

# Abu Dhabi Commercial Bank PJSC

Review report and condensed consolidated  
interim financial information for the six month  
period ended June 30, 2025

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF  
ABU DHABI COMMERCIAL BANK PJSC**

*Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Abu Dhabi Commercial Bank PJSC (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2025, and the related income statement, statements of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with 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.)



Mohammad Khamees Al Tah  
Registration No. 717  
14 July 2025  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated interim statement of financial position**


As at June 30, 2025

		<b>As at June 30 2025 unaudited AED'000</b>	<b>As at December 31 2024 audited AED'000</b>
	<b>Notes</b>		
<b>Assets</b>			
Cash and balances with central banks, net	4	53,870,323	46,222,548
Deposits and balances due from banks, net	5	58,264,259	50,214,028
Financial assets at fair value through profit or loss	6	19,120,219	12,869,631
Derivative financial instruments	7	15,392,130	18,973,188
Investment securities, net	8	153,581,826	142,989,163
Loans and advances to customers, net	9	378,464,501	350,638,304
Investment in associates		323,622	329,025
Investment properties	11	1,692,268	1,715,622
Other assets, net	12	29,277,466	20,004,509
Property and equipment, net		830,532	1,186,102
Intangible assets, net		7,685,292	7,672,106
<b>Total assets</b>		<b>718,502,438</b>	<b>652,814,226</b>
<b>Liabilities</b>			
Due to banks	13	16,257,380	11,276,704
Derivative financial instruments	7	26,506,041	23,891,228
Deposits from customers	14	463,441,699	421,059,909
Euro commercial paper	15	11,071,143	6,153,009
Borrowings	16	89,375,056	88,687,459
Other liabilities	17	35,602,569	26,179,008
<b>Total liabilities</b>		<b>642,253,888</b>	<b>577,247,317</b>
<b>Equity</b>			
Share capital	18	7,319,947	7,319,947
Share premium		17,878,882	17,878,882
Other reserves	19	11,888,439	11,081,986
Retained earnings		30,402,518	30,526,433
Capital notes	20	8,754,750	8,754,750
<b>Equity attributable to equity holders of the Bank</b>		<b>76,244,536</b>	<b>75,561,998</b>
Non-controlling interests		4,014	4,911
<b>Total equity</b>		<b>76,248,550</b>	<b>75,566,909</b>
<b>Total liabilities and equity</b>		<b>718,502,438</b>	<b>652,814,226</b>


This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on July 14, 2025 and signed on its behalf by:

Signed by:  
  
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**Khaldoon Khalifa Al Mubarak**  
Chairman

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**Ala'a Eraiqat**  
Group Chief Executive Officer

DocuSigned by:  
  
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**Deepak Khullar**  
Group Chief Financial Officer

The accompanying notes 1 to 34 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim income statement (unaudited)**

For the six month period ended June 30, 2025

	Notes	3 months ended June 30		6 months ended June 30	
		2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Interest income	21	7,661,436	7,467,341	15,008,815	14,829,407
Interest expense	22	(4,658,063)	(4,736,924)	(9,191,089)	(9,322,604)
<b>Net interest income</b>		<b>3,003,373</b>	<b>2,730,417</b>	<b>5,817,726</b>	<b>5,506,803</b>
Income from Islamic financing and investing products		975,690	858,329	1,884,707	1,705,819
Distribution on Islamic deposits and profit paid to sukuk holders		(324,705)	(312,567)	(654,436)	(635,353)
<b>Net income from Islamic financing and investing products</b>		<b>650,985</b>	<b>545,762</b>	<b>1,230,271</b>	<b>1,070,466</b>
<b>Total net interest income and income from Islamic financing and investing products</b>		<b>3,654,358</b>	<b>3,276,179</b>	<b>7,047,997</b>	<b>6,577,269</b>
Net fees and commission income	23	928,764	808,864	1,748,519	1,511,746
Net trading income	24	872,038	479,558	1,430,898	1,003,285
Other operating income	25	273,148	149,414	513,446	207,987
<b>Operating income</b>		<b>5,728,308</b>	<b>4,714,015</b>	<b>10,740,860</b>	<b>9,300,287</b>
Operating expenses	26	(1,510,731)	(1,534,446)	(2,975,339)	(2,951,422)
<b>Operating profit before impairment charge</b>		<b>4,217,577</b>	<b>3,179,569</b>	<b>7,765,521</b>	<b>6,348,865</b>
Impairment charge	27	(1,185,971)	(588,143)	(1,832,466)	(1,328,753)
<b>Profit after impairment charge</b>		<b>3,031,606</b>	<b>2,591,426</b>	<b>5,933,055</b>	<b>5,020,112</b>
Share in profit of associates		3,334	1,167	8,592	3,383
<b>Profit before taxation</b>		<b>3,034,940</b>	<b>2,592,593</b>	<b>5,941,647</b>	<b>5,023,495</b>
Income tax charge		(467,316)	(275,558)	(927,952)	(567,649)
<b>Profit for the period</b>		<b>2,567,624</b>	<b>2,317,035</b>	<b>5,013,695</b>	<b>4,455,846</b>
<b>Attributable to:</b>					
Equity holders of the Bank		2,568,056	2,317,512	5,014,622	4,457,368
Non-controlling interests		(432)	(477)	(927)	(1,522)
<b>Profit for the period</b>		<b>2,567,624</b>	<b>2,317,035</b>	<b>5,013,695</b>	<b>4,455,846</b>
<b>Basic and diluted earnings per share (AED)</b>	<b>28</b>	<b>0.34</b>	<b>0.30</b>	<b>0.64</b>	<b>0.56</b>

The accompanying notes 1 to 34 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income (unaudited)**

For the six month period ended June 30, 2025

	<b>3 months ended June 30</b>		<b>6 months ended June 30</b>	
	<b>2025</b> <b>AED'000</b>	2024 AED'000	<b>2025</b> <b>AED'000</b>	2024 AED'000
<b>Profit for the period</b>	<b>2,567,624</b>	2,317,035	<b>5,013,695</b>	4,455,846
<b>Other comprehensive income</b>				
<b>Items that may be re-classified subsequently to the condensed consolidated interim income statement</b>				
Net movement in foreign currency translation reserve (Note 19)	<b>15,188</b>	(24,833)	<b>28,294</b>	(418,427)
Net movement in cash flow hedge reserve (net of tax) (Note 19)	<b>(71,042)</b>	(264,592)	<b>(38,319)</b>	(172,809)
Net movement in revaluation reserve of debt instruments designated at FVTOCI (net of tax) (Note 19)	<b>119,141</b>	134,966	<b>513,950</b>	33,380
	<b>63,287</b>	(154,459)	<b>503,925</b>	(557,856)
<b>Items that will not be re-classified subsequently to the condensed consolidated interim income statement</b>				
Net movement in revaluation reserve of equity instruments designated at FVTOCI (net of tax) (Note 19)	<b>49,587</b>	(34,340)	<b>59,436</b>	(15,498)
<b>Other comprehensive income/(loss) for the period</b>	<b>112,874</b>	(188,799)	<b>563,361</b>	(573,354)
<b>Total comprehensive income for the period</b>	<b>2,680,498</b>	2,128,236	<b>5,577,056</b>	3,882,492
<b>Attributable to:</b>				
Equity holders of the Bank	<b>2,680,937</b>	2,128,727	<b>5,577,953</b>	3,884,346
Non-controlling interests	<b>(439)</b>	(491)	<b>(897)</b>	(1,854)
<b>Total comprehensive income for the period</b>	<b>2,680,498</b>	2,128,236	<b>5,577,056</b>	3,882,492

The accompanying notes 1 to 34 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of changes in equity (unaudited)**

For the six month period ended June 30, 2025

	Share capital AED'000	Share premium AED'000	Other reserves AED'000	Retained earnings AED'000	Capital notes AED'000	Equity attributable to equity holders of the Bank AED'000	Non- controlling interests AED'000	Total equity AED'000
<b>As at January 1, 2025</b>	7,319,947	17,878,882	11,081,986	30,526,433	8,754,750	75,561,998	4,911	75,566,909
Profit/(loss) for the period	-	-	-	5,014,622	-	5,014,622	(927)	5,013,695
Other comprehensive income for the period (Note 19)	-	-	563,331	-	-	563,331	30	563,361
Other movements (Note 19)	-	-	243,122	(445,042)	-	(201,920)	-	(201,920)
Amounts transferred within equity upon disposal of investments in equity instruments designated at FVTOCI (net of tax)	-	-	-	(45,890)	-	(45,890)	-	(45,890)
Dividends paid to equity holders of the Bank	-	-	-	(4,318,769)	-	(4,318,769)	-	(4,318,769)
Capital notes coupon paid (Note 28)	-	-	-	(328,836)	-	(328,836)	-	(328,836)
<b>As at June 30, 2025</b>	7,319,947	17,878,882	11,888,439	30,402,518	8,754,750	76,244,536	4,014	76,248,550
<b>As at January 1, 2024</b>	7,319,947	17,878,882	10,591,907	26,701,111	8,754,750	71,246,597	6,870	71,253,467
Profit/(loss) for the period	-	-	-	4,457,368	-	4,457,368	(1,522)	4,455,846
Other comprehensive loss for the period (Note 19)	-	-	(573,022)	-	-	(573,022)	(332)	(573,354)
Other movements (Note 19)	-	-	458,319	(448,374)	-	9,945	-	9,945
Amounts transferred within equity upon disposal of investments in equity instruments designated at FVTOCI (net of tax)	-	-	-	11,929	-	11,929	-	11,929
Adjustments arising from changes in non-controlling interests	-	-	(64)	55	-	(9)	(95)	(104)
Dividends paid to equity holders of the Bank	-	-	-	(4,099,170)	-	(4,099,170)	-	(4,099,170)
Capital notes coupon paid (Note 28)	-	-	-	(351,102)	-	(351,102)	-	(351,102)
<b>As at June 30, 2024</b>	7,319,947	17,878,882	10,477,140	26,271,817	8,754,750	70,702,536	4,921	70,707,457

Following the Annual General Meeting held on February 27, 2025, the shareholders approved the distribution of proposed cash dividend of AED 4,318,769 thousand for the year 2024, being AED 0.59 dividend per share and representing 59% of the paid up share capital (For the year 2023 – cash dividend of AED 4,099,170 thousand, being AED 0.56 dividend per share and representing 56% of the paid up share capital).

The accompanying notes 1 to 34 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows (unaudited)**

For the six month period ended June 30, 2025

	6 months ended June 30	
	2025 AED'000	2024 AED'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	5,941,647	5,023,495
<b>Adjustments for:</b>		
Depreciation on property and equipment (Note 26)	95,717	177,562
Amortisation of intangible assets (Note 26)	112,495	25,345
Gross impairment charge	2,094,945	1,549,863
Share in profit of associates	(8,592)	(3,383)
Discount unwind	(57,645)	(70,289)
Net loss from disposal of investment securities (Note 25)	183,977	242,464
Discount amortisation on investment securities	(266,043)	(425,405)
Dividend income (Note 25)	(17,100)	(15,394)
Gain on sale of property and equipment	(2,531)	(454)
Amortisation and interest capitalised on borrowings and ECPs	895,943	758,651
Net gain from financial assets at fair value through profit or loss (Note 24)	(615,988)	(541,006)
Ineffective portion of hedges – (profit)/loss (Note 7)	(1,776)	8,360
Employees' incentive plan expense (Note 19)	67,694	32,502
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>8,422,743</b>	<b>6,762,311</b>
Net movement in balances with central banks and due from banks	(9,854,701)	(1,729,689)
Net movement in derivative financial instruments	(714,789)	(604,071)
Net purchases of financial assets at fair value through profit or loss	(5,642,980)	(1,340,512)
Net movement in loans and advances to customers	(28,565,285)	(33,320,732)
Net movement in other assets	(1,518,888)	(1,324,675)
Net movement in due to banks	4,980,333	2,019,566
Net movement in deposits from customers	42,193,778	30,786,874
Net movement in other liabilities	1,073,044	2,968,391
<b>Net cash from operations</b>	<b>10,373,255</b>	<b>4,217,463</b>
Income tax paid	(143,986)	(65,559)
<b>Net cash from operating activities</b>	<b>10,229,269</b>	<b>4,151,904</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from redemption/disposal of investment securities	24,613,063	22,952,987
Net purchases of investment securities	(28,847,307)	(29,976,731)
Dividend received from investment securities (Note 25)	17,100	15,394
Dividends received from associate	13,995	-
Net disposals of investment properties (Note 11)	23,374	38,021
Net purchases of property and equipment and computer software	(242,293)	(172,511)
<b>Net cash used in investing activities</b>	<b>(4,422,068)</b>	<b>(7,142,840)</b>
<b>FINANCING ACTIVITIES</b>		
Net movement in euro commercial paper	4,707,988	(2,198,439)
Net proceeds from borrowings	49,254,592	54,357,616
Repayment of borrowings	(49,287,666)	(46,615,404)
Payment of lease liabilities	(44,723)	(33,591)
Dividends paid to equity holders of the Bank	(4,318,769)	(4,099,170)
Acquisition of non-controlling interests	-	(104)
Capital notes coupon paid (Note 28)	(328,836)	(351,102)
<b>Net cash (used in)/from financing activities</b>	<b>(17,414)</b>	<b>1,059,806</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>75,313</b>	<b>(1,184,356)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,865,100</b>	<b>(3,115,486)</b>
Cash and cash equivalents at the beginning of the period	61,109,902	51,837,050
<b>Cash and cash equivalents at the end of the period</b>	<b>66,975,002</b>	<b>48,721,564</b>

The accompanying notes 1 to 34 form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated interim statement of cash flows** (unaudited) (continued)

For the six month period ended June 30, 2025

**Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated interim statement of cash flows comprise of following amounts:

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Cash and balances with central banks (Note 4)	53,871,695	46,223,736
Deposits and balances due from banks (excluding loans and advances to banks) (Note 5)	23,117,451	19,535,011
	<b>76,989,146</b>	<b>65,758,747</b>
Less: Cash and balances with central banks and deposits and balances due from banks - with original maturity of more than three months	<b>(9,955,771)</b>	(4,648,845)
Less: Restricted balance with Central Bank	<b>(58,373)</b>	-
<b>Total cash and cash equivalents</b>	<b>66,975,002</b>	<b>61,109,902</b>

The accompanying notes 1 to 34 form an integral part of this condensed consolidated interim financial information.

**Notes to the condensed consolidated interim financial information**For the six month period ended June 30, 2025

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**1. General information**

Abu Dhabi Commercial Bank PJSC (“ADCB” or the “Bank”) is a public joint stock company with limited liability incorporated in the emirate of Abu Dhabi, United Arab Emirates (UAE). The Bank and its subsidiaries (together referred to as the “Group”) are principally engaged in the business of retail, commercial and Islamic banking and provision of other financial services.

The Group’s Islamic banking activities are conducted in accordance with principles of Islamic Shari’ah as interpreted by Internal Shari’ah Supervision Committee (“ISSC”) as well as the standards and resolutions issued by the higher Shari’ah authority of UAE Central Bank.

The Bank is listed on the Abu Dhabi Securities Exchange (Ticker: ADCB).

The registered head office of ADCB is at Abu Dhabi Commercial Bank PJSC Head Office Building, Sheikh Zayed Bin Sultan Street, Plot C- 33, Sector E-11, P. O. Box 939, Abu Dhabi, UAE.

**2. Summary of material accounting policy information****2.1 Basis of preparation**

The condensed consolidated interim financial information has been prepared on a going concern basis and in accordance with IAS 34 - Interim Financial Reporting. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards), International Financial Reporting Interpretation Committee (IFRIC) Interpretations and requirements of applicable laws.

The same accounting policy information, presentation and methods of computation have been followed in this condensed consolidated interim financial information as were applied in the preparation and presentation of the Group’s consolidated financial statements for the year ended December 31, 2024.

Certain disclosure notes/numbers have been reclassified and rearranged from the Group’s prior period condensed consolidated interim financial information to conform to the current period's presentation.

The results for the six month period ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

The condensed consolidated interim financial information is prepared and presented in United Arab Emirates Dirham (AED), which is the Group’s functional and presentation currency and is rounded off to the nearest thousand unless otherwise indicated.

The preparation of the condensed consolidated interim financial information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policy information and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The main areas of judgements, estimates and assumptions applied in this condensed consolidated interim financial information, including the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements of the Group for the year ended December 31, 2024.

## 2. Summary of material accounting policy information (continued)

### 2.2 Application of new and revised IFRS Accounting Standards

#### 2.2.1 Standards and Interpretations in issue and effective

In the current period, the Group has applied the amendments to IAS 21. The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Group's future transactions or arrangements.

Other than the above, there are no other significant IFRS Accounting Standards, amendments or interpretations that were effective for the first time for the financial year beginning on or after January 1, 2025.

#### 2.2.2 Standards and Interpretations in issue but not yet effective

New standards and significant amendments to standards applicable to the Group:	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7 - The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	January 1, 2026
Annual improvements to IFRS Accounting Standards.	January 1, 2026
IFRS 19 'Subsidiaries without Public Accountability' specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	January 1, 2027
Presentation and disclosures in financial statements (IFRS 18) - The new standard contains requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	January 1, 2027
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28).	Effective date deferred indefinitely, available for early adoption.

The Group has not early adopted any new and revised IFRS Accounting Standards that have been issued but are not yet effective. Management anticipates that these amendments will be adopted in the consolidated financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management.

### 2.3 Basis of consolidation

This condensed consolidated interim financial information incorporates the financial statements of the Bank and its subsidiaries (collectively referred to as the "Group").

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the condensed consolidated interim financial information from the date that control commences until the date that control ceases.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**2. Summary of material accounting policy information (continued)**
**2.3 Basis of consolidation (continued)**

The following is the list of subsidiaries of the Bank as at June 30, 2025:

Name of subsidiary	Ownership interest	Incorporation		Principal activities
		Year	Country	
ADCB Securities LLC	100%	2005	UAE	Agent in trading of financial instruments and stocks.
Kinetic Infrastructure Development LLC	100%	2006	UAE	Financial investments.
Abu Dhabi Commercial Property Development LLC <sup>(1)</sup>	100%	2006	UAE	Property development.
Abu Dhabi Commercial Engineering Services LLC	100%	2007	UAE	Engineering services.
ADCB Finance (Cayman) Limited	100%	2008	Cayman Islands	Treasury financing activities.
ADCB Markets (Cayman) Limited	100%	2008	Cayman Islands	Treasury related activities.
ACB LTIP (IOM) Limited	Controlling Interest	2008	Isle of Man	Trust activities.
ITMAM Services FZ LLC	100%	2010	UAE	Transaction processing and back-office support for the Group.
AD NAC Ventures WLL	99.75%	2012	Bahrain	Trust activities.
ITMAM Services LLC	100%	2013	UAE	Transaction processing and back-office support for the Group.
ADCB Asset Management Limited	100%	2018	UAE	Wealth management and private banking.
Al Wifaq Investment Properties PrJSC	90.08%	2006	UAE	Investment in real estate properties and earning rental income.
Abu Dhabi Commercial Bank – Egypt SAE (formerly known as Union National bank – Egypt SAE)	99.90%	1981	Egypt	Commercial banking services.
Al Hilal Bank PJSC	100%	2007	UAE	Islamic banking activities.
ADCB Islamic Bank JSC (formerly known as Al Hilal Islamic Bank JSC)	100%	2010	Kazakhstan	Islamic banking activities.
Al Hilal Leasing LLP <sup>(2)</sup>	100%	2011	Kazakhstan	Shari'ah compliant leasing operations.
Al Hur 1 Holding Limited	100%	2022	UAE	Real estate investment activities.
Al Hur 2 Holding Limited	100%	2022	UAE	Real estate investment activities.
Meedaf Investment Limited (formerly known as Meedaf Investment – Sole Proprietorship LLC)	100%	2023	UAE	Enterprise and service support.

<sup>(1)</sup> dormant

<sup>(2)</sup> under liquidation

The Group does not have any subsidiary with material non-controlling interests.

**Funds under management**

The Bank manages and administers assets held in unit trusts on behalf of investors. The financial statements of these entities are not included in the condensed consolidated interim financial information except when the Bank controls the entity, as mentioned above.

**Loss of control**

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

**Transactions eliminated on consolidation**

All intragroup balances, income, expenses and cash flows resulting from intragroup transactions are eliminated on consolidation.

**Notes to the condensed consolidated interim financial information**For the six month period ended June 30, 2025

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**2. Summary of material accounting policy information (continued)****2.3 Basis of consolidation (continued)****Investment in associates**

Associates are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The condensed consolidated interim financial information includes the Group's share of the profit or loss and other comprehensive income of investment in associates, after adjustments to align the accounting policy information with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

**Joint arrangements**

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

Joint operation – when the Group has rights to the assets and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method, as for associates.

**3. Taxation**

The UAE Ministry of Finance has released the Domestic Minimum Top-up Tax (DMTT), aligned with the OECD Pillar Two Global Anti-Base Erosion Model Rules. As at the reporting date, the DMTT has been substantially enacted and will be effective in the UAE for financial years commencing on or after January 01, 2025. A DMTT rate of 15% will apply to multinational enterprises operating in the UAE with consolidated global revenues of EUR 750 million or more in at least two of the four financial years immediately preceding the financial year in which the DMTT becomes applicable. The impact of the DMTT has been reflected in the calculation of income tax expense for the current period.

The Group is actively evaluating the implication of the DMTT across all jurisdictions in which it operates. This ongoing assessment includes a comprehensive analysis of the initial phase of International Activity Exclusion (IAE). If the IAE is applicable to the Group, the statutory tax rate will reduce from the DMTT rate of 15% to the UAE Corporate Tax rate of 9%. As at June 30, 2025, the Group has provided for income tax at the DMTT rate of 15%. The Group anticipates completing its evaluation of the IAE by quarter ending 30 September 2025. Any resulting adjustments will be reflected in income tax expense in the period in which the assessment is finalised.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**3. Taxation (continued)**

The Group has applied the temporary exception issued by the International Accounting Standards Board (IASB) in May 2023 from the accounting requirements for deferred taxes under IAS 12. Accordingly, the Group does not recognise or disclose information relating to deferred tax assets and liabilities arising from Pillar Two income taxes.

**4. Cash and balances with central banks, net**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Cash on hand	2,183,683	2,338,071
Balances with central banks	15,984,181	11,307,334
Reserves maintained with central banks	31,709,429	27,310,400
Certificate of deposits with central banks	3,994,402	5,267,931
<b>Gross cash and balances with central banks</b>	<b>53,871,695</b>	<b>46,223,736</b>
Less: Allowance for impairment (Note 10)	(1,372)	(1,188)
<b>Total cash and balances with central banks, net</b>	<b>53,870,323</b>	<b>46,222,548</b>
The geographical concentration is as follows:		
Within the UAE	51,102,443	43,988,224
Outside the UAE	2,769,252	2,235,512
	53,871,695	46,223,736
Less: Allowance for impairment (Note 10)	(1,372)	(1,188)
	53,870,323	46,222,548

Reserves maintained with central banks represent deposits with central banks at stipulated percentages of its demand, savings, time, and other deposits. As per central bank regulations, subject to meeting reserve requirements over specified period, the Group is allowed to draw their balances held in reserve account maintained with central banks. These reserves are available for day-to-day operations.

**5. Deposits and balances due from banks, net**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Nostro balances	5,831,448	5,714,555
Margin deposits	5,447,803	3,914,243
Time deposits	8,125,503	9,314,038
Reverse repo placements(*)	3,069,922	224,875
Wakala placements	642,775	367,300
Loans and advances to banks	35,274,001	30,784,766
<b>Gross deposits and balances due from banks</b>	<b>58,391,452</b>	<b>50,319,777</b>
Less: Allowance for impairment (Note 10)	(127,193)	(105,749)
<b>Total deposits and balances due from banks, net</b>	<b>58,264,259</b>	<b>50,214,028</b>
The geographical concentration is as follows:		
Within the UAE	3,928,743	3,839,840
Outside the UAE	54,462,709	46,479,937
	58,391,452	50,319,777
Less: Allowance for impairment (Note 10)	(127,193)	(105,749)
	58,264,259	50,214,028

(\*) includes Islamic collateralised murabaha amounting to AED 167,993 thousand (December 31, 2024 – AED 224,875 thousand)

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**5. Deposits and balances due from banks, net (continued)**

As at June 30, 2025, the Group received bonds with fair value of AED 4,434,184 thousand (December 31, 2024 – AED 310,046 thousand) against collateralised murabaha and reverse repurchase placements. The risks and rewards relating to these bonds remain with the counterparty.

The Group hedges certain fixed and floating rate loans and advances to banks amounting to AED 473,261 thousand (December 31, 2024 – AED 386,547 thousand) for interest rate risk using either interest rate or cross currency swaps and designates these swaps as fair value and cash flow hedges, respectively. The net negative fair value of these swaps as at June 30, 2025 was AED 41,282 thousand (December 31, 2024 – net positive fair value of AED 4,881 thousand).

**6. Financial assets at fair value through profit or loss**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Debt securities(*)	8,801,950	2,893,933
Equities and funds(*)	30,000	83,100
Structured funding arrangements	10,288,269	9,892,598
<b>Total financial assets at fair value through profit or loss</b>	<b>19,120,219</b>	<b>12,869,631</b>
The geographical concentration is as follows:		
Within the UAE	4,173,772	1,418,899
Outside the UAE	14,946,447	11,450,732
	<b>19,120,219</b>	<b>12,869,631</b>

(\*) includes Islamic investing assets amounting to AED 493,607 thousand (December 31, 2024 – AED 480,160 thousand)

The Group entered into structured funding arrangements where funding was provided against certain reference assets received under the arrangement and held by the Group. The risk and rewards relating to these reference assets remain with the counterparty. As at June 30, 2025, the fair value of these reference assets amounted to AED 17,762,314 thousand (December 31, 2024 – AED 14,345,921 thousand). Further, the Group also received net cash collateral of AED 111,549 thousand (December 31, 2024 – posted net cash collateral of AED 32,469 thousand) against this structuring arrangement. The structuring arrangement and reference assets received are governed under International Swaps and Derivatives Association (ISDA) agreements.

Refer note 9 for loans and advances at fair value through profit or loss.



**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**7. Derivative financial instruments**

The table below shows the positive (assets) and negative (liabilities) fair values of derivative financial instruments.

	Fair values		Notional AED'000
	Assets AED'000	Liabilities AED'000	
As at June 30, 2025 (unaudited)			
Derivatives held or issued for trading			
Foreign exchange derivatives	1,937,633	1,840,850	359,383,145
Interest rate and cross currency swaps	8,325,425	7,900,358	395,494,043
Credit derivatives	-	783	55,095
Interest rate and commodity options	620,287	728,989	94,095,791
Total return swap	29	919	24,221
Futures (exchange traded)	4,480	5,199	69,800,789
Commodity and energy swaps	472,143	424,624	16,014,325
Swaptions	966,061	135,520	38,545,115
Total derivatives held or issued for trading	12,326,058	11,037,242	973,412,524
Derivatives held as fair value hedges			
Interest rate and cross currency swaps	1,948,689	15,402,691	195,497,235
Derivatives held as cash flow hedges			
Interest rate and cross currency swaps	176,697	60,270	32,647,068
Forward foreign exchange contracts	940,686	5,838	20,824,257
Total derivatives held as cash flow hedges	1,117,383	66,108	53,471,325
Total derivative financial instruments	15,392,130	26,506,041	1,222,381,084
As at December 31, 2024 (audited)			
Derivatives held or issued for trading			
Foreign exchange derivatives	2,773,557	2,450,293	287,887,759
Interest rate and cross currency swaps	9,170,690	8,735,001	363,398,901
Credit derivatives	-	2,602	128,555
Interest rate and commodity options	699,263	918,328	84,664,228
Futures (exchange traded)	1,188	2,487	5,617,854
Commodity and energy swaps	209,186	157,830	15,708,962
Swaptions	896,286	163,232	62,290,298
Total derivatives held or issued for trading	13,750,170	12,429,773	819,696,557
Derivatives held as fair value hedges			
Interest rate and cross currency swaps	4,742,100	11,009,398	170,685,872
Derivatives held as cash flow hedges			
Interest rate and cross currency swaps	480,918	28,642	15,037,587
Forward foreign exchange contracts	-	423,415	11,994,706
Total derivatives held as cash flow hedges	480,918	452,057	27,032,293
Total derivative financial instruments	18,973,188	23,891,228	1,017,414,722

The notional amounts indicate the volume of transactions and are neither indicative of the market risk nor credit risk. The net hedge ineffectiveness gains relating to the fair value and cash flow hedges amounting to AED 1,776 thousand (for the six month period ended June 30, 2024 – net losses of AED 8,360 thousand) has been recognised in the condensed consolidated interim income statement.

As at June 30, 2025, the Group received cash collateral of AED 3,512,152 thousand (December 31, 2024 – AED 6,238,902 thousand) and bonds with fair value of AED 1,827,910 thousand (December 31, 2024 – AED 2,122,020 thousand) against net positive derivative exposure.



**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**7. Derivative financial instruments (continued)**

As at June 30, 2025, the Group placed cash collateral of AED 6,247,338 thousand (December 31, 2024 – AED 4,674,983 thousand) and bonds with fair value of AED 10,521,590 thousand (December 31, 2024 – AED 6,804,659 thousand) against net negative derivative exposure.

These collaterals are governed by collateral service agreements under International Swaps and Derivatives Association (ISDA) agreements.

**8. Investment securities, net**

	UAE AED'000	Other GCC(*) countries AED'000	Rest of the world AED'000	Total AED'000
<b>As at June 30, 2025 (unaudited)</b>				
<b>At fair value through other comprehensive income (FVTOCI)</b>				
<b>Quoted:</b>				
Government securities	11,710,463	9,443,351	26,944,710	48,098,524
Bonds - Public sector	6,654,541	1,855,084	1,492,198	10,001,823
Bonds - Banks and financial institutions	1,012,627	761,615	4,233,100	6,007,342
Bonds - Corporate	476,043	182,947	818,995	1,477,985
Equities and funds(**)	604,966	36,474	163,980	805,420
<b>Total quoted</b>	<b>20,458,640</b>	<b>12,279,471</b>	<b>33,652,983</b>	<b>66,391,094</b>
<b>Unquoted:</b>				
Equities and funds	64,091	1,352	24,800	90,243
<b>Total investment securities at fair value through other comprehensive income</b>	<b>20,522,731</b>	<b>12,280,823</b>	<b>33,677,783</b>	<b>66,481,337</b>
<b>At amortised cost</b>				
<b>Quoted:</b>				
Government securities	14,947,363	14,229,404	25,151,142	54,327,909
Bonds - Public sector	8,876,968	2,013,794	6,395,175	17,285,937
Bonds - Banks and financial institutions	1,619,401	1,553,184	7,243,007	10,415,592
Bonds - Corporate	2,336,085	503,511	2,244,834	5,084,430
<b>Total quoted</b>	<b>27,779,817</b>	<b>18,299,893</b>	<b>41,034,158</b>	<b>87,113,868</b>
Less: Allowance for impairment (Note 10)	(4,789)	(1,862)	(6,728)	(13,379)
<b>Total investment securities at amortised cost</b>	<b>27,775,028</b>	<b>18,298,031</b>	<b>41,027,430</b>	<b>87,100,489</b>
<b>Total investment securities, net</b>	<b>48,297,759</b>	<b>30,578,854</b>	<b>74,705,213</b>	<b>153,581,826</b>

(\*) Gulf Cooperation Council

(\*\*) includes investments in perpetual bonds

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**8. Investment securities, net (continued)**

	UAE AED'000	Other GCC(*) countries AED'000	Rest of the world AED'000	Total AED'000
<b>As at December 31, 2024 (audited)</b>				
<b>At fair value through other comprehensive income (FVTOCI)</b>				
<b>Quoted:</b>				
Government securities	11,335,885	6,873,943	19,280,519	37,490,347
Bonds - Public sector	5,708,086	1,687,769	1,352,193	8,748,048
Bonds - Banks and financial institutions	866,556	113,456	1,376,596	2,356,608
Bonds - Corporate	620,058	413,505	443,347	1,476,910
Equities and funds(**)	626,103	36,190	163,016	825,309
<b>Total quoted</b>	<b>19,156,688</b>	<b>9,124,863</b>	<b>22,615,671</b>	<b>50,897,222</b>
<b>Unquoted:</b>				
Equities and funds	71,167	1,295	23,525	95,987
<b>Total investment securities at fair value through other comprehensive income</b>	<b>19,227,855</b>	<b>9,126,158</b>	<b>22,639,196</b>	<b>50,993,209</b>
<b>At amortised cost</b>				
<b>Quoted:</b>				
Government securities	15,008,612	15,209,569	26,897,501	57,115,682
Bonds - Public sector	8,991,026	2,101,644	6,974,613	18,067,283
Bonds - Banks and financial institutions	1,566,100	1,574,462	8,359,409	11,499,971
Bonds - Corporate	2,465,929	627,437	2,241,112	5,334,478
<b>Total quoted</b>	<b>28,031,667</b>	<b>19,513,112</b>	<b>44,472,635</b>	<b>92,017,414</b>
Less: Allowance for impairment (Note 10)	(5,234)	(2,515)	(13,711)	(21,460)
<b>Total investment securities at amortised cost</b>	<b>28,026,433</b>	<b>19,510,597</b>	<b>44,458,924</b>	<b>91,995,954</b>
<b>Total investment securities, net</b>	<b>47,254,288</b>	<b>28,636,755</b>	<b>67,098,120</b>	<b>142,989,163</b>

(\*) Gulf Cooperation Council

(\*\*) includes investments in perpetual bonds

Islamic investing assets included in the above table are as follows:

	<b>As at June 30 2025 unaudited AED'000</b>	<b>As at December 31 2024 audited AED'000</b>
<b>At fair value through other comprehensive income (FVTOCI)</b>		
Sukuk investments	<b>8,405,334</b>	6,762,670
Equities	<b>116,304</b>	126,652
	<b>8,521,638</b>	6,889,322
<b>At amortised cost</b>		
Sukuk investments	<b>6,657,738</b>	7,078,083
Less: Allowance for impairment	<b>(3,306)</b>	(3,670)
	<b>6,654,432</b>	7,074,413
<b>Islamic investing assets, net</b>	<b>15,176,070</b>	13,963,735

As at June 30, 2025, the allowance for impairment on debt instruments designated at FVTOCI amounting to AED 46,341 thousand (December 31, 2024 – AED 52,463 thousand) (Note 10) is included in revaluation reserve of investments carried at FVTOCI.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**8. Investment securities, net (continued)**

The Group hedges certain fixed and floating rate investments securities amounting to AED 100,649,906 thousand (December 31, 2024 – AED 92,180,070 thousand) for interest rate and foreign currency risks through interest rate and currency swaps and designates these as fair value and cash flow hedges. The net negative fair value of these swaps as at June 30, 2025, was AED 3,138,228 thousand (December 31, 2024 – net positive fair value AED 3,321,844 thousand). The hedge ineffectiveness gains and losses relating to these hedges were included in the condensed consolidated interim income statement.

The Group entered into repurchase agreements whereby bonds were pledged and held by counterparties as collateral. The risks and rewards relating to the investments pledged remains with the Group. The bonds placed as collateral are governed under Global Master Repurchase Agreements (GMRA). The following table reflects the carrying value of these bonds and the associated financial liabilities:

	<b>As at June 30, 2025 (unaudited)</b>		<b>As at December 31, 2024 (audited)</b>	
	<b>Carrying value of pledged securities AED'000</b>	<b>Carrying value of associated liabilities AED'000</b>	<b>Carrying value of pledged securities AED'000</b>	<b>Carrying value of associated liabilities AED'000</b>
Repurchase financing	42,086,124	39,749,157	45,477,541	44,350,766

Further, the Group pledged investment securities with fair value amounting to AED 10,285,118 thousand (December 31, 2024 – AED 7,510,521 thousand) as collateral against margin calls. The risks and rewards on these pledged investments securities remains with the Group.

**9. Loans and advances to customers, net**

	<b>As at June 30 2025 unaudited AED'000</b>	<b>As at December 31 2024 audited AED'000</b>
Overdrafts (retail and corporate)	15,849,243	15,504,313
Retail loans - mortgages	19,292,351	19,395,728
Retail loans - others	46,908,435	46,403,452
Corporate loans	269,194,650	240,557,764
Credit cards	6,078,308	5,817,779
Other facilities	29,024,346	29,595,350
<b>Gross loans and advances to customers at amortised cost</b>	<b>386,347,333</b>	<b>357,274,386</b>
Less: Allowance for impairment (Note 10)	(11,080,899)	(9,834,149)
<b>Total loans and advances to customers at amortised cost, net</b>	<b>375,266,434</b>	<b>347,440,237</b>
Loans and advances to customers mandatorily measured at FVTPL	3,198,067	3,198,067
<b>Total loans and advances to customers, net</b>	<b>378,464,501</b>	<b>350,638,304</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**9. Loans and advances to customers, net (continued)**

Islamic financing assets included in the above table are as follows:

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Murabaha	34,084,602	30,581,334
Ijara financing	13,250,882	13,473,663
Salam	401,044	402,940
Others	934,325	911,772
<b>Gross Islamic financing assets</b>	<b>48,670,853</b>	<b>45,369,709</b>
Less: Allowance for impairment	(830,864)	(1,205,651)
<b>Islamic financing assets, net</b>	<b>47,839,989</b>	<b>44,164,058</b>

The Group hedges certain fixed and floating rate loans and advances amounting to AED 45,412,103 thousand (December 31, 2024 – AED 22,826,077 thousand) for interest rate and foreign currency risk using interest rate and currency swaps and designates these swaps as fair value and cash flow hedges, respectively. The net negative fair value of these swaps as at June 30, 2025 was AED 793,348 thousand (December 31, 2024 – net positive fair value of AED 211,878 thousand).

The economic activity sector composition of the loans and advances to customers is as follows:

	<b>As at June 30, 2025 (unaudited)</b>			<b>As at December 31, 2024 (audited)</b>		
	Within the UAE AED'000	Outside the UAE AED'000	Total AED'000	Within the UAE AED'000	Outside the UAE AED'000	Total AED'000
<b>Economic activity sector</b>						
Agriculture	93,218	50,302	143,520	92,707	126,521	219,228
Energy	3,013,345	18,282,999	21,296,344	1,595,617	12,526,407	14,122,024
Trading	23,679,423	12,036,899	35,716,322	16,577,650	12,213,458	28,791,108
Real estate investment	47,572,889	2,231,905	49,804,794	48,306,404	1,677,405	49,983,809
Hospitality	6,140,786	-	6,140,786	6,793,997	-	6,793,997
Transport and communication	6,158,185	9,031,232	15,189,417	1,952,155	6,625,052	8,577,207
Personal	74,231,599	1,185,672	75,417,271	75,525,194	1,031,536	76,556,730
Government and public sector entities	81,736,470	11,200,476	92,936,946	88,159,673	10,779,341	98,939,014
Financial institutions(*)	21,181,711	19,438,905	40,620,616	15,292,424	16,493,554	31,785,978
Manufacturing	3,454,096	11,250,660	14,704,756	4,287,435	9,147,993	13,435,428
Services(**)	9,054,543	902,431	9,956,974	8,884,327	712,031	9,596,358
Others	22,756,554	4,861,100	27,617,654	17,471,623	4,199,949	21,671,572
<b>Gross loans and advances to customers</b>	<b>299,072,819</b>	<b>90,472,581</b>	<b>389,545,400</b>	<b>284,939,206</b>	<b>75,533,247</b>	<b>360,472,453</b>
Less: Allowance for impairment (Note 10)			(11,080,899)			(9,834,149)
<b>Total loans and advances to customers, net</b>			<b>378,464,501</b>			<b>350,638,304</b>

(\*) includes investment companies

(\*\*) includes loans and advances to customers mandatorily measured at FVTPL

## Notes to the condensed consolidated interim financial information

For the six month period ended June 30, 2025

## 9. Loans and advances to customers, net (continued)

Stage wise loans and advances to customers at amortised cost and associated impairment allowance is as follows:

	As at June 30, 2025 (unaudited)		As at December 31, 2024 (audited)	
	Gross loans and advances to customers AED'000	Allowance for impairment AED'000	Gross loans and advances to customers AED'000	Allowance for impairment AED'000
Stage 1	361,668,692	1,430,073	329,941,170	1,392,018
Stage 2	15,449,870	3,508,510	17,696,484	3,241,819
Stage 3	8,570,679	6,066,460	8,694,549	4,980,973
Purchased or originated credit-impaired	658,092	75,856	942,183	219,339
<b>Total</b>	<b>386,347,333</b>	<b>11,080,899</b>	<b>357,274,386</b>	<b>9,834,149</b>

## 10. Impairment allowances

The movement in impairment allowances is as follows:

	As at June 30 2025 unaudited AED'000	As at December 31 2024 audited AED'000
<b>Opening balance</b>	<b>10,609,826</b>	<b>11,433,990</b>
Charge for the period/year	2,187,136	3,414,059
Recoveries/modifications during the period/year	(354,670)	(540,006)
<b>Net charge for the period/year</b>	<b>1,832,466</b>	<b>2,874,053</b>
Adjustments to gross carrying value for the period/year	2,142	193,465
Net amounts written-off during the period/year	(602,896)	(3,803,706)
Impact of currency translation	1,950	(87,976)
<b>Total impairment allowances</b>	<b>11,843,488</b>	<b>10,609,826</b>

Allocation of impairment allowances is as follows:

	As at June 30 2025 unaudited AED'000	As at December 31 2024 audited AED'000
Balances with central banks (Note 4)	1,372	1,188
Deposits and balances due from banks (Note 5)	127,193	105,749
Investment securities at amortised cost (Note 8)	13,379	21,460
Investment securities designated at FVTOCI (Note 8)(*)	46,341	52,463
Loans and advances to customers (Note 9)	11,080,899	9,834,149
Other assets (Note 12)	36,520	20,897
Letters of credit, guarantees and other commitments (Note 17)	537,784	573,920
<b>Total impairment allowances</b>	<b>11,843,488</b>	<b>10,609,826</b>

(\*) recognised under "Revaluation reserve of investments designated at FVTOCI"

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**11. Investment properties**

	AED'000
<b>As at January 1, 2024</b>	1,741,460
Additions during the year	1,868
Disposals during the year	(49,377)
Revaluation of investment properties	26,876
Impact of currency translation	(5,205)
<b>As at December 31, 2024 (audited)</b>	1,715,622
Additions during the period	804
Disposals during the period	(24,178)
Impact of currency translation	20
<b>As at June 30, 2025 (unaudited)</b>	1,692,268

**Fair valuations**

Valuations are carried out annually by registered independent valuers having an appropriate recognised professional qualification and experience in the location and category of the property being valued. In estimating the fair values of the properties, the highest and best use of the properties is their current use.

The valuation methodologies considered by external valuers include:

- ▶ Direct comparable method: This method seeks to determine the value of the property from transactions of comparable properties in the vicinity applying adjustments to reflect differences to the subject property.
- ▶ Investment method: This method is used to assess the value of the property by capitalising the net operating income of the property at an appropriate yield an investor would expect for an investment of the duration of the interest being valued.

Investment properties of the Group are primarily located within the UAE.

**12. Other assets, net**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Interest receivable	5,771,446	5,194,819
Prepayments	273,953	161,233
Acceptances (Note 17)	20,537,574	12,956,224
Others	2,731,013	1,713,130
<b>Gross other assets</b>	<b>29,313,986</b>	<b>20,025,406</b>
Less: Allowance for impairment (Note 10)	(36,520)	(20,897)
<b>Total other assets, net</b>	<b>29,277,466</b>	<b>20,004,509</b>

**13. Due to banks**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Vostro balances	1,917,162	1,001,783
Margin deposits	3,712,760	4,895,453
Time deposits	10,627,458	5,379,468
<b>Total due to banks</b>	<b>16,257,380</b>	<b>11,276,704</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**14. Deposits from customers**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Time deposits	256,354,988	234,975,894
Current account deposits	161,924,887	149,573,873
Savings deposits	42,423,094	32,482,564
Long term government deposits	149,307	215,054
Margin deposits	2,589,423	3,812,524
<b>Total deposits from customers</b>	<b>463,441,699</b>	<b>421,059,909</b>

Islamic deposits included in the above table are as follows:

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Current account deposits	19,874,777	19,760,622
Margin deposits	266,032	273,578
Mudaraba savings deposits(*)	23,469,955	19,616,295
Mudaraba term deposits	611,259	635,896
Murabaha deposits	1,166,361	1,170,101
Wakala deposits	22,871,163	23,832,360
<b>Total Islamic deposits</b>	<b>68,259,547</b>	<b>65,288,852</b>

(\*) includes AED 14,488 thousand pertaining to investment risk reserve (IRR) (December 31, 2024 – AED 13,364 thousand)

The Group hedges customer deposits amounting to AED 48,792,505 thousand (December 31, 2024 – AED 32,787,966 thousand) for foreign currency and interest rate risks using foreign exchange and interest rate swaps and designates these swaps as either cash flow or fair value hedges. The net positive fair value of these swaps as at June 30, 2025 was AED 85,774 thousand (December 31, 2024 – net negative fair value of AED 22,984 thousand).

**15. Euro commercial paper**

The details of euro commercial paper (“ECP”) issuances under the Bank’s ECP programme are as follows:

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
<b>Currency (CCY)</b>		
US dollar (USD)	4,795,864	2,146,885
Euro (EUR)	2,287,109	1,280,118
Great Britain pound (GBP)	3,988,170	2,726,006
<b>Total euro commercial paper</b>	<b>11,071,143</b>	<b>6,153,009</b>

The Group hedges euro commercial paper amounting to AED 6,420,785 thousand (December 31, 2024 – AED 4,006,124 thousand) for foreign currency using foreign exchange swaps and designates these swaps as cash flow hedges. The net positive fair value of these hedge contracts as at June 30, 2025 was AED 409,597 thousand (December 31, 2024 – net negative fair value of AED 139,527 thousand).

The effective interest rate on zero coupon ECPs ranges between 2.245% p.a. to 4.86% p.a. (December 31, 2024 – between 2.995% p.a. to 5.53% p.a.).

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**16. Borrowings**

The details of borrowings as at June 30, 2025 (unaudited) are as follows:

Instrument	Currency (CCY)	Within 1 year AED'000	1-3 years AED'000	3-5 years AED'000	Over 5 years AED'000	Total AED'000
Global medium term notes	Australian dollar (AUD)	-	840,718	141,526	-	982,244
	Chinese renminbi (CNH)	-	508,837	-	-	508,837
	Swiss franc (CHF)	-	-	468,435	-	468,435
	Hong Kong dollar (HKD)	74,396	95,766	-	-	170,162
	US dollar (USD)	-	5,854,867	10,443,191	15,477,883	31,775,941
	Indonesian rupiah (IDR)	-	-	443,237	-	443,237
		74,396	7,300,188	11,496,389	15,477,883	34,348,856
Bilateral loans	US dollar (USD)	-	2,561,805	3,157,294	-	5,719,099
	Kazakhstan tenge (KZT)	-	72,317	-	-	72,317
Certificate of deposits issued	Great Britain pound (GBP)	6,236,786	-	-	-	6,236,786
	Singapore dollar (SGD)	407,489	-	-	-	407,489
	US dollar (USD)	272,340	-	-	-	272,340
	Hong Kong dollar (HKD)	219,156	-	-	-	219,156
	Euro (EUR)	533,931	-	-	-	533,931
	US dollar (USD)	-	-	-	1,815,925	1,815,925
Subordinated notes - fixed rate	US dollar (USD)	-	-	-	1,815,925	1,815,925
Borrowings through repurchase agreements	US dollar (USD)	34,159,632	5,587,077	-	-	39,746,709
	Egyptian pound (EGP)	-	-	-	2,448	2,448
Total borrowings		41,903,730	15,521,387	14,653,683	17,296,256	89,375,056

The Group hedges borrowings amounting to AED 45,897,952 thousand for foreign currency and interest rate risks using either interest rate or cross currency swaps and designates these swaps as either fair value or cash flow hedges. The net negative fair value of these swaps as at June 30, 2025 was AED 8,925,233 thousand.



**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**16. Borrowings (continued)**

The details of borrowings as at December 31, 2024 (audited) are as follows:

Instrument	Currency (CCY)	Within 1 year AED'000	1-3 years AED'000	3-5 years AED'000	Over 5 AED'000	Total AED'000
Global medium term notes	Australian dollar (AUD)	-	797,078	49,998	80,226	927,302
	Chinese renminbi (CNH)	-	500,056	-	-	500,056
	Swiss franc (CHF)	-	-	-	417,308	417,308
	Hong Kong dollar (HKD)	73,331	-	-	-	73,331
	US dollar (USD)	1,101,849	5,684,037	5,662,149	15,657,548	28,105,583
	Indonesian rupiah (IDR)	-	-	422,420	-	422,420
		1,175,180	6,981,171	6,134,567	16,155,082	30,446,000
Bilateral loans	US dollar (USD)	734,013	2,562,155	2,420,215	-	5,716,383
	Kazakhstan tenge (KZT)	-	71,628	-	-	71,628
Certificate of deposits issued	Great Britain pound (GBP)	5,399,394	-	-	-	5,399,394
	US dollar (USD)	311,443	-	-	-	311,443
	Euro (EUR)	626,885	-	-	-	626,885
Subordinated notes - fixed rate	US dollar (USD)	-	-	-	1,764,960	1,764,960
Borrowings through repurchase agreements	US dollar (USD)	35,745,289	8,602,972	-	-	44,348,261
	Egyptian pound (EGP)	-	-	-	2,505	2,505
Total borrowings		43,992,204	18,217,926	8,554,782	17,922,547	88,687,459

The Group hedges borrowings amounting to AED 44,043,394 thousand for foreign currency and interest rate risks using either interest rate or cross currency swaps and designates these swaps as either fair value or cash flow hedges. The net negative fair value of these swaps as at December 31, 2024, was AED 9,614,530 thousand.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**16. Borrowings (continued)**

Interests are payable in arrears and the contractual coupon rates as at June 30, 2025 (unaudited) are as follows:

Instrument	Currency (CCY)	Within 1 year	1-3 years	3-5 years	Over 5 years
Global medium term notes	AUD	-	Fixed rate of 3.10% p.a. to 4.50% p.a. and quarterly coupons with 90 to 94 basis points over bank bill swap rate (BBSW)	Fixed rate of 2.696% p.a. to 2.80% p.a.	-
	CNH	-	Fixed rate between 3.20% p.a. to 3.415% p.a.	-	-
	CHF	-	-	Fixed rate of 2.023% p.a.	-
	HKD	Fixed rate of 1.34% p.a.	Fixed rate of 4.16% p.a.	-	-
	USD	-	Fixed rate between 1.63% p.a. to 5.24% p.a. and quarterly coupon of 88 basis points over SOFR	Fixed rate between 5.38% p.a. to 5.50% p.a. and quarterly coupons between 100 to 166 basis points over SOFR	Fixed rate between 4.65% p.a. to 5.00% p.a. and zero coupon with an internal rate between 3.271% p.a. to 5.785 % p.a.(* )
	IDR	-	-	Fixed rate between 7.50% p.a. to 8.16% p.a.	-
Bilateral loans	USD	-	Monthly coupon between 68 to 75 basis points over SOFR	Monthly coupon between 75 to 85 basis points over SOFR	-
	KZT	-	Fixed rate between 8.50% p.a. to 9.50% p.a.	-	-
Certificate of Deposits issued	GBP	Zero coupon with an internal rate between 4.31% p.a. to 4.86% p.a.	-	-	-
	SGD	Zero coupon with an internal rate of 2.54% p.a.	-	-	-
	USD	Zero coupon with an internal rate between 4.52% p.a. to 4.54% p.a.	-	-	-
	HKD	Zero coupon with an internal rate between 3.94% p.a. to 4.86% p.a.	-	-	-
	EUR	Zero coupon with an internal rate between 2.10% p.a. to 2.71% p.a.	-	-	-
Subordinated notes - fixed rate	USD	-	-	-	Fixed rate of 5.36% p.a. from issue date but excluding the first reset date (March 10, 2030)(**) payable on semi-annual basis
Borrowings through repurchase agreements	USD	Fixed rate between 4.46% p.a. to 4.60% p.a., monthly coupon between 33 to 43 basis points over SOFR, quarterly coupons between 18 to 65 basis points over SOFR, semi-annual coupons between negative 20 to 18 basis points over SOFR, and coupons at maturity between 21 to 27 basis points over SOFR	Monthly coupon between 52 to 68 basis points over SOFR and quarterly coupons between 57 to 65 basis points over SOFR	-	-
	EGP	-	-	-	Fixed rate between 0.50% p.a. to 3.50% p.a.

(\*) includes AED 14,997,250 thousand accreting notes issued with original tenors ranging from 30 years to 40 years with internal rate of return ranging between 3.271% p.a. to 5.785% p.a. and are callable at the end of every 5<sup>th</sup>, 6<sup>th</sup>, 7<sup>th</sup>, or 10<sup>th</sup> year from issue date

(\*\*) first callable on September 10, 2029, if the subordinated notes are not redeemed on or prior to the reset date, interest will be payable from (and including) the reset date at a fixed rate equal to the relevant five year reset rate (5 year US Treasury rate) plus margin of 1.677% p.a.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**16. Borrowings (continued)**

The subordinated fixed rate note qualifies as Tier 2 capital in accordance with capital guidance issued by the UAE Central Bank (Note 31).

Refer note 8 for details of bonds pledged as collateral against borrowings through repurchase agreements.

**17. Other liabilities**

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Interest payable	4,358,677	4,197,199
Recognised liability for defined benefit obligation	495,523	517,649
Deferred income	1,521,009	1,286,758
Acceptances (Note 12)	20,537,574	12,956,224
Impairment allowance on letters of credit, guarantees and other commitments (Note 10)	537,784	573,920
Others(*)	8,152,002	6,647,258
<b>Total other liabilities</b>	<b>35,602,569</b>	<b>26,179,008</b>

(\*) includes AED 139,266 thousand (December 31, 2024 – AED 156,993 thousand) pertaining to lease liability

**18. Share capital**

	Authorised	Issued and fully paid	As at December 31 2024 audited AED'000
	AED'000	<b>As at June 30 2025 unaudited AED'000</b>	
Ordinary shares of AED 1 each	10,000,000	7,319,947	7,319,947

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**19. Other reserves (unaudited)**

Reserves movement for the six month period ended June 30, 2025:

	Employees' incentive plan shares, net AED'000	Statutory reserve AED'000	Legal reserve AED'000	General reserve AED'000	Contingency reserve AED'000	Foreign currency translation reserve AED'000	Cash flow hedge reserve AED'000	Impairment reserve - general AED'000	Revaluation reserve of investments designated at FVTOCI AED'000	Attributable to equity holders of the Bank AED'000	Non-controlling interests AED'000	Total AED'000
<b>As at January 1, 2025</b>	(173,456)	3,659,974	5,871,637	2,000,000	150,000	(712,527)	253,719	780,807	(748,168)	11,081,986	(970)	11,081,016
Exchange difference arising on translation of foreign operations	-	-	-	-	-	28,272	-	-	-	28,272	22	28,294
Net fair value changes on cash flow hedges	-	-	-	-	-	-	(79,865)	-	-	(79,865)	-	(79,865)
Net fair value changes on cash flow hedges reclassified to condensed consolidated interim income statement	-	-	-	-	-	-	31,335	-	-	31,335	-	31,335
Net fair value changes of debt instruments designated at FVTOCI	-	-	-	-	-	-	-	-	498,613	498,613	8	498,621
Changes in allowance for expected credit losses on debt instrument designated at FVTOCI	-	-	-	-	-	-	-	-	(6,122)	(6,122)	-	(6,122)
Amounts reclassified to condensed consolidated interim income statement for debt instruments designated at FVTOCI	-	-	-	-	-	-	-	-	73,879	73,879	-	73,879
Related tax impact	-	-	-	-	-	-	10,211	-	(52,428)	(42,217)	-	(42,217)
Net fair value changes of equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	11,571	11,571	-	11,571
Related tax impact on fair value movement of equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	(1,910)	(1,910)	-	(1,910)
Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	49,775	49,775	-	49,775
<b>Total other comprehensive income/(loss) for the period</b>	-	-	-	-	-	28,272	(38,319)	-	573,378	563,331	30	563,361
Acquisition of shares	(269,614)	-	-	-	-	-	-	-	-	(269,614)	-	(269,614)
Transfers from retained earnings	-	-	-	-	-	-	-	445,042	-	445,042	-	445,042
Shares - vested portion	67,694	-	-	-	-	-	-	-	-	67,694	-	67,694
<b>As at June 30, 2025</b>	(375,376)	3,659,974	5,871,637	2,000,000	150,000	(684,255)	215,400	1,225,849	(174,790)	11,888,439	(940)	11,887,499

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**19. Other reserves (unaudited) (continued)**

Reserves movement for the six month period ended June 30, 2024:

	Employees' incentive plan shares, net AED'000	Statutory reserve AED'000	Legal reserve AED'000	General reserve AED'000	Contingency reserve AED'000	Foreign currency translation reserve AED'000	Cash flow hedge reserve AED'000	Impairment reserve - general AED'000	Revaluation reserve of investments designated at at FVTOCI AED'000	Attributable to equity holders of the Bank AED'000	Non- controlling interests AED'000	Total AED'000
<b>As at January 1, 2024</b>	(78,869)	3,659,974	5,871,637	2,000,000	150,000	(226,433)	301,783	-	(1,086,185)	10,591,907	(653)	10,591,254
Exchange difference arising on translation of foreign operations	-	-	-	-	-	(424,041)	-	-	-	(424,041)	(351)	(424,392)
Net gain on hedge of net investment in foreign operations	-	-	-	-	-	5,965	-	-	-	5,965	-	5,965
Net fair value changes on cash flow hedges	-	-	-	-	-	-	(202,526)	-	-	(202,526)	-	(202,526)
Net fair value changes on cash flow hedges reclassified to condensed consolidated interim income statement	-	-	-	-	-	-	29,717	-	-	29,717	-	29,717
Net fair value changes of debt instruments designated at FVTOCI	-	-	-	-	-	-	-	-	(129,171)	(129,171)	19	(129,152)
Changes in allowance for expected credit losses on debt instrument designated at FVTOCI	-	-	-	-	-	-	-	-	(8,124)	(8,124)	-	(8,124)
Amounts reclassified to condensed consolidated interim income statement for debt instruments designated at FVTOCI	-	-	-	-	-	-	-	-	175,214	175,214	-	175,214
Related tax impact on fair value movement of debt instruments designated at FVTOCI	-	-	-	-	-	-	-	-	(4,558)	(4,558)	-	(4,558)
Net fair value changes of equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	(2,319)	(2,319)	-	(2,319)
Related tax impact on fair value movement of equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	338	338	-	338
Amounts transferred within equity upon disposal of equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	(13,517)	(13,517)	-	(13,517)
<b>Total other comprehensive (loss)/income for the period</b>	-	-	-	-	-	(418,076)	(172,809)	-	17,863	(573,022)	(332)	(573,354)
Acquisition of shares	(22,557)	-	-	-	-	-	-	-	-	(22,557)	-	(22,557)
Adjustment arising from changes in non-controlling interests	-	-	-	-	-	(65)	-	-	1	(64)	64	-
Transfers from retained earnings	-	-	-	-	-	-	-	448,374	-	448,374	-	448,374
Shares – vested portion	32,502	-	-	-	-	-	-	-	-	32,502	-	32,502
<b>As at June 30, 2024</b>	(68,924)	3,659,974	5,871,637	2,000,000	150,000	(644,574)	128,974	448,374	(1,068,321)	10,477,140	(921)	10,476,219

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**19. Other reserves (unaudited) (continued)****Impairment reserve – general**

As per the new credit risk management standards (CRMS) issued by CBUAE, banks must ensure that the total provision corresponding to all stage 1 and stage 2 exposures is not less than 1.50% of the credit risk weighted assets as computed under the CBUAE capital regulations. Where the collective provisions held are lower, the shortfall may be held in a dedicated non-distributable balance sheet reserve called the ‘impairment reserve-general’. The amount held in the impairment reserve-general must be deducted from the capital base (Tier 1 capital for banks) when computing the regulatory capital.

The computation of non-distributable impairment reserve - general is as follows:

	<b>AED'000</b>
Minimum provision for stage 1 and stage 2 as per CBUAE requirements	6,487,960
Less: Stage 1 and stage 2 impairment provision taken against income	5,262,111
<b>Shortfall in stage 1 and stage 2 provision to meet minimum CBUAE requirements</b>	<b>1,225,849</b>
Balance of impairment reserve - general as at December 31, 2024 (audited)	780,807
Add: Transfer from retained earnings during the period	445,042
<b>Balance of impairment reserve - general as at June 30, 2025 (unaudited)</b>	<b>1,225,849</b>

**20. Capital notes**

Additional Tier I capital notes (the “Capital Notes”) are non-cumulative perpetual securities for which there is no fixed redemption date. These Capital Notes are direct, unsecured, conditional, and subordinated obligations of the Bank and (i) rank pari passu without any preference among themselves; (ii) rank subordinate and junior to all senior obligations; (iii) rank pari passu with all pari passu obligations; and (iv) rank in priority only to all junior creditors.

In case the Bank at its sole discretion elects not to make a coupon payment, the holders of the Capital Notes do not have a right to claim the coupon and an election by the Bank not to service the coupon is not considered an event of default. In addition, there are certain circumstances (“non-payment event”) under which the Bank is prohibited from making a coupon payment on a relevant coupon payment date. Further, if the CBUAE notifies the Bank that it is, or will become, non-viable without (i) a write-down; or (ii) a public sector injection of capital, the rights of the holders of the Capital Notes under the Capital Notes shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the write-down amount determined by the CBUAE. This could result in Capital Notes being written down to zero and the Capital Notes being cancelled.

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 Capital Notes except notes, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until one coupon payment has been paid in full.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**20. Capital notes (continued)**

The following table shows issuances of Capital Notes by the Bank:

Issuance	Currency	Interest rate	First call date	As at June 30 2025 unaudited AED'000	As at December 31 2024 audited AED'000
Government of Abu Dhabi AT1 Capital Notes	AED	Floating interest rate of 6 month-EIBOR plus 2.30% p.a.	February 23, 2027(*)	6,000,000	6,000,000
USD 750,000,000 AT1 Capital Notes	USD	Fixed rate of 8.00% p.a. from issue date but excluding the first reset date (May 27, 2029)(**)	November 27, 2028(*)	2,754,750	2,754,750
				<b>8,754,750</b>	<b>8,754,750</b>

(\*) Call option is subject to prior approval of UAE Central Bank

(\*\*) If the Capital Notes are not redeemed in accordance with the Conditions on or prior to the first reset date, interest shall continue to be payable from (and including) the first reset date subject to and in accordance with the Conditions at a fixed rate, to be reset on the first reset date and every five years thereafter, equal to relevant five-year reset rate (as defined in the Conditions) plus a margin of 3.524% p.a.

**21. Interest income (unaudited)**

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Loans and advances to banks	824,607	837,020	1,583,517	1,754,266
Loans and advances to customers	5,115,683	4,942,049	10,023,602	9,715,091
Investment securities	1,721,146	1,688,272	3,401,696	3,360,050
<b>Total interest income</b>	<b>7,661,436</b>	<b>7,467,341</b>	<b>15,008,815</b>	<b>14,829,407</b>

**22. Interest expense (unaudited)**

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Deposits from banks	136,322	112,896	248,248	218,837
Deposits from customers	3,101,918	3,183,723	6,175,609	6,272,912
Euro commercial paper	131,437	77,772	222,799	167,254
Borrowings(*)	1,288,386	1,362,533	2,544,433	2,663,601
<b>Total interest expense</b>	<b>4,658,063</b>	<b>4,736,924</b>	<b>9,191,089</b>	<b>9,322,604</b>

(\*) includes AED 5,537 thousand (for the six month period ended June 30, 2024 - AED 4,882 thousand) for interest expense on lease liabilities

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**23. Net fees and commission income (unaudited)**

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
<b>Fees and commission income</b>				
Card related fees	509,729	430,374	962,075	808,675
Loan processing fees	352,157	272,613	592,566	522,148
Accounts related fees	133,251	79,027	277,304	166,258
Trade finance commission	192,296	178,298	387,277	342,475
Asset management and investment services	57,143	51,455	125,543	101,992
Other fees	255,618	259,474	516,071	486,234
<b>Total fees and commission income</b>	<b>1,500,194</b>	<b>1,271,241</b>	<b>2,860,836</b>	<b>2,427,782</b>
<b>Fees and commission expense</b>				
Card related fees	(332,682)	(255,113)	(642,182)	(487,190)
Loan processing fees	(32,837)	(22,008)	(58,101)	(44,275)
Others	(205,911)	(185,256)	(412,034)	(384,571)
<b>Total fees and commission expense</b>	<b>(571,430)</b>	<b>(462,377)</b>	<b>(1,112,317)</b>	<b>(916,036)</b>
<b>Net fees and commission income</b>	<b>928,764</b>	<b>808,864</b>	<b>1,748,519</b>	<b>1,511,746</b>

**24. Net trading income (unaudited)**

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Net gain from dealing in derivatives	270,801	69,073	320,780	111,966
Net gain from dealing in foreign currencies	257,731	179,015	494,130	350,313
Net gain from financial assets at fair value through profit or loss	343,506	231,470	615,988	541,006
<b>Net trading income</b>	<b>872,038</b>	<b>479,558</b>	<b>1,430,898</b>	<b>1,003,285</b>

**25. Other operating income (unaudited)**

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Property management income	3,124	4,732	6,581	8,924
Net loss from disposal of investment securities	(111,600)	(133,325)	(183,977)	(242,464)
Net gain from hedging derivatives	244,884	240,033	378,971	367,030
Dividend income	8,311	7,056	17,100	15,394
Others(*)	128,429	30,918	294,771	59,103
<b>Total other operating income</b>	<b>273,148</b>	<b>149,414</b>	<b>513,446</b>	<b>207,987</b>

(\*) includes realised gain of AED 159,819 thousand (for the six month period ended June 30, 2024 – AED nil) on sale of loans and advances

**26. Operating expenses (unaudited)**

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Staff expenses	892,394	835,994	1,699,523	1,595,666
General administrative expenses	514,642	596,821	1,067,604	1,152,849
Depreciation on property and equipment	47,724	50,088	95,717	99,496
Amortisation of intangible assets	55,971	51,543	112,495	103,411
<b>Total operating expenses</b>	<b>1,510,731</b>	<b>1,534,446</b>	<b>2,975,339</b>	<b>2,951,422</b>



## Notes to the condensed consolidated interim financial information

For the six month period ended June 30, 2025

## 27. Impairment charge (unaudited)

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Financial instruments carried at amortised cost – net charge(*)	1,402,578	728,565	2,204,360	1,621,800
Debt instruments designated at FVTOCI – net release	(2,106)	(5,478)	(5,539)	(8,393)
Commitment and contingent liabilities – net (release)/charge	(7,510)	8,915	(11,685)	(16,924)
Less: Recoveries/modifications during the period	(206,991)	(143,859)	(354,670)	(267,730)
<b>Total impairment charge (Note 10)</b>	<b>1,185,971</b>	<b>588,143</b>	<b>1,832,466</b>	<b>1,328,753</b>

(\*) includes net release of AED 7,100 thousand (for the six month period ended June 30, 2024 – net charge of AED 68 thousand) on investment securities at amortised cost

## 28. Earnings per share (unaudited)

## Basic and diluted earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Bank and the weighted average number of equity shares outstanding. Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding for the dilutive effects of potential equity shares held on account of employees' incentive plan.

	3 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Profit for the period attributable to the equity holders of the Bank	2,568,056	2,317,512	5,014,622	4,457,368
Less: Coupons paid on capital notes (Note 20)	(110,190)	(110,190)	(328,836)	(351,102)
<b>Net adjusted profit for the period attributable to the equity holders of the Bank (a)</b>	<b>2,457,866</b>	<b>2,207,322</b>	<b>4,685,786</b>	<b>4,106,266</b>

	Number of shares in thousand		Number of shares in thousand	
Weighted average number of shares in issue throughout the period	7,319,947	7,319,947	7,319,947	7,319,947
Less: Weighted average number of shares resulting from employees' incentive plan shares	(36,105)	(13,353)	(37,961)	(12,487)
<b>Weighted average number of equity shares in issue during the period for basic earnings per share (b)</b>	<b>7,283,842</b>	<b>7,306,594</b>	<b>7,281,986</b>	<b>7,307,460</b>
Add: Weighted average number of shares resulting from employees' incentive plan shares	36,105	13,353	37,961	12,487
<b>Weighted average number of equity shares in issue during the period for diluted earnings per share (c)</b>	<b>7,319,947</b>	<b>7,319,947</b>	<b>7,319,947</b>	<b>7,319,947</b>
<b>Basic earnings per share (AED) (a)/(b)</b>	<b>0.34</b>	<b>0.30</b>	<b>0.64</b>	<b>0.56</b>
<b>Diluted earnings per share (AED) (a)/(c)</b>	<b>0.34</b>	<b>0.30</b>	<b>0.64</b>	<b>0.56</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**29. Commitments and contingent liabilities**

The Group has the following commitments and contingent liabilities:

	<b>As at June 30 2025 unaudited AED'000</b>	As at December 31 2024 audited AED'000
Letters of credit	12,368,334	7,407,106
Guarantees	85,084,497	78,924,524
Commitments to extend credit - revocable(*)	25,977,774	24,727,474
Commitments to extend credit - irrevocable	52,629,263	41,551,157
<b>Total commitments on behalf of customers</b>	<b>176,059,868</b>	<b>152,610,261</b>
Commitments for future capital expenditure and others	517,250	543,981
Commitments to invest in investment securities	452,053	6,693
<b>Total commitments and contingent liabilities</b>	<b>177,029,171</b>	<b>153,160,935</b>

(\*) includes AED 12,217,047 thousand (December 31, 2024 – AED 11,183,653 thousand) for undrawn credit card limits

**30. Operating segments**

The Group has five reportable segments as described below. These segments offer different products and services and are managed separately based on the Group's management and internal reporting structure. The Group's Management Executive Committee (the Chief Operating Decision Maker "CODM") is responsible for allocation of resources to these segments, whereas, the Group's Performance Management Committee, based on delegation from CODM reviews the performance of these segments on a regular basis.

The following summary describes the operations in each of the Group's reportable segments:

**Retail banking** - comprises of retail products and wealth management including Islamic financing. It includes loans, deposits and other transactions and balances with retail customers.

**Private banking** - comprises of high-net-worth customers, asset management, brokerage, Islamic financing and investment in associates. It includes loans, deposits and other transactions and balances with corporate and private accounts of high-net-worth individuals and fund management activities.

**Corporate and investment banking** - comprises of business banking, cash management, trade finance, corporate finance, small and medium enterprise financing, investment banking, Islamic financing, infrastructure and asset finance, government and public enterprises. It includes loans, deposits and other transactions and balances with corporate customers.

**Investments and treasury** - comprises of central treasury operations, management of the Group's investment portfolio and interest rate, currency and commodity derivative portfolio and Islamic financing. Investments and treasury undertake the Group's funding and centralised financial risk management activities through borrowings, issue of debt securities and use of derivatives for risk management. It also undertakes trading and corporate finance activities and investing in liquid assets such as short-term placements, corporate and government debt securities.

**Others** - comprises of operations of subsidiaries not included in other segments, real estate management income of associate and rental income earned from properties of the Group.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**30. Operating segments (continued)**

Information regarding the results of each reportable segment is shown below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Performance Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within these industries.

The following is an analysis of the Group's revenue and results by operating segments for the six month period ended June 30, 2025 (unaudited):

	Retail banking AED'000	Private banking AED'000	Corporate and investment banking AED'000	Investments and treasury AED'000	Others AED'000	Total AED'000
Net interest income	1,264,767	743,540	1,997,983	1,808,895	2,541	5,817,726
Net income from Islamic financing and investing products	715,043	54,258	283,171	177,799	-	1,230,271
<b>Total net interest income and income from Islamic financing and investing products</b>	<b>1,979,810</b>	<b>797,798</b>	<b>2,281,154</b>	<b>1,986,694</b>	<b>2,541</b>	<b>7,047,997</b>
Non-interest income	840,339	110,200	1,961,847	633,865	146,612	3,692,863
<b>Operating income</b>	<b>2,820,149</b>	<b>907,998</b>	<b>4,243,001</b>	<b>2,620,559</b>	<b>149,153</b>	<b>10,740,860</b>
Operating expenses	(1,587,702)	(155,514)	(972,724)	(196,875)	(62,524)	(2,975,339)
<b>Operating profit before impairment charge</b>	<b>1,232,447</b>	<b>752,484</b>	<b>3,270,277</b>	<b>2,423,684</b>	<b>86,629</b>	<b>7,765,521</b>
Impairment (charge)/release	(284,360)	(1,416,465)	(148,687)	17,046	-	(1,832,466)
<b>Profit/(loss) after impairment charge</b>	<b>948,087</b>	<b>(663,981)</b>	<b>3,121,590</b>	<b>2,440,730</b>	<b>86,629</b>	<b>5,933,055</b>
Share in profit of associates	-	3,766	-	-	4,826	8,592
<b>Profit/(loss) before taxation</b>	<b>948,087</b>	<b>(660,215)</b>	<b>3,121,590</b>	<b>2,440,730</b>	<b>91,455</b>	<b>5,941,647</b>
Income tax (charge)/release	(139,483)	65,658	(474,104)	(371,826)	(8,197)	(927,952)
<b>Profit/(loss) for the period</b>	<b>808,604</b>	<b>(594,557)</b>	<b>2,647,486</b>	<b>2,068,904</b>	<b>83,258</b>	<b>5,013,695</b>
<b>As at June 30, 2025 (unaudited)</b>						
<b>Total assets</b>	<b>73,725,029</b>	<b>46,968,820</b>	<b>341,871,019</b>	<b>253,933,285</b>	<b>2,004,285</b>	<b>718,502,438</b>
<b>Total liabilities</b>	<b>105,251,674</b>	<b>61,983,011</b>	<b>262,540,074</b>	<b>211,153,239</b>	<b>1,325,890</b>	<b>642,253,888</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**30. Operating segments (continued)**

The following is an analysis of the Group's revenue and results by operating segments for the six month period ended June 30, 2024 (unaudited):

	Retail banking AED'000	Private banking AED'000	Corporate and investment banking AED'000	Investments and treasury AED'000	Others AED'000	Total AED'000
Net interest income	1,276,601	484,901	1,729,757	2,012,140	3,404	5,506,803
Net income from Islamic financing and investing products	651,290	42,388	263,399	113,389	-	1,070,466
<b>Total net interest income and income from Islamic financing and investing products</b>	<b>1,927,891</b>	<b>527,289</b>	<b>1,993,156</b>	<b>2,125,529</b>	<b>3,404</b>	<b>6,577,269</b>
Non-interest income	741,639	98,242	1,459,315	365,866	57,956	2,723,018
<b>Operating income</b>	<b>2,669,530</b>	<b>625,531</b>	<b>3,452,471</b>	<b>2,491,395</b>	<b>61,360</b>	<b>9,300,287</b>
Operating expenses	(1,722,008)	(153,240)	(890,095)	(134,096)	(51,983)	(2,951,422)
<b>Operating profit before impairment charge</b>	<b>947,522</b>	<b>472,291</b>	<b>2,562,376</b>	<b>2,357,299</b>	<b>9,377</b>	<b>6,348,865</b>
Impairment (charge)/release	(212,935)	(616,306)	(511,508)	11,996	-	(1,328,753)
<b>Profit/(loss) after impairment charge</b>	<b>734,587</b>	<b>(144,015)</b>	<b>2,050,868</b>	<b>2,369,295</b>	<b>9,377</b>	<b>5,020,112</b>
Share in (loss)/profit of associates	(799)	(4,532)	-	-	8,714	3,383
<b>Profit/(loss) before taxation</b>	<b>733,788</b>	<b>(148,547)</b>	<b>2,050,868</b>	<b>2,369,295</b>	<b>18,091</b>	<b>5,023,495</b>
Income tax (charge)/release	(114,239)	11,530	(208,432)	(255,699)	(809)	(567,649)
<b>Profit/(loss) for the period</b>	<b>619,549</b>	<b>(137,017)</b>	<b>1,842,436</b>	<b>2,113,596</b>	<b>17,282</b>	<b>4,455,846</b>
<b>As at December 31, 2024 (audited)</b>						
<b>Total assets</b>	<b>71,701,020</b>	<b>47,510,764</b>	<b>299,037,480</b>	<b>232,617,799</b>	<b>1,947,163</b>	<b>652,814,226</b>
<b>Total liabilities</b>	<b>91,603,126</b>	<b>58,804,318</b>	<b>225,427,113</b>	<b>200,204,090</b>	<b>1,208,670</b>	<b>577,247,317</b>

The following is an analysis of the Group's revenue and results by operating segments for the three month period ended June 30, 2025 (unaudited):

	Retail banking AED'000	Private banking AED'000	Corporate and investment banking AED'000	Investments and treasury AED'000	Others AED'000	Total AED'000
Net interest income	674,486	376,190	1,037,922	913,575	1,200	3,003,373
Net income from Islamic financing and investing products	374,349	29,631	154,532	92,473	-	650,985
<b>Total net interest income and income from Islamic financing and investing products</b>	<b>1,048,835</b>	<b>405,821</b>	<b>1,192,454</b>	<b>1,006,048</b>	<b>1,200</b>	<b>3,654,358</b>
Non-interest income	434,939	57,892	1,121,033	345,798	114,288	2,073,950
<b>Operating income</b>	<b>1,483,774</b>	<b>463,713</b>	<b>2,313,487</b>	<b>1,351,846</b>	<b>115,488</b>	<b>5,728,308</b>
Operating expenses	(786,310)	(78,204)	(505,183)	(109,189)	(31,845)	(1,510,731)
<b>Operating profit before impairment charge</b>	<b>697,464</b>	<b>385,509</b>	<b>1,808,304</b>	<b>1,242,657</b>	<b>83,643</b>	<b>4,217,577</b>
Impairment (charge)/release	(143,473)	(917,357)	(135,884)	10,743	-	(1,185,971)
<b>Profit/(loss) after impairment charge</b>	<b>553,991</b>	<b>(531,848)</b>	<b>1,672,420</b>	<b>1,253,400</b>	<b>83,643</b>	<b>3,031,606</b>
Share in profit of associates	-	1,913	-	-	1,421	3,334
<b>Profit/(loss) before taxation</b>	<b>553,991</b>	<b>(529,935)</b>	<b>1,672,420</b>	<b>1,253,400</b>	<b>85,064</b>	<b>3,034,940</b>
Income tax (charge)/release	(81,643)	51,776	(251,727)	(177,975)	(7,747)	(467,316)
<b>Profit/(loss) for the period</b>	<b>472,348</b>	<b>(478,159)</b>	<b>1,420,693</b>	<b>1,075,425</b>	<b>77,317</b>	<b>2,567,624</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**30. Operating segments (continued)**

The following is an analysis of the Group's revenue and results by operating segments for the three month period ended June 30, 2024 (unaudited):

	Retail banking AED'000	Private banking AED'000	Corporate and investment banking AED'000	Investments and treasury AED'000	Others AED'000	Total AED'000
Net interest income	657,398	209,225	888,928	973,147	1,719	2,730,417
Net income from Islamic financing and investing products	322,702	18,275	138,719	66,066	-	545,762
<b>Total net interest income and income from Islamic financing and investing products</b>	<b>980,100</b>	<b>227,500</b>	<b>1,027,647</b>	<b>1,039,213</b>	<b>1,719</b>	<b>3,276,179</b>
Non-interest income	396,626	64,072	714,696	230,441	32,001	1,437,836
<b>Operating income</b>	<b>1,376,726</b>	<b>291,572</b>	<b>1,742,343</b>	<b>1,269,654</b>	<b>33,720</b>	<b>4,714,015</b>
Operating expenses	(884,943)	(91,026)	(451,235)	(79,016)	(28,226)	(1,534,446)
<b>Operating profit before impairment charge</b>	<b>491,783</b>	<b>200,546</b>	<b>1,291,108</b>	<b>1,190,638</b>	<b>5,494</b>	<b>3,179,569</b>
Impairment (charge)/release	(100,666)	(265,486)	(225,427)	3,436	-	(588,143)
<b>Profit/(loss) after impairment charge</b>	<b>391,117</b>	<b>(64,940)</b>	<b>1,065,681</b>	<b>1,194,074</b>	<b>5,494</b>	<b>2,591,426</b>
Share in (loss)/profit of associates	(945)	(1,857)	-	-	3,969	1,167
<b>Profit/(loss) before taxation</b>	<b>390,172</b>	<b>(66,797)</b>	<b>1,065,681</b>	<b>1,194,074</b>	<b>9,463</b>	<b>2,592,593</b>
Income tax (charge)/release	(43,136)	4,171	(109,373)	(126,736)	(484)	(275,558)
<b>Profit/(loss) for the period</b>	<b>347,036</b>	<b>(62,626)</b>	<b>956,308</b>	<b>1,067,338</b>	<b>8,979</b>	<b>2,317,035</b>

**Other disclosures**

The following is an analysis of the total operating income of each segment between income from external parties and inter-segment.

	External (unaudited)		Inter-segment (unaudited)	
	6 months ended June 30		6 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Retail banking	2,399,354	2,145,424	420,795	524,106
Private banking	633,920	606,742	274,078	18,789
Corporate and investment banking	6,766,936	6,509,287	(2,523,935)	(3,056,816)
Investments and treasury	791,497	(22,526)	1,829,062	2,513,921
Others	149,153	61,360	-	-
<b>Total operating income</b>	<b>10,740,860</b>	<b>9,300,287</b>	<b>-</b>	<b>-</b>

	External (unaudited)		Inter-segment (unaudited)	
	3 months ended June 30		3 months ended June 30	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Retail banking	1,207,921	1,094,228	275,853	282,498
Private banking	348,580	218,739	115,133	72,833
Corporate and investment banking	3,585,627	3,386,286	(1,272,140)	(1,643,943)
Investments and treasury	470,692	(18,958)	881,154	1,288,612
Others	115,488	33,720	-	-
<b>Total operating income</b>	<b>5,728,308</b>	<b>4,714,015</b>	<b>-</b>	<b>-</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**30. Operating segments (continued)****Geographical information**

The Group operates in two principal geographic areas i.e. domestic and international. The United Arab Emirates is designated as domestic area which represents the operations of the Group that originates from the UAE branches and subsidiaries. International area represents the operations of the Group that originates from its subsidiaries and branch outside UAE. The information regarding the Group's revenue from continuing operations and non-current assets by geographical location are detailed as follows:

	Domestic (unaudited)		International (unaudited)	
	6 months ended June 30		6 months ended June 30	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000

**Income**

Net interest income and income from Islamic financing and investing products

6,653,197	6,196,864	394,800	380,405
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Non-interest income

3,627,112	2,663,196	65,751	59,822
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	Domestic (unaudited)		International (unaudited)	
	3 months ended June 30		3 months ended June 30	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000

**Income**

Net interest income and income from Islamic financing and investing products

3,452,174	3,094,706	202,184	181,473
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Non-interest income

2,041,779	1,409,524	32,171	28,312
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	Domestic		International	
	As at	As at	As at	As at
	June 30	December 31	June 30	December
	2025	2024	2025	2024
	unaudited	audited	unaudited	audited
	AED'000	AED'000	AED'000	AED'000

**Non-current assets**

Investment in associates

323,622	329,025	-	-
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Investment properties

1,692,134	1,714,790	134	832
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Property and equipment, net

658,305	1,011,853	172,227	174,249
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Intangible assets, net

7,587,412	7,583,064	97,880	89,042
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**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**31. Capital adequacy ratio**

The Bank's capital adequacy ratio calculated in accordance with guidelines issued by the CBUAE is as below:

	<b>As at June 30 2025 unaudited AED'000</b>	<b>As at December 2024 audited AED'000</b>
<b>Common equity tier 1 (CET1) capital</b>		
Share capital (Note 18)	7,319,947	7,319,947
Share premium	17,878,882	17,878,882
Other reserves (Note 19)	10,997,356	10,969,084
Retained earnings	30,366,091	30,469,257
Regulatory deductions and adjustments	(8,259,827)	(8,291,337)
Proposed cash dividend	-	(4,318,769)
<b>Total CET1 capital</b>	<b>58,302,449</b>	<b>54,027,064</b>
<b>Additional tier 1 (AT1) capital</b>		
Capital notes (Note 20)	8,754,750	8,754,750
<b>Total AT1 capital</b>	<b>8,754,750</b>	<b>8,754,750</b>
<b>Total tier 1 capital</b>	<b>67,057,199</b>	<b>62,781,814</b>
<b>Tier 2 capital</b>		
Eligible general provision	5,262,115	4,780,856
Subordinated notes	1,815,925	1,831,413
<b>Total tier 2 capital</b>	<b>7,078,040</b>	<b>6,612,269</b>
<b>Total regulatory capital</b>	<b>74,135,239</b>	<b>69,394,083</b>
<b>Risk-weighted assets</b>		
Credit risk	432,530,693	382,468,487
Market risk	11,368,846	16,502,183
Operational risk	33,566,235	31,331,130
<b>Total risk-weighted assets</b>	<b>477,465,774</b>	<b>430,301,800</b>
<b>CET1 ratio</b>	<b>12.21%</b>	<b>12.56%</b>
<b>AT1 ratio</b>	<b>1.83%</b>	<b>2.03%</b>
<b>Tier 1 ratio</b>	<b>14.04%</b>	<b>14.59%</b>
<b>Tier 2 ratio</b>	<b>1.49%</b>	<b>1.54%</b>
<b>Capital adequacy ratio</b>	<b>15.53%</b>	<b>16.13%</b>

**32. Related party transactions**

The Group enters into transactions with the parent and its related entities, associates, funds under management, directors, senior management and their related entities and the Government of Abu Dhabi (ultimate controlling party and its related entities) in the ordinary course of business at agreed upon interest and commission rates.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, being the directors, chief executive officer and members of Management Executive Committee.

Transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**32. Related party transactions (continued)****Parent and ultimate controlling party**

Mubadala Investment Company holds 60.69% of the Bank's issued and fully paid-up share capital through its wholly owned subsidiaries. The Government of Abu Dhabi owns 100% of Mubadala Investment Company and so the ultimate controlling party is the Government of Abu Dhabi.

Related party balances and transactions of the Group included in the condensed consolidated interim statement of financial position and condensed consolidated interim income statement are as follows:

	Ultimate controlling party and its related parties AED'000	Directors and their related parties AED'000	Senior management personnel and their related parties AED'000	Associates and funds under management AED'000	Total AED'000
<b>Balances as at June 30, 2025 (unaudited)</b>					
Deposits and balances due from banks	104,521	-	-	-	104,521
Financial assets at fair value through profit or loss	42,341	-	-	-	42,341
Derivative financial instruments - assets	1,133,786	17,317	-	72	1,151,175
Investment securities	31,732,502	-	-	270,408	32,002,910
Loans and advances to customers(*)	66,980,116	3,848,937	35,701	3,410,437	74,275,191
Other assets	1,100,684	5,183	25	2,978	1,108,870
Due to banks	304,418	-	-	-	304,418
Derivative financial instruments - liabilities	1,188,549	13,884	-	-	1,202,433
Deposits from customers	102,784,415	738,749	27,770	1,737,291	105,288,225
Other liabilities	1,214,622	8,961	15,839	6,247	1,245,669
Capital notes	6,000,000	-	-	-	6,000,000
Commitments and contingent liabilities	33,618,980	70,363	3,616	189,323	33,882,282
<b>Transactions for the six month period ended June 30, 2025 (unaudited)</b>					
Interest income, Islamic financing income and non-interest income(**)	3,156,353	114,511	824	17,717	3,289,405
Interest expense and Islamic profit distribution	2,093,892	7,580	232	26,972	2,128,676
Share in profit of associates	-	-	-	8,592	8,592
Coupons paid on capital notes	218,646	-	-	-	218,646

(\*) includes secured loans which are collateralised by tangible assets, including but not limited to real estate, cash, vehicles, shares and bonds

(\*\*) includes net gain of AED 69,674 thousand on sale of property for AED 420,000 thousand



## Notes to the condensed consolidated interim financial information

For the six month period ended June 30, 2025

## 32. Related party transactions (continued)

	Ultimate controlling party and its related parties AED'000	Directors and their related parties AED'000	Senior management personnel and their related parties AED'000	Associates and funds under management AED'000	Total AED'000
<b>Balances as at December 31, 2024</b> (audited)					
Deposits and balances due from banks	83,486	-	-	-	83,486
Financial assets at fair value through profit or loss	23,419	-	-	53,100	76,519
Derivative financial instruments - assets	730,419	18,281	-	31	748,731
Investment securities	33,300,226	-	-	255,994	33,556,220
Loans and advances to customers(*)	70,314,993	4,113,561	31,510	3,415,825	77,875,889
Other assets	969,885	6,036	32	2,959	978,912
Due to banks	527,259	-	-	-	527,259
Derivative financial instruments - liabilities	1,927,444	24,839	-	-	1,952,283
Deposits from customers	110,531,895	905,040	44,840	1,242,573	112,724,348
Other liabilities	1,429,666	5,133	14,957	1,398	1,451,154
Capital notes	6,000,000	-	-	-	6,000,000
Commitments and contingent liabilities	33,101,595	47,138	3,879	185,623	33,338,235
<b>Transactions for the six month period ended June 30, 2024</b> (unaudited)					
Interest income, Islamic financing income and non-interest income	2,558,646	132,649	600	54,731	2,746,626
Interest expense and Islamic profit distribution	2,573,596	10,742	395	28,011	2,612,744
Share in profit of associates	-	-	-	3,383	3,383
Coupons paid on capital notes	351,102	-	-	-	351,102

(\*) includes secured loans which are collateralised by tangible assets, including but not limited to real estate, cash, vehicles, shares and bonds

Remuneration of key management personnel and Board of Directors fees and expenses (unaudited) during the period are as follows:

	6 months ended June 30	
	2025 AED'000	2024 AED'000
Short term benefits	27,737	25,724
Post-employment benefits	1,082	1,400
Variable pay benefits	26,843	24,726
<b>Total remuneration</b>	<b>55,662</b>	<b>51,850</b>
<b>Board of Directors fees and expenses</b>	<b>20,436</b>	<b>15,047</b>

In addition to the above, the key management personnel were granted long term deferred compensation including share based payments of AED 48,397 thousand (for the six month period ended June 30, 2024 – AED 35,634 thousand).

**Notes to the condensed consolidated interim financial information**For the six month period ended June 30, 2025

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**33. Fair value hierarchy****Fair value measurements recognised in the condensed consolidated interim financial information**

The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

**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 swaps 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.

The category includes derivative financial instruments such as over the counter (OTC) derivatives, commodity derivatives, foreign exchange spot and forward contracts, certain investment securities, financial assets at FVTPL, euro commercial paper and borrowings. Valuation of the derivative financial instruments is made through discounted cash flow method using the applicable yield curve for the duration of the instruments for non-optional derivatives and standard option pricing models such as Black-Scholes and other valuation models for derivatives with options.

The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Group's financial instruments such as credit risk and funding costs. Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments. Credit valuation adjustment is calculated by applying Monte-carlo simulation models.

Collateral and netting arrangements are taken into account where applicable. The Group applies credit value adjustments to all relevant OTC positions with the exception of positions settled through central clearing houses.

Funding value adjustment (FVA) reflects the impact of funding associated with collateralised and partly collateralised OTC positions. The Group calculates the FVA by applying estimated future funding costs to the expected future exposure that the Group will be required to fund as a result of the uncollateralised component of the OTC portfolio (i.e. the uncollateralised component of a collateralised portfolio and the entire uncollateralised portfolio).

**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 information**

For the six month period ended June 30, 2025

**33. Fair value hierarchy (continued)****Valuation techniques using significant unobservable inputs – Level 3 (continued)**

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

- Private equity instruments – using the latest available net book value;
- Funds – based on the net asset value provided by the fund manager; and
- Loans and advances to customers mandatorily measured at FVTPL – multiplying relevant market multiples to actual earnings before interest, tax, depreciation and amortisation (EBITDA).

Investment properties are classified as Level 3 as their valuation incorporates significant unobservable inputs. The significant unobservable inputs used in the fair value measurement of the Group's investment properties are rental income and capitalisation rates. Significant decrease in rental income, or increase in capitalisation rates, in isolation would result in a significant lower fair value measurement. Generally, a change in the assumption used for rental income should be accompanied by a change in the assumption for capitalisation rates in the same direction as increase in rental income raises the expectations of the seller to earn from the investment property. Therefore, the effects of these changes partially offset each other. Refer note 11 in respect of valuation methodology used for investment properties.

Except as detailed in the following table, the Management considers that the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements do not materially differ from their fair values.

		Level 1	Level 2	Level 3		
		Quoted market prices	Observable inputs	Significant unobservable inputs	Total fair value	Carrying value
	Notes	AED'000	AED'000	AED'000	AED'000	AED'000
<b>As at June 30, 2025 (unaudited)</b>						
<b>Assets at fair value</b>						
Financial assets at fair value through profit or loss	6	5,711,966	13,378,253	30,000	19,120,219	19,120,219
Derivative financial instruments	7	4,480	15,387,650	-	15,392,130	15,392,130
Investment securities, net	8					
- At fair value through other comprehensive income		64,663,530	1,727,564	90,243	66,481,337	66,481,337
- At amortised cost		85,183,246	141,811	-	85,325,057	87,100,489
Loans and advances to customers mandatorily measured at FVTPL	9	-	-	3,198,067	3,198,067	3,198,067
Investment properties	11	-	-	1,692,268	1,692,268	1,692,268
<b>Total</b>		<b>155,563,222</b>	<b>30,635,278</b>	<b>5,010,578</b>	<b>191,209,078</b>	<b>192,984,510</b>
<b>Liabilities at fair value</b>						
Derivative financial instruments	7	5,199	26,500,842	-	26,506,041	26,506,041
<b>Liabilities at amortised cost</b>						
Euro commercial paper	15	-	11,078,630	-	11,078,630	11,071,143
Borrowings	16	16,385,434	71,688,398	-	88,073,832	89,375,056
<b>Total</b>		<b>16,390,633</b>	<b>109,267,870</b>	<b>-</b>	<b>125,658,503</b>	<b>126,952,240</b>

**Notes to the condensed consolidated interim financial information**

For the six month period ended June 30, 2025

**33. Fair value hierarchy (continued)**

		Level 1	Level 2	Level 3		
		Quoted market prices	Observable inputs	Significant unobservable inputs	Total fair value	Carrying value
	Notes	AED'000	AED'000	AED'000	AED'000	AED'000
<b>As at December 31, 2024</b> (audited)						
<b>Assets at fair value</b>						
Financial assets at fair value through profit or loss	6	1,400,972	11,438,659	30,000	12,869,631	12,869,631
Derivative financial instruments	7	1,188	18,972,000	-	18,973,188	18,973,188
Investment securities, net	8					
- At fair value through other comprehensive income		48,667,479	2,229,743	95,987	50,993,209	50,993,209
- At amortised cost		89,822,001	-	-	89,822,001	91,995,954
Loans and advances to customers mandatorily measured at FVTPL	9	-	-	3,198,067	3,198,067	3,198,067
Investment properties	11	-	-	1,715,622	1,715,622	1,715,622
<b>Total</b>		139,891,640	32,640,402	5,039,676	177,571,718	179,745,671
<b>Liabilities at fair value</b>						
Derivative financial instruments	7	2,487	23,888,741	-	23,891,228	23,891,228
<b>Liabilities at amortised cost</b>						
Euro commercial paper	15	-	6,156,207	-	6,156,207	6,153,009
Borrowings	16	12,552,681	75,478,739	-	88,031,420	88,687,459
<b>Total</b>		12,555,168	105,523,687	-	118,078,855	118,731,696

The Group's OTC derivatives are classified as Level 2 as they are valued using inputs that can be observed in the market.

Reconciliation showing the movement in fair values of Level 3 investments designated at FVTOCI and FVTPL and loans and advances to customers mandatorily measured at FVTPL is as follows:

	<b>As at June 30 2025 unaudited AED'000</b>	<b>As at December 2024 audited AED'000</b>
<b>Opening balance</b>	<b>3,324,054</b>	3,360,226
Net additions during the period/year	-	78,127
Disposals including capital refunds during the period/year	<b>(48,549)</b>	(2,102)
Adjustment through income/other comprehensive income statement during the period/year	<b>42,805</b>	(112,197)
<b>Closing balance</b>	<b>3,318,310</b>	3,324,054

Net loss of AED 48,431 thousand (for the six month period ended June 30, 2024 – net gain of AED 373 thousand) was realised on disposal of Level 3 equity investments designated at FVTOCI and were transferred to retained earnings.

There were no significant transfers between Level 1 and Level 2 investments and no change in valuation techniques used during the period.

**34. Legal proceedings**

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's condensed consolidated interim financial information if disposed unfavourably.