

**ABU DHABI ISLAMIC BANK PJSC**

**Condensed consolidated interim  
financial statements  
30 September 2024 (Unaudited)**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ABU DHABI ISLAMIC BANK PJSC

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Abu Dhabi Islamic Bank PJSC (the “Bank”) and its subsidiaries (together the “Group”) as at 30 September 2024, and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of these interim financial information in accordance with International Accounting Standard IAS 34 “*Interim Financial Reporting*” (“IAS 34”). Our responsibility is to express a conclusion on these interim financial information 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Obada Alkowitz  
Registration No. 1056  
30 October 2024  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated interim income statement**  
**Three months and nine months ended 30 September 2024 (Unaudited)**

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
<b>Operating income</b>					
Income from murabaha, mudaraba and wakala with financial institutions		550,265	471,925	1,644,723	1,157,924
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	5	2,311,868	1,945,881	6,571,517	5,497,891
Income from sukuk measured at amortised cost		224,663	158,245	650,258	422,722
Income from investments measured at fair value	6	109,935	58,405	242,606	189,807
Share of results of associates and joint ventures		18,758	19,681	69,415	59,483
Fees and commission income, net	7	530,315	369,522	1,385,459	1,037,939
Foreign exchange income		168,424	125,925	366,247	325,107
Income from investment properties		9,561	9,354	28,623	27,761
Other income		2,601	112,220	349,498	125,158
		<b>3,926,390</b>	<b>3,271,158</b>	<b>11,308,346</b>	<b>8,843,792</b>
<b>Operating expenses</b>					
Employees' costs	8	(476,430)	(448,316)	(1,397,813)	(1,335,447)
General and administrative expenses	9	(233,177)	(207,342)	(672,426)	(600,679)
Depreciation		(83,606)	(80,488)	(245,600)	(238,149)
Amortisation of intangibles	25	(2,371)	(3,720)	(8,153)	(11,152)
Provision for impairment, net	10	(46,288)	(201,845)	(447,992)	(570,910)
		<b>(841,872)</b>	<b>(941,711)</b>	<b>(2,771,984)</b>	<b>(2,756,337)</b>
<b>Profit from operations, before distribution to Depositors and sukuk holders</b>					
Distribution to depositors and sukuk holders	11	(1,280,982)	(841,263)	(3,313,543)	(2,149,632)
		<b>1,803,536</b>	<b>1,488,184</b>	<b>5,222,819</b>	<b>3,937,823</b>
<b>Profit for the period before zakat and tax</b>					
Zakat and tax	12	(198,177)	(63,993)	(588,054)	(187,586)
		<b>1,605,359</b>	<b>1,424,191</b>	<b>4,634,765</b>	<b>3,750,237</b>
<i>Attributable to:</i>					
Equity holders of the Bank		1,538,096	1,354,540	4,388,075	3,581,680
Non-controlling interest		67,263	69,651	246,690	168,557
		<b>1,605,359</b>	<b>1,424,191</b>	<b>4,634,765</b>	<b>3,750,237</b>
<b>Basic and diluted earnings per share attributable to ordinary shares (AED)</b>					
	13	<b>0.396</b>	<b>0.346</b>	<b>1.132</b>	<b>0.914</b>

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

**Condensed consolidated interim statement of comprehensive income**  
**Three months and nine months ended 30 September 2024 (Unaudited)**

	Three months ended 30 September		Nine months ended 30 September		
	2024	2023	2024	2023	
Notes	AED '000	AED '000	AED '000	AED '000	
<b>Profit for the period after zakat and tax</b>	<b>1,605,359</b>	1,424,191	<b>4,634,765</b>	3,750,237	
<b>Other comprehensive income (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	(464)	1,399	(3,550)	13,413
Other movement in reserves	31	127	(347)	3,966	(29,078)
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	-	102,259	(63,004)	76,784	(49,614)
Exchange differences arising on translation of foreign operations	31	(10,215)	(2,069)	(550,971)	(230,900)
(Loss) gain on hedge of foreign operations	31	(2,719)	2,646	(707)	587
Fair value (loss) gain on cash flow hedge	31	(4,172)	(1,918)	(728)	3,667
<b>Other comprehensive income (loss) for the period</b>		<b>84,816</b>	(63,293)	<b>(491,306)</b>	(308,025)
<b>Total comprehensive income for the period</b>		<b>1,690,175</b>	1,360,898	<b>4,143,459</b>	3,442,212
<i>Attributable to:</i>					
Equity holders of the Bank		<b>1,622,912</b>	1,291,247	<b>3,896,769</b>	3,273,655
Non-controlling interest		<b>67,263</b>	69,651	<b>246,690</b>	168,557
		<b>1,690,175</b>	1,360,898	<b>4,143,459</b>	3,442,212

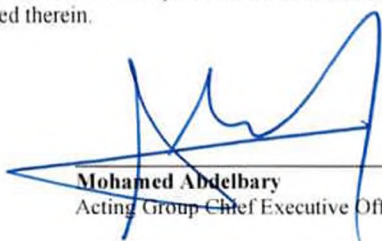
The attached notes 1 to 41 form part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of financial position  
At 30 September 2024 (Unaudited)**

	Notes	30 September 2024 AED '000	31 December 2023 AED '000 (audited)
<b>ASSETS</b>			
Cash and balances with central banks	14	37,398,496	31,498,312
Balances and wakala deposits with Islamic banks and other financial institutions	15	7,599,165	7,373,806
Murabaha and mudaraba with financial institutions	16	2,500,841	3,930,130
Murabaha and other Islamic financing	17	80,336,049	67,044,317
Ijara financing	18	54,796,182	47,958,087
Investment in sukuk measured at amortised cost	19	22,995,986	18,881,549
Investments measured at fair value	20	5,848,248	5,601,452
Investment in associates and joint ventures	21	871,766	834,334
Investment properties	22	1,336,669	1,262,770
Development properties	23	722,940	722,940
Other assets	24	5,081,382	4,286,167
Property and equipment		2,650,162	2,797,990
Goodwill and intangibles	25	429,226	635,338
<b>TOTAL ASSETS</b>		<b>222,567,112</b>	<b>192,827,192</b>
<b>LIABILITIES</b>			
Due to financial institutions	26	6,737,427	2,555,004
Depositors' accounts	27	179,744,573	157,066,994
Other liabilities	28	7,181,987	5,126,576
Sukuk financing instrument	29	1,836,250	1,836,250
<b>Total liabilities</b>		<b>195,500,237</b>	<b>166,584,824</b>
<b>EQUITY</b>			
Share capital	30	3,632,000	3,632,000
Legal reserve		2,671,421	2,647,420
General reserve		3,431,547	3,431,547
Credit risk reserve		400,000	400,000
Retained earnings		12,710,941	11,358,406
Other reserves	31	(1,467,503)	(1,094,992)
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>26,132,781</b>	<b>25,128,756</b>
Non-controlling interest		934,094	1,113,612
<b>Total equity</b>		<b>27,066,875</b>	<b>26,242,368</b>
<b>Total liabilities and equity</b>		<b>222,567,112</b>	<b>192,827,192</b>

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

  
H.E. Jawaan Awaidha Suhail Al Khaili  
Chairman

  
Mohamed Abdelbary  
Acting 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  
Nine months ended 30 September 2024 (Unaudited)**

<i>Equity 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 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 from Impairment reserve – Specific	31	-	-	-	16,972	(16,972)	-	-	-	-
Transfer to reserves		-	24,001	-	(54,441)	30,440	-	-	-	-
Other movement in non-controlling Interest		-	-	-	-	-	-	-	(426,208)	(426,208)
<b>Balance at 30 September 2024 – unaudited</b>	<b>3,632,000</b>	<b>2,671,421</b>	<b>3,431,547</b>	<b>400,000</b>	<b>12,710,941</b>	<b>(1,467,503)</b>	<b>4,754,375</b>	<b>26,132,781</b>	<b>934,094</b>	<b>27,066,875</b>
Balance at 1 January 2023 – audited	3,632,000	2,640,705	2,975,819	400,000	8,642,250	(564,647)	4,754,375	22,480,502	980,168	23,460,670
Profit for the period	-	-	-	-	3,581,680	-	-	3,581,680	168,557	3,750,237
Other comprehensive loss	-	-	-	-	(16,100)	(291,925)	-	(308,025)	-	(308,025)
Profit paid on Tier 1 sukuk – Listed (second issue)	32	-	-	-	(196,250)	-	-	(196,250)	-	(196,250)
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	32	-	-	-	(65,837)	-	-	(65,837)	-	(65,837)
Dividends paid	39	-	-	-	(1,779,312)	-	-	(1,779,312)	(1,350)	(1,780,662)
Dividends paid to charity		-	-	-	(20,000)	-	-	(20,000)	-	(20,000)
Loss on disposal of FVTOCI investment		-	-	-	(5,215)	5,215	-	-	-	-
Transfer to Impairment reserve – General	31	-	-	-	132,499	(132,499)	-	-	-	-
Transfer to Impairment reserve – Specific	31	-	-	-	103,866	(103,866)	-	-	-	-
Transfer to reserves		-	6,721	227	(6,948)	-	-	-	-	-
Redemption of Tier 1 sukuk - second issue		-	-	-	-	-	(2,754,375)	(2,754,375)	-	(2,754,375)
Issuance of Tier 1 sukuk - third issue		-	-	-	-	-	2,754,375	2,754,375	-	2,754,375
Issuance cost on Tier 1 sukuk – third issue		-	-	-	(12,305)	-	-	(12,305)	-	(12,305)
Other movement in non-controlling Interest		-	-	-	-	-	-	-	(128,395)	(128,395)
<b>Balance at 30 September 2023 – unaudited</b>	<b>3,632,000</b>	<b>2,647,426</b>	<b>2,976,046</b>	<b>400,000</b>	<b>10,358,328</b>	<b>(1,087,722)</b>	<b>4,754,375</b>	<b>23,680,453</b>	<b>1,018,980</b>	<b>24,699,433</b>

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

## Condensed consolidated interim statement of cash flows

### Nine months ended 30 September 2024 (Unaudited)

	Notes	Nine months ended 30 September	
		2024 AED '000	2023 AED '000
<b>Operating activities</b>			
Profit for the period		4,634,765	3,750,237
Adjustments for:			
Depreciation on investment properties	22	10,937	10,971
Depreciation on property and equipment		191,829	177,949
Depreciation on right-of-use assets		42,834	49,229
Amortisation of intangibles	25	8,153	11,152
Share of results of associates and joint ventures		(69,415)	(59,483)
Realised gain on investments carried at fair value through profit or loss	6	(38,215)	(17,501)
Unrealised gain on investments carried at fair value through profit or loss	6	(32,365)	(8,165)
Dividend income	6	(665)	(5,775)
Finance cost on lease liabilities	9	4,915	5,801
Provision for impairment, net	10	447,992	570,910
Gain on disposal of investment properties		(326)	-
<b>Changes in operating assets and liabilities</b>		<b>5,200,439</b>	<b>4,485,325</b>
Increase in balances with central banks		(6,400,319)	(7,085,251)
(Increase) decrease in balances and wakala deposits with Islamic banks and other financial institutions		(3,916,297)	415,319
Decrease in murabaha and mudaraba with financial institutions		85,835	157,584
Increase in murabaha and other Islamic financing		(17,272,456)	(5,583,751)
Increase in ijara financing		(7,197,121)	(1,401,663)
Net movement in investments carried at fair value through profit or loss		17,006	(405,530)
Increase in other assets		(1,245,699)	(703,735)
Increase in due to financial institutions		2,853,899	32,334
Increase in depositors' accounts		30,562,907	16,288,212
Increase in other liabilities		3,143,954	1,198,073
<b>Cash from operations</b>		<b>5,832,148</b>	<b>7,396,917</b>
Directors' remuneration paid		(16,100)	(16,100)
<b>Net cash from operating activities</b>		<b>5,816,048</b>	<b>7,380,817</b>
<b>Investing activities</b>			
Net movement in investments carried at fair value through other comprehensive income		(130,990)	155,094
Net movement in investments carried at amortised cost		(4,171,330)	(3,419,753)
Dividend received	6	665	5,775
Dividend received from associates		18,124	16,250
Proceeds from disposal of investment properties		1,450	-
Purchase of property and equipment		(212,369)	(128,453)
<b>Net cash used in investing activities</b>		<b>(4,494,450)</b>	<b>(3,371,087)</b>
<b>Financing activities</b>			
Issuance of Tier 1 sukuk – Listed (third issue)		-	2,754,375
Issuance cost paid for Tier 1 sukuk – Listed (third issue)		-	(12,305)
Redemption of Tier 1 sukuk – Listed (second issue)		-	(2,754,375)
Profit paid on Tier 1 sukuk – Listed (second issue)		-	(196,250)
Profit paid on Tier 1 sukuk – Listed (third issue)	32	(199,692)	-
Profit paid on Tier 1 sukuk – Government	32	(77,583)	(65,837)
Finance cost on lease liability	9	(4,915)	(5,801)
Dividends paid		(2,595,469)	(1,870,841)
<b>Net cash used in financing activities</b>		<b>(2,877,659)</b>	<b>(2,151,304)</b>
<b>(Decrease) increase in cash and cash equivalents</b>		<b>(1,556,061)</b>	<b>1,858,696</b>
Cash and cash equivalents at 1 January		12,727,308	5,106,695
<b>Cash and cash equivalents at 30 September</b>	<b>34</b>	<b>11,171,247</b>	<b>6,965,391</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		8,306,702	6,715,080
Profit paid to depositors		2,770,762	256,982

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



## Notes to the condensed consolidated interim financial statements 30 September 2024 (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 and entirely replaced 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 58 branches in UAE (2023: 58 branches) and 3 overseas branches in Iraq, Qatar and Sudan and subsidiaries in the UAE, Egypt 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 30 October 2024.

### 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 2024 (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 2024 (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	
			30 September 2024	31 December 2023
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	100%	-
ADIB Sukuk Company II Ltd*	Special purpose vehicle	Cayman Island	-	-
ADIB Capital Invest 2 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.

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 September 2024 (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 2023.

**4 Significant 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 2023. In addition, results for the nine months ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, 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.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**4 Significant accounting policies (continued)**

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

<u><b>New and revised IFRSs</b></u>	<u><b>Effective for annual periods beginning on or after</b></u>
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.	1 January 2025
IFRS 18 Presentation and Disclosure Financial Statements Issued	1 January 2027

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 September 2024 (Unaudited)**

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

	Three months ended 30 September		Nine months ended 30 September	
	2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
Vehicle murabaha	202,452	149,182	570,730	397,136
Goods murabaha	459,146	303,102	1,152,283	825,043
Share murabaha	219,784	220,216	660,864	647,181
Commodities murabaha – Al Khair	132,720	108,279	378,319	310,040
Islamic covered cards (murabaha)	112,923	101,992	330,954	289,286
Other murabaha	203,768	174,924	573,219	486,363
Total murabaha	1,330,793	1,057,695	3,666,369	2,955,049
Mudaraba	192,828	175,846	577,275	510,948
Wakala	57,969	42,824	173,355	137,506
Ijara	728,111	669,516	2,150,819	1,894,386
Istisna'a	2,167	-	3,699	2
	2,311,868	1,945,881	6,571,517	5,497,891

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

	Three months ended 30 September		Nine months ended 30 September	
	2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
Income from sukuk measured at fair value through profit or loss	26,881	25,278	80,675	61,783
Income from sukuk measured at fair value through other comprehensive income	27,711	31,464	85,143	95,007
Realised gain (loss) on sale of investments carried at fair value through profit or loss	22,857	(1,405)	38,215	17,501
Unrealised gain on investments carried at fair value through profit or loss	32,022	1,518	32,365	8,165
Gain from other investment assets	375	1,550	5,543	1,576
Dividend income	89	-	665	5,775
	109,935	58,405	242,606	189,807

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (Unaudited)**

**7 Fees and commission income, net**

	Three months ended 30 September		Nine months ended 30 September	
	2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
<b>Fees and commission income</b>				
Fees and commission income on cards	583,468	407,995	1,414,506	1,085,709
Trade related fees and commission	33,030	38,047	106,862	113,011
Accounts services fees	33,989	29,932	102,634	90,950
Projects and property management fees	12,118	11,641	34,936	33,880
Risk participation and arrangement fees	27,221	28,659	114,864	74,419
Brokerage fees and commission	12,164	14,566	29,698	33,993
Other fees and commissions	175,615	154,629	492,342	405,996
	<hr/>	<hr/>	<hr/>	<hr/>
Total fees and commission income	877,605	685,469	2,295,842	1,837,958
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fees and commission expenses</b>				
Card related fees and commission expenses	(305,936)	(287,736)	(796,042)	(725,770)
Other fees and commission expenses	(41,354)	(28,211)	(114,341)	(74,249)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fees and commission expenses	(347,290)	(315,947)	(910,383)	(800,019)
	<hr/>	<hr/>	<hr/>	<hr/>
Fees and commission income, net	530,315	369,522	1,385,459	1,037,939
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**8 Employees' costs**

	Three months ended 30 September		Nine months ended 30 September	
	2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
Salaries and wages	423,319	401,675	1,230,841	1,182,163
End of service benefits	22,096	18,671	65,056	65,845
Other staff expenses	31,015	27,970	101,916	87,439
	<hr/>	<hr/>	<hr/>	<hr/>
	476,430	448,316	1,397,813	1,335,447
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)

9 General and administrative expenses

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	AED '000	AED '000	AED '000	AED '000
Legal and professional expenses	30,169	22,512	96,962	81,556
Premises expenses	29,019	28,911	81,043	83,011
Marketing and advertising expenses	23,206	15,788	63,728	54,381
Communication expenses	27,462	26,156	79,565	78,978
Technology related expenses	64,781	58,171	194,772	160,238
Finance cost on lease liabilities	1,559	1,873	4,915	5,801
Other operating expenses	56,981	53,931	151,441	136,714
	233,177	207,342	672,426	600,679

10 Provision for impairment, net

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	AED '000	AED '000	AED '000	AED '000
Murabaha and other Islamic financing	139,655	116,002	263,810	97,831
Ijara financing	(7,505)	46,734	236,051	343,570
Direct write-off, net of recoveries	3,674	2,321	11,137	1,807
Others	(89,536)	36,788	(63,006)	127,702
	46,288	201,845	447,992	570,910

11 Distribution to depositors and sukuk holders

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	AED '000	AED '000	AED '000	AED '000
Saving accounts	63,091	52,298	176,671	143,989
Investment accounts	1,191,747	788,965	3,058,588	2,005,643
Sukuk holders	26,144	-	78,284	-
	1,280,982	841,263	3,313,543	2,149,632



**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)****12 Zakat and tax****Zakat**

In a few jurisdictions, Zakat of the Bank's branches and subsidiaries is mandatory by laws to be paid to governmental entities responsible for Zakat, therefore, the Bank acts accordingly to these laws and pays the Zakat to these entities.

As the Bank is not required to dispose Zakat by UAE laws or by its Articles and Memorandum of Association or by a decision of the General Assembly, each shareholder is responsible of his or her own Zakat.

**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. As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in FY2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

The tax charge for period ended 30 September 2024 is AED 588,054 thousand (30 September 2023: AED 186,687 thousand), representing an Effective Tax Rate ("ETR") of 11.3% (30 September 2023: 4.7%) with corporate tax rate of 9% for UAE and other international jurisdictions mainly Egypt at 22.5%.

Furthermore, Bank pays taxes on its international branches and subsidiary in accordance with the tax laws prevailing in those countries.

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**13 Basic and diluted earnings per share**

Basic earnings per share amounts are calculated by dividing the profit for the period are 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	
		2024	2023	2024	2023
Profit for the period attributable to equity holders - (AED '000)		<b>1,538,096</b>	1,354,540	<b>4,388,075</b>	3,581,680
Less: profit attributable to Tier 1 sukuk:					
- Listed (third issue) - (AED '000)	<b>32</b>	<b>(99,846)</b>	-	<b>(199,692)</b>	-
- Listed (second issue) - (AED '000)		-	(98,125)	-	(196,250)
- Government of Abu Dhabi - (AED '000)	<b>32</b>	-	-	<b>(77,583)</b>	(65,837)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Profit for the period attributable to ordinary shareholders after deducting profit relating to Tier 1 sukuk (AED '000)		<b>1,438,250</b>	1,256,415	<b>4,110,800</b>	3,319,593
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
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
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Basic and diluted earnings per share (AED)		<b>0.396</b>	0.346	<b>1.132</b>	0.914
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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 2024 (Unaudited)**

**14 Cash and balances with central banks**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Cash on hand	<b>2,015,774</b>	2,022,259
Balances with central banks:		
- Current accounts	<b>1,952,587</b>	1,739,360
- Statutory reserve	<b>20,660,208</b>	14,127,177
- Islamic certificate of deposits	<b>12,770,964</b>	13,610,743
	<b>37,399,533</b>	31,499,539
Less: provision for impairment	<b>(1,037)</b>	(1,227)
	<b>37,398,496</b>	31,498,312

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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>33,154,335</b>	27,831,678
Rest of the Middle East	<b>2,579,626</b>	2,416,442
Others	<b>1,665,572</b>	1,251,419
	<b>37,399,533</b>	31,499,539

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Current accounts	<b>678,185</b>	205,301
Wakala deposits	<b>6,938,377</b>	7,186,958
	<hr/>	<hr/>
	<b>7,616,562</b>	7,392,259
Less: provision for impairment	<b>(17,397)</b>	(18,453)
	<hr/>	<hr/>
	<b>7,599,165</b>	7,373,806
	<hr/> <hr/>	<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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>218,087</b>	1,433,787
Rest of the Middle East	<b>6,764,624</b>	5,749,171
Europe	<b>162,887</b>	134,677
Others	<b>470,964</b>	74,624
	<hr/>	<hr/>
	<b>7,616,562</b>	7,392,259
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**16 Murabaha and Mudaraba with financial institutions**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Murabaha	<b>2,545,596</b>	3,994,920
Less: provision for impairment	<b>(44,755)</b>	(64,790)
	<hr/> <b>2,500,841</b> <hr/>	<hr/> 3,930,130 <hr/>

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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>25,799</b>	25,989
Rest of the Middle East	<b>86,103</b>	49,389
Others	<b>2,433,694</b>	3,919,542
	<hr/> <b>2,545,596</b> <hr/>	<hr/> 3,994,920 <hr/>

Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)

17 Murabaha and other Islamic financing

	30 September 2024 AED '000	31 December 2023 AED '000 (audited)
Vehicle murabaha	11,342,367	9,696,136
Goods murabaha	31,846,996	22,852,342
Share murabaha	11,502,553	12,494,133
Commodities murabaha – Al Khair	10,154,150	8,677,902
Islamic covered cards (Murabaha)	11,445,792	7,694,314
Other murabaha	11,687,202	9,551,973
	<hr/>	<hr/>
Total murabaha	87,979,060	70,966,800
Mudaraba	4,750,390	5,111,209
Wakala	3,730,838	3,819,872
Istisna'a	94,601	92,419
Other financing receivables	163,001	190,189
	<hr/>	<hr/>
Total murabaha and other Islamic financing	96,717,890	80,180,489
Less: deferred income on murabaha	(14,626,746)	(10,753,070)
	<hr/>	<hr/>
Less: provision for impairment	82,091,144 (1,755,095)	69,427,419 (2,383,102)
	<hr/>	<hr/>
	<b>80,336,049</b>	<b>67,044,317</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Industry sector</b>		
Government	7,680,232	2,627,253
Public sector	12,777,689	9,901,507
Corporates	7,535,827	7,824,923
Financial institutions	6,087,258	5,480,880
Individuals	46,813,589	42,402,600
Small and medium enterprises	1,196,549	1,190,256
	<u>82,091,144</u>	<u>69,427,419</u>
	<u><u>82,091,144</u></u>	<u><u>69,427,419</u></u>
<b>Geographic region</b>		
UAE	64,916,559	52,172,504
Rest of the Middle East	5,959,633	6,184,559
Europe	3,570,287	2,956,416
Others	7,644,665	8,113,940
	<u>82,091,144</u>	<u>69,427,419</u>
	<u><u>82,091,144</u></u>	<u><u>69,427,419</u></u>

**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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Ijara Financing	57,501,903	50,741,625
Less: provision for impairment	(2,705,721)	(2,783,538)
	<u>54,796,182</u>	<u>47,958,087</u>
	<u><u>54,796,182</u></u>	<u><u>47,958,087</u></u>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**18 Ijara financing**

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Industry sector</b>		
Government	1,593,364	1,772,125
Public sector	4,907,137	6,384,383
Corporates	17,717,946	17,332,086
Individuals	32,921,582	24,856,186
Small and medium enterprises	199,289	203,505
Non-profit organisations	162,585	193,340
	<u>57,501,903</u>	<u>50,741,625</u>
<b>Geographic region</b>		
UAE	55,533,509	49,190,106
Rest of the Middle East	934,244	971,771
Europe	520,296	6,357
Others	513,854	573,391
	<u>57,501,903</u>	<u>50,741,625</u>

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Sukuk – Quoted	23,175,430	19,004,100
Less: provision for impairment	(179,444)	(122,551)
	<u>22,995,986</u>	<u>18,881,549</u>

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

UAE	12,470,061	10,573,633
Rest of the Middle East	8,330,572	6,371,362
Others	2,374,797	2,059,105
	<u>23,175,430</u>	<u>19,004,100</u>



**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (Unaudited)**

**20 Investments measured at fair value**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<i>Investments carried at fair value through profit or loss</i>		
Quoted investments		
Equities	23,241	33,956
Sukuk	2,047,047	1,982,758
	<u>2,070,288</u>	<u>2,016,714</u>
Unquoted sukuk	307,182	307,182
	<u>2,377,470</u>	<u>2,323,896</u>
<i>Investments carried at fair value through other comprehensive income</i>		
Quoted investments		
Equities	26,702	27,063
Sukuk	3,144,479	3,119,326
	<u>3,171,181</u>	<u>3,146,389</u>
Unquoted investments		
Sukuk	68,640	67,726
Funds	210,367	27,581
Private equities	105,087	110,787
	<u>384,094</u>	<u>206,094</u>
	<u>3,555,275</u>	<u>3,352,483</u>
Less: provision for impairment	5,932,745 (84,497)	5,676,379 (74,927)
	<u>5,848,248</u>	<u>5,601,452</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 September 2024 (Unaudited)**

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

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Geography region</b>		
UAE	2,903,407	2,407,816
Rest of the Middle East	2,000,343	1,945,593
Europe	840	832
Others	1,028,155	1,322,138
	<hr/>	<hr/>
	<b>5,932,745</b>	<b>5,676,379</b>
	<hr/> <hr/>	<hr/> <hr/>

**21 Investment in associates and joint ventures**

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
At the beginning of the period	849,490	791,240
Share of results	69,415	76,121
Dividends received	(18,124)	(16,250)
Foreign currency translation	(13,859)	(1,621)
	<hr/>	<hr/>
At the end of the period	886,922	849,490
Less: provision for impairment	(15,156)	(15,156)
	<hr/>	<hr/>
Net balance at the end of the period	<b>871,766</b>	<b>834,334</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (Unaudited)**

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

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
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 September is as follows:

	<u>Place of incorporation</u>	<u>Proportion of ownership interest</u>		<u>Principal activity</u>
		2024 %	2023 %	
<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	KSA	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 2024 (Unaudited)**

**22 Investment properties**

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Cost</b>		
Balance at the beginning of the period	1,499,533	1,500,054
Foreign currency translation	(797)	(521)
Disposals during the period	(2,113)	-
	<hr/>	<hr/>
Gross balance at the end of the period	1,496,623	1,499,533
Less: provision for impairment	(31,943)	(119,247)
	<hr/>	<hr/>
Net balance at the end of the period	1,464,680	1,380,286
	<hr/>	<hr/>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period	117,516	102,859
Charge for the period	10,937	14,657
Disposals during the period	(442)	-
	<hr/>	<hr/>
Balance at the end of the period	128,011	117,516
	<hr/>	<hr/>
Net book value at the end of the period	1,336,669	1,262,770
	<hr/>	<hr/>

The property rental income earned by the Group from its investment properties, that are leased out under operating leases, amounted to AED 28,297 thousand (30 September 2023: AED 27,761 thousand) for the nine months period ended September 2024.

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (Unaudited)**

**22 Investment properties (continued)**

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

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>1,359,769</b>	1,371,881
Rest of the Middle East	<b>8,214</b>	8,214
Others	<b>629</b>	1,922
	<hr/> <b>1,368,612</b> <hr/>	<hr/> 1,382,017 <hr/>

**23 Development properties**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Development properties	<b>846,620</b>	846,620
Less: provision for impairment	<b>(123,680)</b>	(123,680)
	<hr/> <b>722,940</b> <hr/>	<hr/> 722,940 <hr/>

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

At the beginning / end of the period	<b>123,680</b>	123,680
	<hr/> <b>123,680</b> <hr/>	<hr/> 123,680 <hr/>

Development properties include land with a carrying value of AED 676,320 thousand (2023: 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 2024 (Unaudited)**

**24 Other assets**

	<b>30 September 2024 AED ‘000</b>	31 December 2023 AED ‘000 (audited)
Acceptances	<b>550,544</b>	655,161
Assets acquired in satisfaction of claims	<b>87,133</b>	94,594
Trade receivables	<b>486,124</b>	574,110
Prepaid expenses	<b>1,135,925</b>	1,039,018
Accrued profit	<b>627,041</b>	603,036
Positive fair value of Shari’a compliant alternatives of derivative financial instruments	<b>15,021</b>	6,415
Others, net	<b>2,179,594</b>	1,313,833
	<hr/> <b>5,081,382</b> <hr/>	<hr/> 4,286,167 <hr/>

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>Total AED ‘000</b>
	<b>Goodwill AED ‘000</b>	<b>Core deposit AED ‘000</b>	<b>License AED ‘000</b>	
At 1 January 2023 – audited	280,866	215,920	289,234	786,020
Exchange translation differences	(33,988)	(44,325)	(57,496)	(135,809)
Amortisation during the year	-	(14,873)	-	(14,873)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2024 – audited	246,878	156,722	231,738	635,338
Exchange translation differences	(49,542)	(64,609)	(83,808)	(197,959)
Amortisation during the period	-	(8,153)	-	(8,153)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 September 2024 - unaudited</b>	<b>197,336</b>	<b>83,960</b>	<b>147,930</b>	<b>429,226</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**26 Due to financial institutions**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Current accounts	2,228,583	1,513,821
Investment deposits	4,493,393	1,009,634
	<hr/>	<hr/>
	6,721,976	2,523,455
Current account – Central Bank of UAE	15,451	31,549
	<hr/>	<hr/>
	<b>6,737,427</b>	<b>2,555,004</b>
	<hr/> <hr/>	<hr/> <hr/>

**27 Depositors' accounts**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Current accounts	49,935,881	47,179,358
Savings accounts	59,033,627	55,402,458
Investment accounts	70,028,840	53,725,866
Investment risk reserve	746,225	759,312
	<hr/>	<hr/>
	179,744,573	157,066,994
	<hr/> <hr/>	<hr/> <hr/>

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

At the beginning of the period	759,312	713,007
Share of profit and payments made during the period / year	(13,087)	46,305
	<hr/>	<hr/>
At the end of the period	746,225	759,312
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (Unaudited)**

**27 Depositors' accounts (continued)**

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

	<b>30 September</b>	31 December
	<b>2024</b>	2023
	<b>AED '000</b>	AED '000
		(audited)
Government	<b>30,763,957</b>	26,239,028
Public sector	<b>13,476,646</b>	6,217,852
Corporates	<b>15,347,968</b>	14,900,280
Financial institutions	<b>3,429,979</b>	2,053,840
Individuals	<b>93,977,123</b>	88,298,701
Small and medium enterprises	<b>19,420,325</b>	16,590,630
Non-profit organisations	<b>3,328,575</b>	2,766,663
	<hr/> <b>179,744,573</b> <hr/>	<hr/> 157,066,994 <hr/>

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 2024 (Unaudited)**

**28 Other liabilities**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Accounts payable	550,223	398,318
Acceptances	550,544	655,161
Lease liabilities	153,481	180,637
Accrued profit for distribution to depositors and sukuk holders	934,274	408,310
Bankers' cheques	1,499,313	856,609
Provision for staff benefits and other expenses	504,695	586,367
Retentions payable	60,588	29,198
Advances from customers	70,312	58,362
Accrued expenses	335,792	314,905
Deferred income	325,500	278,359
Negative fair value of Shari'a compliant alternatives of derivative financial instruments	2,463	-
Others	2,194,802	1,360,350
	<hr/>	<hr/>
	<b>7,181,987</b>	<b>5,126,576</b>
	<hr/> <hr/>	<hr/> <hr/>

**29 Sukuk financing instrument**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Sukuk financing instrument	1,836,250	1,836,250
	<hr/>	<hr/>
	<b>1,836,250</b>	<b>1,836,250</b>
	<hr/> <hr/>	<hr/> <hr/>

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 September 2024 (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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<i>Authorised share capital</i>		
4,000,000 thousand (2023: 4,000,000 thousand) ordinary shares of AED 1 each (2023: AED 1 each)	<b>4,000,000</b>	4,000,000
<i>Issued and fully paid share capital</i>		
3,632,000 thousand (2023: 3,632,000 thousand) ordinary shares of AED 1 each (2023: AED 1 each)	<b>3,632,000</b>	3,632,000

Notes to the condensed consolidated interim financial statements  
30 September 2024 (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 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	(3,550)	-	-	-	-	-	-	(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)
Loss on hedge of foreign operations	-	-	(707)	-	-	-	-	(707)
Fair value loss 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
<b>At 30 September 2024 - unaudited</b>	<b>(286,309)</b>	<b>137,400</b>	<b>(1,637,100)</b>	<b>1,336</b>	<b>190,701</b>	<b>132,923</b>	<b>(6,454)</b>	<b>(1,467,503)</b>
At 1 January 2023 - audited	(463,494)	137,400	(837,980)	-	320,100	279,327	-	(564,647)
Net movement in valuation of equity investment carried at FVTOCI	13,413	-	-	-	-	-	-	13,413
Net movement in valuation of investment in sukuk carried at FVTOCI	(49,614)	-	-	-	-	-	-	(49,614)
Loss on disposal of investments carried at FVTOCI	5,215	-	-	-	-	-	-	5,215
Exchange differences arising on translation of foreign operations	-	-	(230,900)	-	-	-	-	(230,900)
Gain on hedge of foreign operations	-	-	587	-	-	-	-	587
Fair value gain on cash flow hedges	-	-	-	3,667	-	-	-	3,667
Net movement in impairment reserve – Specific	-	-	-	-	(103,866)	-	-	(103,866)
Net movement in impairment reserve – General	-	-	-	-	-	(132,499)	-	(132,499)
Net movement in other reserves	-	-	-	-	-	-	(29,078)	(29,078)
<b>At 30 September 2023 - unaudited</b>	<b>(494,480)</b>	<b>137,400</b>	<b>(1,068,293)</b>	<b>3,667</b>	<b>216,234</b>	<b>146,828</b>	<b>(29,078)</b>	<b>(1,087,722)</b>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**32 Tier 1 sukuk**

	<b>30 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Tier 1 sukuk – Listed (third issue)	<b>2,754,375</b>	2,754,375
Tier 1 sukuk – Government of Abu Dhabi	<b>2,000,000</b>	2,000,000
	<hr/>	<hr/>
	<b>4,754,375</b>	4,754,375
	<hr/> <hr/>	<hr/> <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 modaraba. 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 September 2024 (Unaudited)****32 Tier 1 sukuk (continued)****Tier 1 sukuk – Government of Abu Dhabi (continued)**

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 2024 (Unaudited)**

**33 Contingent liabilities and commitments**

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

	<b>30 September 2024</b>	31 December 2023
	<b>AED '000</b>	AED '000 (audited)
<b><i>Contingent liabilities</i></b>		
Letters of credit	<b>3,608,893</b>	3,374,592
Letters of guarantee	<b>9,189,568</b>	9,295,832
	<hr/>	<hr/>
	<b>12,798,461</b>	12,670,424
	<hr/> <hr/>	<hr/> <hr/>
<b><i>Commitments</i></b>		
Undrawn facilities commitments	<b>3,675,994</b>	1,466,162
Future capital expenditure	<b>209,692</b>	191,484
	<hr/>	<hr/>
	<b>3,885,686</b>	1,657,646
	<hr/>	<hr/>
	<b>16,684,147</b>	14,328,070
	<hr/> <hr/>	<hr/> <hr/>

**34 Cash and cash equivalents**

	<b><u>Nine months ended 30 September</u></b>	
	<b>2024</b>	2023
	<b>AED '000</b>	AED '000
Cash and balances with central banks, short term	<b>8,270,820</b>	3,583,154
Balances and wakala deposits with Islamic banks and other financial institutions, short term	<b>7,481,978</b>	6,344,747
Murabaha and mudaraba with financial institutions	<b>25,799</b>	-
Due to financial institutions, short term	<b>(4,607,350)</b>	(2,962,510)
	<hr/>	<hr/>
	<b>11,171,247</b>	6,965,391
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (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 income statement 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 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
<i>30 September 2023 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	741	-	741
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	31,403	-	6,423	73,400	111,226
Fees and commission income, net	1	1	90	1,050	1,142
Operating expenses	-	414	-	-	414
Distribution to depositors and sukuk holders	255	272	1,392	3	1,922

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (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
<b>30 September 2024 - unaudited</b>					
Murabaha and mudaraba with financial institutions	-	-	86,443	-	86,443
Murabaha, mudaraba, ijara and other Islamic financing	2,050,122	-	-	3,936,296	5,986,418
Other assets	-	-	286,871	-	286,871
	<u>2,050,122</u>	<u>-</u>	<u>373,314</u>	<u>3,936,296</u>	<u>6,359,732</u>
Due to financial institutions	-	-	330	-	330
Depositors' accounts	51	23,454	63,854	29,763	117,122
Other liabilities	-	-	205	55	260
	<u>51</u>	<u>23,454</u>	<u>64,389</u>	<u>29,818</u>	<u>117,712</u>
Contingencies	-	-	10,000	56,534	66,534
<b>31 December 2023 – audited</b>					
Murabaha and mudaraba with financial institutions	-	-	50,146	-	50,146
Murabaha, mudaraba, ijara and other Islamic financing	2,046,100	-	-	4,155,645	6,201,745
Other assets	-	-	227,288	-	227,288
	<u>2,046,100</u>	<u>-</u>	<u>277,434</u>	<u>4,155,645</u>	<u>6,479,179</u>
Due to financial institutions	-	-	742	-	742
Depositors' accounts	918,302	16,649	337,717	22,836	1,295,504
Other liabilities	3,415	-	146	4	3,565
	<u>921,717</u>	<u>16,649</u>	<u>338,605</u>	<u>22,840</u>	<u>1,299,811</u>
Contingencies	-	-	10,000	62,825	72,825



**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**35 Related party transactions (continued)**

**Compensation of key management personnel**

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

	<b>Nine months ended 30 September</b>	
	<b>2024</b>	2023
	<b>AED '000</b>	AED '000
Salaries and other benefits	<b>21,803</b>	22,393
Employees' end of service benefits	<b>1,860</b>	1,968
	<b>23,663</b>	24,361

During 2024, AED 16,100 thousand was paid to Board of Directors pertaining to the year ended 31 December 2023 after the approval by the shareholders at the Annual General Assembly held on 29 February 2024.

**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.

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

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

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**  
**30 September 2024 (Unaudited)**

**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 September 2024 – unaudited</b>								
<b>Revenue and results</b>								
Segment revenues, net	4,427,574	1,219,223	179,716	161,971	59,277	745,340	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	2,846,712	1,015,532	115,357	127,551	17,938	643,560	904,161	5,670,811
Provision for impairment, net	(364,934)	26,926	1,748	(48,551)	87,000	(20,018)	(130,163)	(447,992)
<b>Profit for the period before zakat and tax</b>	<b>2,481,778</b>	<b>1,042,458</b>	<b>117,105</b>	<b>79,000</b>	<b>104,938</b>	<b>623,542</b>	<b>773,998</b>	<b>5,222,819</b>
Zakat and tax	-	(26,938)	(1,213)	-	(9,419)	(336,196)	(214,288)	(588,054)
<b>Profit for the period after zakat and tax</b>	<b>2,481,778</b>	<b>1,015,520</b>	<b>115,892</b>	<b>79,000</b>	<b>95,519</b>	<b>287,346</b>	<b>559,710</b>	<b>4,634,765</b>
Non-controlling interest	-	-	-	-	-	-	(246,690)	(246,690)
Profit for the period attributable to equity holders of the Bank	2,481,778	1,015,520	115,892	79,000	95,519	287,346	313,020	4,388,075
<b>Assets</b>								
Segmental assets	87,419,097	60,812,413	5,099,371	41,622,752	2,066,517	4,761,649	20,785,313	222,567,112
<b>Liabilities</b>								
Segmental liabilities	101,635,700	46,668,887	14,106,629	11,313,039	89,740	4,463,342	17,222,900	195,500,237
<b>30 September 2023 - unaudited</b>								
<b>Revenue and results</b>								
Segment revenues, net	3,611,858	1,003,016	191,642	249,873	115,019	485,112	1,037,640	6,694,160
Operating expenses excluding provision for impairment, net	(1,476,076)	(208,201)	(64,345)	(32,931)	(44,013)	(73,871)	(285,990)	(2,185,427)
Operating profit	2,135,782	794,815	127,297	216,942	71,006	411,241	751,650	4,508,733
Provision for impairment, net	(134,487)	(224,686)	2,168	(76,836)	-	25,205	(162,274)	(570,910)
<b>Profit for the period before zakat and tax</b>	<b>2,001,295</b>	<b>570,129</b>	<b>129,465</b>	<b>140,106</b>	<b>71,006</b>	<b>436,446</b>	<b>589,376</b>	<b>3,937,823</b>
Zakat and tax	-	(15,223)	(4,443)	-	-	-	(167,920)	(187,586)
<b>Profit for the period after zakat and tax</b>	<b>2,001,295</b>	<b>554,906</b>	<b>125,022</b>	<b>140,106</b>	<b>71,006</b>	<b>436,446</b>	<b>421,456</b>	<b>3,750,237</b>
Non-controlling interest	-	-	-	-	-	-	(168,557)	(168,557)
Profit for the period attributable to equity holders of the Bank	2,001,295	554,906	125,022	140,106	71,006	436,446	252,899	3,581,680
<b>31 December 2023 - audited</b>								
<b>Assets</b>								
Segmental assets	71,215,922	50,977,909	4,915,320	37,762,804	1,969,132	4,031,755	21,954,350	192,827,192
<b>Liabilities</b>								
Segmental liabilities	93,732,304	35,287,280	12,970,872	3,247,988	82,183	3,270,285	17,993,912	166,584,824

## Notes to the condensed consolidated interim financial statements 30 September 2024 (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.

	30 September 2024			30 September 2023		
	Domestic AED '000	International AED '000	Total AED '000	Domestic AED '000	International AED '000	Total AED '000
<b>Revenue and results</b>						
Segment revenues, net	6,628,372	1,366,431	7,994,803	5,606,249	1,087,911	6,694,160
Operating expenses excluding provision for impairment, net	(2,006,479)	(317,513)	(2,323,992)	(1,875,151)	(310,276)	(2,185,427)
Operating profit	4,621,893	1,048,918	5,670,811	3,731,098	777,635	4,508,733
Provision for impairment, net	(304,371)	(143,621)	(447,992)	(405,837)	(165,073)	(570,910)
<b>Profit for the period before zakat and tax</b>	<b>4,317,522</b>	<b>905,297</b>	<b>5,222,819</b>	<b>3,325,261</b>	<b>612,562</b>	<b>3,937,823</b>
Zakat and tax	(349,564)	(238,490)	(588,054)	-	(187,586)	(187,586)
<b>Profit for the period after zakat and tax</b>	<b>3,967,958</b>	<b>666,807</b>	<b>4,634,765</b>	<b>3,325,261</b>	<b>424,976</b>	<b>3,750,237</b>
Non-controlling interest	(1,901)	(244,789)	(246,690)	(2,093)	(166,464)	(168,557)
Profit for the period attributable to equity holders of the Bank	3,966,057	422,018	4,388,075	3,323,168	258,512	3,581,680
<b>Assets</b>						
Segmental assets	197,059,257	25,507,855	222,567,112	166,892,359	25,934,833	192,827,192
<b>Liabilities</b>						
Segmental liabilities	175,274,156	20,226,081	195,500,237	145,854,777	20,730,047	166,584,824

Notes to the condensed consolidated interim financial statements  
30 September 2024 (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 2024 - unaudited</i>								
Cash and balances with central banks	12,770,964	-	-	12,770,964	1,037	-	-	1,037
Balances and wakala deposits with Islamic banks and other financial institutions	7,616,562	-	-	7,616,562	15,224	2,173	-	17,397
Murabaha and mudaraba with financial institutions	2,545,596	-	-	2,545,596	44,755	-	-	44,755
Murabaha and other Islamic financing	78,670,185	2,331,657	1,089,302	82,091,144	410,898	468,058	876,139	1,755,095
Ijara financing	49,737,567	2,737,624	5,026,712	57,501,903	503,120	181,080	2,021,521	2,705,721
Investment in sukuk measured at amortised cost	23,163,642	-	11,788	23,175,430	167,656	-	11,788	179,444
Investments measured at fair value	3,145,065	-	68,054	3,213,119	32,871	-	51,626	84,497
Other assets	756,250	19,900	-	776,150	9,136	5	-	9,141
	<b>178,405,831</b>	<b>5,089,181</b>	<b>6,195,856</b>	<b>189,690,868</b>	<b>1,184,697</b>	<b>651,316</b>	<b>2,961,074</b>	<b>4,797,087</b>
Contingent liabilities and commitments (unfunded)	15,179,943	774,201	520,311	16,474,455	102,182	26,491	93,061	221,734
	<b>193,585,774</b>	<b>5,863,382</b>	<b>6,716,167</b>	<b>206,165,323</b>	<b>1,286,879</b>	<b>677,807</b>	<b>3,054,135</b>	<b>5,018,821</b>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**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
<i>31 December 2023 - audited</i>								
Cash and balances with central banks	13,470,743	140,000	-	13,610,743	-	1,227	-	1,227
Balances and wakala deposits with								
Islamic banks and other financial institutions	7,392,259	-	-	7,392,259	18,453	-	-	18,453
Murabaha and mudaraba with financial institutions	3,994,920	-	-	3,994,920	64,790	-	-	64,790
Murabaha and other Islamic financing	65,513,557	2,158,549	1,755,313	69,427,419	429,960	497,862	1,455,280	2,383,102
Ijara financing	41,860,404	3,344,044	5,537,177	50,741,625	343,925	177,827	2,261,786	2,783,538
Investment in sukuk measured at amortised cost	18,992,312	-	11,788	19,004,100	110,763	-	11,788	122,551
Investments measured at fair value	3,113,099	5,856	68,097	3,187,052	40,729	188	34,010	74,927
Other assets	686,085	147,893	-	833,978	15,407	4,162	-	19,569
	<u>155,023,379</u>	<u>5,796,342</u>	<u>7,372,375</u>	<u>168,192,096</u>	<u>1,024,027</u>	<u>681,266</u>	<u>3,762,864</u>	<u>5,468,157</u>
Contingent liabilities and commitments (unfunded)	12,612,841	1,001,588	522,157	14,136,586	117,259	11,128	87,573	215,960
	<u>167,636,220</u>	<u>6,797,930</u>	<u>7,894,532</u>	<u>182,328,682</u>	<u>1,141,286</u>	<u>692,394</u>	<u>3,850,437</u>	<u>5,684,117</u>

**Notes to the condensed consolidated interim financial statements**  
**30 September 2024 (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 2024 and onwards, CCB will be required to be maintained at 2.5% (2023: 2.5%) of the Capital base. CCyB is not yet in effect and is not required to be maintained for 2024 (2023: Nil).

As part of the measures adopted by the CBUAE to help banks deal with the COVID-19 crisis, CBUAE has issued guidance on Accounting Provisions and Capital Requirements - Transitional Arrangement dated 22 April 2020. The Prudential Filter allows banks to add back increases in IFRS9 ECL provision, stage 1 and 2, from 31 December 2019 to the regulatory capital and transition over 5 years.

	<b>Basel III</b>	
	<b>30 September 2024 AED ‘000</b>	<b>31 December 2023 AED ‘000 (audited)</b>
<b><i>Capital base</i></b>		
Common Equity Tier 1	<b>21,159,624</b>	16,898,461
Additional Tier 1 capital	<b>4,838,886</b>	4,754,375
	<hr/>	<hr/>
Tier 1 capital	<b>25,998,510</b>	21,652,836
Tier 2 capital	<b>1,798,071</b>	1,564,480
	<hr/>	<hr/>
<b>Total capital base</b>	<b>27,796,581</b>	23,217,316
	<hr/> <hr/>	<hr/> <hr/>
<b><i>Risk weighted assets</i></b>		
Credit risk	<b>139,840,604</b>	125,158,385
Market risk	<b>2,782,592</b>	2,370,893
Operational risk	<b>15,566,862</b>	10,681,870
	<hr/>	<hr/>
<b>Total risk weighted assets</b>	<b>158,190,058</b>	138,211,148
	<hr/> <hr/>	<hr/> <hr/>
<b><i>Capital ratios</i></b>		
Common Equity Tier 1 ratio	<b>13.38%</b>	12.23%
	<hr/> <hr/>	<hr/> <hr/>
Total Tier 1 capital ratio	<b>16.43%</b>	15.67%
	<hr/> <hr/>	<hr/> <hr/>
Total capital ratio	<b>17.57%</b>	16.80%
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)****39 Dividends**

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.

During 2023, cash dividend of 49.0% of the paid-up capital relating to year ended 31 December 2022 amounting to AED 1,779,312 thousand was paid after the approval by the shareholders at the Annual General Assembly held on 6 March 2023.

**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  
30 September 2024 (Unaudited)**

**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  
30 September 2024 (Unaudited)**

**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 2024 - unaudited</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	23,241	-	-	23,241
Sukuk	2,047,047	-	-	2,047,047
	<u>2,070,288</u>	<u>-</u>	<u>-</u>	<u>2,070,288</u>
Unquoted sukuk	-	-	307,182	307,182
	<u>2,070,288</u>	<u>-</u>	<u>307,182</u>	<u>2,377,470</u>
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	26,702	-	-	26,702
Sukuk	3,144,479	-	-	3,144,479
	<u>3,171,181</u>	<u>-</u>	<u>-</u>	<u>3,171,181</u>
<i>Unquoted investments</i>				
Sukuk	-	-	68,640	68,640
Funds	-	-	210,367	210,367
Private equities	-	-	105,087	105,087
	<u>-</u>	<u>-</u>	<u>384,094</u>	<u>384,094</u>
	<u>3,171,181</u>	<u>-</u>	<u>384,094</u>	<u>3,555,275</u>
	<u>5,241,469</u>	<u>-</u>	<u>691,276</u>	<u>5,932,745</u>
Shari'a compliant alternatives of swap (note 24)	-	15,021	-	15,021
<b>Financial liabilities</b>	-	2,463	-	2,463
Shari'a compliant alternatives of swap (note 28)	-	-	-	-
<b>Assets for which fair values are disclosed:</b>				
Investment properties	-	-	1,548,297	1,548,297
Investment carried at amortised cost - Sukuk	22,829,813	-	-	22,829,813
Assets acquired in satisfaction of claims	-	130,586	-	130,586

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**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 2023 - 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	33,956	-	-	33,956
Sukuk	1,982,758	-	-	1,982,758
	<hr/>	<hr/>	<hr/>	<hr/>
	2,016,714	-	-	2,016,714
	<hr/>	<hr/>	<hr/>	<hr/>
Unquoted sukuk	-	-	307,182	307,182
	<hr/>	<hr/>	<hr/>	<hr/>
	2,016,714	-	307,182	2,323,896
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	27,063	-	-	27,063
Sukuk	3,119,326	-	-	3,119,326
	<hr/>	<hr/>	<hr/>	<hr/>
	3,146,389	-	-	3,146,389
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Unquoted investments</i>				
Sukuk	-	-	67,726	67,726
Funds	-	-	27,581	27,581
Private equities	-	-	110,787	110,787
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	206,094	206,094
	<hr/>	<hr/>	<hr/>	<hr/>
	3,146,389	-	206,094	3,352,483
	<hr/>	<hr/>	<hr/>	<hr/>
	5,163,103	-	513,276	5,676,379
	<hr/>	<hr/>	<hr/>	<hr/>
Shari'a compliant alternatives of swap (note 24)	-	6,415	-	6,415
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Assets for which fair values are disclosed:</b>				
Investment properties	-	-	1,550,816	1,550,816
	<hr/>	<hr/>	<hr/>	<hr/>
Investment carried at amortised cost - Sukuk	18,138,506	-	-	18,138,506
	<hr/>	<hr/>	<hr/>	<hr/>
Assets acquired in satisfaction of claims	-	138,047	-	138,047
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the condensed consolidated interim financial statements  
30 September 2024 (Unaudited)**

**40 Fair value of financial instruments (continued)**

There were no transfers between level 1, 2 and 3 during the period (2023: 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 September 2024 AED '000</b>	31 December 2023 AED '000 (audited)
At the beginning of the period	<b>206,094</b>	203,963
Additions	<b>183,625</b>	-
Gain recorded in equity	<b>10,652</b>	2,929
Foreign currency translation	<b>(16,277)</b>	(798)
	<hr/>	<hr/>
At the end of the period	<b>384,094</b>	206,094
	<hr/> <hr/>	<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.