a carrying value of AED 696,345 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 September 2025 (unaudited)

24 Other assets

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Acceptances	816,501	1,034,329
Assets acquired in satisfaction of claims	233,297	88,425
Trade receivables	564,142	475,733
Prepaid expenses	1,463,840	1,274,549
Accrued profit	949,267	675,554
Positive fair value of Shari'a compliant alternatives of derivative financial instruments	11,781	-
Others, net	1,833,510	1,809,296
	5,872,338	5,357,886

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

	Other intangible assets			
	Goodwill	Core deposit	License	Total
	AED '000	AED '000	AED '000	AED '000
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)
At 1 January 2025 – audited	193,073	76,076	140,719	409,868
Exchange translation & other differences	44,090	6,984	8,277	59,351
Amortisation during the period	-	(6,918)	-	(6,918)
At 30 September 2025 - unaudited	237,163	76,142	148,996	462,301

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

26 Due to financial institutions

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Current accounts	2,283,686	1,734,019
Investment deposits	1,146,891	3,795,650
Collateralised murabaha with banks	3,907,543	-
Current account - Central Bank of UAE	7,338,120 6,409	5,529,669 -
	7,344,529	5,529,669

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

27 Depositors' accounts

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Current accounts	58,571,497	50,819,862
Investment accounts	162,330,884	131,118,093
Investment risk reserve	765,310	737,298
	221,667,691	182,675,253

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
At the beginning of the period	737,298	759,312
Share of profit and payments made during the period	28,012	(22,014)
At the end of the period	765,310	737,298

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

27 Depositors' accounts (continued)

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Government	34,997,414	31,027,886
Public sector	25,531,028	12,705,731
Corporates	22,378,098	16,442,512
Financial institutions	4,174,061	3,633,921
Individuals	105,001,768	94,586,219
Small and medium enterprises	25,294,405	20,618,189
Non-profit organisations	4,290,917	3,660,795
	221,667,691	182,675,253

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 September 2025 (unaudited)

28 Other liabilities

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
Accounts payable	1,169,974	560,794
Acceptances	816,501	1,034,329
Lease liabilities	162,121	139,116
Accrued profit for distribution to depositors and sukuk holders	920,223	730,810
Bankers' cheques	1,813,570	1,808,080
Provision for staff benefits and other expenses	562,585	551,212
Retentions payable	113,539	75,598
Advances from customers	65,342	44,051
Accrued expenses	291,398	309,934
Deferred income	433,318	364,931
Negative fair value of Shari'a compliant alternatives of derivative financial instruments	21,166	11,188
Others	1,972,894	1,921,342
	<u><u>8,342,631</u></u>	<u><u>7,551,385</u></u>

29 Sukuk financing instrument

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

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.

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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

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

Notes to the condensed consolidated interim financial statements
30 September 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
At 1 January 2025 - audited	(331,204)	137,400	(1,690,718)	(3,341)	-	331,186	(3,314)	(1,559,991)
Net movement in valuation of equity investment carried at FVTOCI – net of tax	87,590	-	-	-	-	-	-	87,590
Net movement in valuation of investment in sukuk carried at FVTOCI – net of tax	(11,064)	-	-	-	-	-	-	(11,064)
Loss on disposal of investments carried at FVTOCI	28,998	-	-	-	-	-	-	28,998
Exchange differences arising on translation of foreign operations	-	-	81,167	-	-	-	-	81,167
Loss on hedge of foreign operations	-	-	(8,010)	-	-	-	-	(8,010)
Fair value gain on cash flow hedges	-	-	-	3,341	-	-	-	3,341
Net movement in impairment reserve – General	-	-	-	-	-	329,568	-	329,568
Net movement in other reserves	-	-	-	-	-	-	7,125	7,125
At 30 September 2025 - unaudited	(225,680)	137,400	(1,617,561)	-	-	660,754	3,811	(1,041,276)
At 1 January 2024 - audited	(389,983)	137,400	(1,085,422)	2,064	207,673	43,696	(10,420)	(1,094,992)
Net movement in valuation of equity investment carried at FVTOCI	(3,550)	-	-	-	-	-	-	(3,550)
Net movement in valuation of investment in sukuk carried at FVTOCI	107,224	-	-	-	-	-	-	107,224
Exchange differences arising on translation of foreign operations	-	-	(550,971)	-	-	-	-	(550,971)
Gain on hedge of foreign operations	-	-	(707)	-	-	-	-	(707)
Fair value gain on cash flow hedges	-	-	-	(728)	-	-	-	(728)
Net movement in impairment reserve – Specific	-	-	-	-	(16,972)	-	-	(16,972)
Net movement in impairment reserve – General	-	-	-	-	-	89,227	-	89,227
Net movement in other reserves	-	-	-	-	-	-	3,966	3,966
At 30 September 2024 - unaudited	(286,309)	137,400	(1,637,100)	1,336	190,701	132,923	(6,454)	(1,467,503)

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

32 Tier 1 sukuk

	30 September 2025 AED '000 (unaudited)	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
	4,754,375	4,754,375

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
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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 September 2025 (unaudited)

33 Contingent liabilities and commitments

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

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
<i>Contingent liabilities</i>		
Letters of credit	2,750,431	2,174,348
Letters of guarantee	11,619,484	9,624,729
	14,369,915	11,799,077
<i>Commitments</i>		
Undrawn facilities commitments	4,407,093	3,542,190
Future capital expenditure	323,622	239,836
	4,730,715	3,782,026
	19,100,630	15,581,103

34 Cash and cash equivalents

	Nine months ended 30 September 2025 (unaudited)	Nine months ended 30 September 2024 (unaudited)
Cash and balances with central banks, short term	11,355,229	8,270,820
Balances and wakala deposits with Islamic banks and other financial institutions, short term	8,932,343	7,481,978
Murabaha and mudaraba with financial institutions, short term	45,282	25,799
Due to financial institutions, short term	(1,777,743)	(2,378,767)
	18,555,111	13,399,830

Notes to the condensed consolidated interim financial statements
30 September 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
<i>30 September 2025 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	8,561	-	8,561
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	31,403	7	11,065	62,465	104,940
Fees and commission income, net	1	38	21	2,313	2,373
Operating expenses	-	618	-	-	618
Distribution to depositors and sukuk holders	298	632	1,303	251	2,484
<i>30 September 2024 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	4,074	-	4,074
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	31,518	-	-	66,514	98,032
Fees and commission income, net	1	11	36	684	732
Operating expenses	-	585	-	-	585
Distribution to depositors and sukuk holders	1,252	555	1,663	697	4,167

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

35 Related party transactions (continued)

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
<i>30 September 2025 - unaudited</i>					
Murabaha and mudaraba with financial Institutions	-	-	203,188	-	203,188
Murabaha, mudaraba, ijara and other Islamic financing	2,057,528	317	251,278	3,994,862	6,303,985
Other assets	-	-	19,486	9,769	29,255
	<u>2,057,528</u>	<u>317</u>	<u>473,952</u>	<u>4,004,631</u>	<u>6,536,428</u>
Due to financial institutions	-	-	197	-	197
Depositors' accounts	3,170	26,010	183,547	35,168	247,895
Other liabilities	-	12	540	9,926	10,478
	<u>3,170</u>	<u>26,022</u>	<u>184,284</u>	<u>45,094</u>	<u>258,570</u>
Contingencies	-	788	9,981	109,366	120,135
<i>31 December 2024 – audited</i>					
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
	<u>2,060,994</u>	<u>-</u>	<u>392,205</u>	<u>3,981,598</u>	<u>6,434,797</u>
Due to financial institutions	-	-	177	-	177
Depositors' accounts	9	22,312	35,996	35,178	93,495
Other liabilities	-	-	300	48	348
	<u>9</u>	<u>22,312</u>	<u>36,473</u>	<u>35,226</u>	<u>94,020</u>
Contingencies	-	-	10,000	52,441	62,441

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

35 Related party transactions (continued)

Compensation of key management personnel

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

	Nine months ended 30 September 2025 (unaudited)	Nine months ended 30 September 2024 (unaudited)
Salaries and other benefits	23,221	21,803
Employees' end of service benefits	1,890	1,860
	25,111	23,663

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 murabihat, 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

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
30 September 2025 – unaudited								
Revenue and results								
Segment revenues, net	4,462,190	1,491,969	190,497	552,547	78,914	917,921	1,454,284	9,148,322
Operating expenses excluding provision for impairment, net	(1,749,065)	(220,290)	(64,506)	(33,638)	(48,340)	(151,877)	(317,475)	(2,585,191)
Operating profit	2,713,125	1,271,679	125,991	518,909	30,574	766,044	1,136,809	6,563,131
Provision for impairment, net	(413,571)	(72,165)	611	(5,223)	-	79,836	(100,601)	(511,113)
Profit for the period before tax	2,299,554	1,199,514	126,602	513,686	30,574	845,880	1,036,208	6,052,018
Tax	-	(34,381)	-	-	(2,631)	(443,537)	(255,745)	(736,294)
Profit for the period after tax	2,299,554	1,165,133	126,602	513,686	27,943	402,343	780,463	5,315,724
Non-controlling interest	-	-	-	-	-	-	(298,876)	(298,876)
Profit for the period attributable to equity holders of the Bank	2,299,554	1,165,133	126,602	513,686	27,943	402,343	481,587	5,016,848
Assets								
Segmental assets	107,246,012	76,260,890	5,392,252	45,834,473	2,123,527	5,056,917	27,820,186	269,734,257
Liabilities								
Segmental liabilities	113,428,611	68,177,684	16,266,156	12,838,854	77,561	4,937,659	23,464,576	239,191,101
30 September 2024 – unaudited								
Revenue and results								
Segment revenues, net	4,100,247	1,219,253	179,716	161,971	59,277	1,072,637	1,201,702	7,994,803
Operating expenses excluding provision for impairment, net	(1,580,862)	(203,691)	(64,359)	(34,420)	(41,339)	(101,780)	(297,541)	(2,323,992)
Operating profit	2,519,385	1,015,562	115,357	127,551	17,938	970,857	904,161	5,670,811
Provision for impairment, net	(222,521)	(140,915)	1,748	(48,551)	87,000	5,410	(130,163)	(447,992)
Profit for the period before tax	2,296,864	874,647	117,105	79,000	104,938	976,267	773,998	5,222,819
Tax	-	(26,938)	(1,213)	-	(9,419)	(336,196)	(214,288)	(588,054)
Profit for the period after tax	2,296,864	847,709	115,892	79,000	95,519	640,071	559,710	4,634,765
Non-controlling interest	-	-	-	-	-	-	(246,690)	(246,690)
Profit for the period attributable to equity holders of the Bank	2,296,864	847,709	115,892	79,000	95,519	640,071	313,020	4,388,075
31 December 2024 - audited								
Assets								
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
Liabilities								
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

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

36 Segment information (continued)

Geographical information

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.

	Nine months ended 30 September 2025 (unaudited)			Nine months ended 30 September 2024 (unaudited)		
	Domestic AED '000	International AED '000	Total AED '000	Domestic AED '000	International AED '000	Total AED '000
Revenue and results						
Segment revenues, net	7,569,151	1,579,171	9,148,322	6,628,372	1,366,431	7,994,803
Operating expenses excluding provision for impairment, net	(2,239,754)	(345,437)	(2,585,191)	(2,006,479)	(317,513)	(2,323,992)
Operating profit	5,329,397	1,233,734	6,563,131	4,621,893	1,048,918	5,670,811
Provision for impairment, net	(444,702)	(66,411)	(511,113)	(304,371)	(143,621)	(447,992)
Profit for the period before tax	4,884,695	1,167,323	6,052,018	4,317,522	905,297	5,222,819
Tax	(452,099)	(284,195)	(736,294)	(349,564)	(238,490)	(588,054)
Profit for the period after tax	4,432,596	883,128	5,315,724	3,967,958	666,807	4,634,765
Non-controlling interest	(2,423)	(296,453)	(298,876)	(1,901)	(244,789)	(246,690)
Profit for the period attributable to equity holders of the Bank	4,430,173	586,675	5,016,848	3,966,057	422,018	4,388,075
	30 September 2025 (unaudited)			31 December 2024 (audited)		
	Domestic AED '000	International AED '000	Total AED '000	Domestic AED '000	International AED '000	Total AED '000
Assets						
Segmental assets	236,356,670	33,377,587	269,734,257	199,424,832	26,484,963	225,909,795
Liabilities						
Segmental liabilities	212,518,559	26,672,542	239,191,101	176,651,702	20,940,855	197,592,557

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

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				Expected credit loss (ECL)			
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
<i>30 September 2025 - unaudited</i>								
Cash and balances with central banks	10,819,969	953,007	-	11,772,976	496	2,575	-	3,071
Balances and wakala deposits with								
Islamic banks and other financial institutions	9,123,818	51,238	-	9,175,056	6,433	87	-	6,520
Murabaha and mudaraba with financial institutions	5,407,971	56,801	-	5,464,772	32,305	435	-	32,740
Murabaha and other Islamic financing	102,271,787	2,745,618	1,102,877	106,120,282	553,405	399,699	841,513	1,794,617
Ijara financing	62,419,194	2,095,027	4,598,050	69,112,271	470,983	93,932	2,072,239	2,637,154
Investment in sukuk measured at amortised cost	29,378,547	-	11,788	29,390,335	59,405	-	11,788	71,193
Investments measured at fair value through								
other comprehensive income	2,731,739	-	38,272	2,770,011	6,422	-	38,272	44,694
Other assets	1,319,947	5,221	3,593	1,328,761	12,290	301	746	13,337
	<u>223,472,972</u>	<u>5,906,912</u>	<u>5,754,580</u>	<u>235,134,464</u>	<u>1,141,739</u>	<u>497,029</u>	<u>2,964,558</u>	<u>4,603,326</u>
Contingent liabilities and commitments	17,683,194	626,727	467,087	18,777,008	128,632	17,838	54,672	201,142
	<u>241,156,166</u>	<u>6,533,639</u>	<u>6,221,667</u>	<u>253,911,472</u>	<u>1,270,371</u>	<u>514,867</u>	<u>3,019,230</u>	<u>4,804,468</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				Expected credit loss (ECL)			
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 December 2024 - audited								
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 through other comprehensive income	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
	<u>183,817,894</u>	<u>5,783,086</u>	<u>6,023,166</u>	<u>195,624,146</u>	<u>1,129,262</u>	<u>541,069</u>	<u>3,079,918</u>	<u>4,750,249</u>
Contingent liabilities and commitments	14,331,748	506,085	503,434	15,341,267	111,876	17,935	91,562	221,373
	<u>198,149,642</u>	<u>6,289,171</u>	<u>6,526,600</u>	<u>210,965,413</u>	<u>1,241,138</u>	<u>559,004</u>	<u>3,171,480</u>	<u>4,971,622</u>

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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.

	Basel III	
	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
<i>Capital base</i>		
Common Equity Tier 1	23,893,056	19,316,205
Additional Tier 1 capital	4,861,139	4,843,132
Tier 1 capital	28,754,195	24,159,337
Tier 2 capital	1,856,415	1,776,107
Total capital base	30,610,610	25,935,444
<i>Risk weighted assets</i>		
Credit risk	163,066,199	142,088,529
Market risk	2,974,398	2,804,211
Operational risk	17,796,334	15,090,593
Total risk weighted assets	183,836,931	159,983,333
<i>Capital ratios</i>		
Common Equity Tier 1 ratio	13.00%	12.07%
Total Tier 1 capital ratio	15.64%	15.10%
Total capital ratio	16.65%	16.21%

**Notes to the condensed consolidated interim financial statements
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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.

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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
<i>30 September 2025 - unaudited</i>				
Assets and liabilities measured at fair value:				
Financial assets				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	11,296	-	-	11,296
Sukuk	1,764,952	-	-	1,764,952
	<u>1,776,248</u>	<u>-</u>	<u>-</u>	<u>1,776,248</u>
Unquoted sukuk	-	-	333,795	333,795
	<u>1,776,248</u>	<u>-</u>	<u>333,795</u>	<u>2,110,043</u>
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	25,418	-	-	25,418
Sukuk	2,719,176	-	-	2,719,176
	<u>2,744,594</u>	<u>-</u>	<u>-</u>	<u>2,744,594</u>
<i>Unquoted investments</i>				
Sukuk	-	-	50,835	50,835
Funds	-	-	462,800	462,800
Private equities	-	-	116,619	116,619
	<u>-</u>	<u>-</u>	<u>630,254</u>	<u>630,254</u>
	<u>2,744,594</u>	<u>-</u>	<u>630,254</u>	<u>3,374,848</u>
	<u>4,520,842</u>	<u>-</u>	<u>964,049</u>	<u>5,484,891</u>
Shari'a compliant alternatives of swap (note 24)	-	11,781	-	11,781
Financial Liabilities				
Shari'a compliant alternatives of swap (note 28)	-	21,166	-	21,166
Assets for which fair values are disclosed:				
Investment properties	-	-	1,621,718	1,621,718
Investment carried at amortised cost - Sukuk	29,293,805	-	-	29,293,805
Assets acquired in satisfaction of claims	-	135,588	-	135,588

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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>				
Assets and liabilities measured at fair value:				
Financial assets				
<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	-	-	-	-
Funds	-	-	68,686	68,686
Private equities	-	-	214,338	214,338
	-	-	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)	-	-	-	-
Financial liabilities				
Shari'a compliant alternatives of swap (note 28)	-	11,188	-	11,188
Assets for which fair values are disclosed:				
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:

	30 September 2025 AED '000 (unaudited)	31 December 2024 AED '000 (audited)
At the beginning of the period	726,437	513,276
Net purchases	228,702	183,625
Gain through income / other comprehensive income statement recorded in equity	7,030	49,967
Foreign currency translation	1,880	(20,431)
At the end of the period	964,049	726,437

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.

42 Comparative figures

Certain comparatives were reclassified to conform to the current period presentation. These reclassifications have had no impact on the total assets, total liabilities, total equity and profit of the Group.