

ABU DHABI ISLAMIC BANK PJSC

**Condensed consolidated interim
financial statements
31 March 2026 (Unaudited)**

ABU DHABI ISLAMIC BANK PJSC

Condensed consolidated interim financial statements 31 March 2026 (unaudited)

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

To the Board of Directors of Abu Dhabi Islamic Bank PJSC

Introduction

We have reviewed the accompanying 31 March 2026 condensed consolidated interim financial statements of Abu Dhabi Islamic Bank PJSC (the "Bank") and its subsidiaries (together the "Group"), consisting of:

- the condensed consolidated interim statement of financial position as at 31 March 2026;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2026; and
- notes to the condensed consolidated interim financial statements.

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

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2026 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Adil Abid
Registration No.: 5541
Abu Dhabi, United Arab Emirates
Date: 29 April 2026

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

		31 March 2026 AED '000	31 March 2025 AED '000
	Notes		
Operating income			
Income from murabaha, mudaraba and wakala with financial institutions		600,401	533,041
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	5	2,966,539	2,463,886
Income from sukuk measured at amortised cost		298,749	275,862
Income from sukuk measured at fair value	6	68,964	56,718
Net (loss) gains and other income from investments measured at fair value	7	(29,325)	23,170
Income from associates and joint ventures		31,354	24,447
Fees and commission income	8	909,985	882,708
Fees and commission expense	8	(394,404)	(338,699)
Fees and commission income, net		515,581	544,009
Foreign exchange income		184,674	182,737
Income from investment properties		61,750	10,552
Other income		30,022	2,374
		4,728,709	4,116,796
Operating expenses			
Employees' costs	9	(568,300)	(491,693)
General and administrative expenses	10	(287,542)	(247,762)
Depreciation		(90,910)	(87,939)
Amortisation of intangibles	26	(2,364)	(2,276)
Provision for impairment, net	11	(158,376)	(105,580)
		(1,107,492)	(935,250)
Profit from operations, before distribution to depositors and sukuk holders		3,621,217	3,181,546
Distribution to depositors and sukuk holders	12	(1,525,577)	(1,245,321)
Profit for the period before tax		2,095,640	1,936,225
Income tax expense	13	(270,555)	(226,012)
Profit for the period after tax		1,825,085	1,710,213
<i>Attributable to:</i>			
Equity holders of the Bank		1,713,748	1,615,972
Non-controlling interest		111,337	94,241
		1,825,085	1,710,213
Basic and diluted earnings per share attributable to ordinary shares (AED)	14	0.444	0.417

The attached notes 1 to 44 form part of these condensed consolidated interim financial statements.

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

	Notes	31 March 2026 AED '000	31 March 2025 AED '000
Profit for the period after tax		1,825,085	1,710,213
Other comprehensive (loss) income			
<i>Items that will not be reclassified to consolidated income statement</i>			
Net gain on valuation of equity investments carried at fair value through other comprehensive income	32	1,195	1,043
Directors' remuneration paid	36	(18,900)	(16,100)
Other movement in reserves		(11,576)	7,253
<i>Items that may subsequently be reclassified to consolidated income statement</i>			
Net movement in valuation of investments in sukuk carried at fair value through other comprehensive income		(32,903)	30,507
Exchange differences arising on translation of foreign operations		(444,024)	6,783
Gain (loss) on hedge of foreign operations	32	1,605	(2,726)
Fair value gain on cash flow hedges	32	-	3,341
Other comprehensive (loss) income for the period		(504,603)	30,101
Total comprehensive income for the period		1,320,482	1,740,314
Attributable to:			
Equity holders of the Bank		1,421,746	1,640,641
Non-controlling interest		(101,264)	99,673
		1,320,482	1,740,314

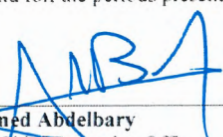
The attached notes 1 to 44 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position
At 31 March 2026 (unaudited)

	Notes	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Assets			
Cash and balances with central banks	15	32,092,989	43,952,147
Balances and wakala deposits with Islamic banks and other financial institutions	16	5,545,473	4,618,780
Murabaha and mudaraba with financial institutions	17	7,868,208	7,255,105
Murabaha and other Islamic financing	18	120,034,155	110,752,052
Ijara financing	19	73,774,905	70,624,211
Investment in sukuk measured at amortised cost	20	29,924,604	26,714,211
Investments measured at fair value	21	5,682,778	4,906,366
Investment in associates and joint ventures	22	1,034,292	1,013,813
Investment properties	23	1,179,757	1,310,369
Development properties	24	866,645	742,965
Other assets	25	5,910,983	5,625,529
Property and equipment		2,738,900	2,774,729
Goodwill and intangibles	26	411,720	462,871
Total assets		287,065,409	280,753,148
Liabilities			
Due to financial institutions	27	8,153,949	9,684,648
Depositors' accounts	28	239,334,971	229,096,294
Other liabilities	29	7,659,113	7,766,336
Sukuk financing instrument	30	1,836,250	1,836,250
Total liabilities		256,984,283	248,383,528
Equity			
Share capital	31	3,632,000	3,632,000
Legal reserve		2,718,136	2,700,228
General reserve		4,540,440	4,540,468
Credit risk reserve		400,000	400,000
Retained earnings		13,557,053	15,847,603
Other reserves	32	(983,107)	(1,052,821)
Tier 1 sukuk	33	4,754,375	4,754,375
Equity attributable to the equity and Tier 1 sukuk holders of the Bank		28,618,897	30,821,853
Non-controlling interest		1,462,229	1,547,767
Total equity		30,081,126	32,369,620
Total liabilities and equity		287,065,409	280,753,148

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


H.E. Hassan Aswadha, Suhail Al Khaili
Chairman


Mohamed Abdelbary
Group Chief Executive Officer

The attached notes 1 to 44 form part of these condensed consolidated interim financial statements.

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

Attributable to the equity and Tier 1 sukuk holders of the Bank											
		Share capital	Legal reserve	General reserve	Credit Risk reserve	Retained earnings	Other reserves	Tier 1 sukuk	Total	Non-controlling interest	Total equity
Notes	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Balance at 1 January 2026 - audited		3,632,000	2,700,228	4,540,468	400,000	15,847,603	(1,052,821)	4,754,375	30,821,853	1,547,767	32,369,620
Profit for the period		-	-	-	-	1,713,748	-	-	1,713,748	111,337	1,825,085
Other comprehensive loss		-	-	-	-	(18,900)	(273,102)	-	(292,002)	(212,601)	(504,603)
Transfer to Reserves			17,908	(28)		(17,880)	-	-	-	15,726	15,726
Profit paid on Tier 1 sukuk – Listed (third issue)	33	-	-	-	-	(99,846)	-	-	(99,846)	-	(99,846)
Dividends paid	40	-	-	-	-	(3,524,856)	-	-	(3,524,856)	-	(3,524,856)
Transfer to Impairment reserve – General	32	-	-	-	-	(342,816)	342,816	-	-	-	-
Balance at 31 March 2026 - unaudited		3,632,000	2,718,136	4,540,440	400,000	13,557,053	(983,107)	4,754,375	28,618,897	1,462,229	30,081,126
Balance at 1 January 2025 - audited		3,632,000	2,670,774	3,947,177	400,000	13,501,350	(1,559,991)	4,754,375	27,345,685	971,553	28,317,238
Profit for the period		-	-	-	-	1,615,972	-	-	1,615,972	94,241	1,710,213
Other comprehensive income (loss)		-	-	-	-	(16,100)	40,769	-	24,669	5,432	30,101
Profit paid on Tier 1 sukuk – Listed (third issue)	33	-	-	-	-	(99,846)	-	-	(99,846)	-	(99,846)
Dividends paid	40	-	-	-	-	(3,030,337)	-	-	(3,030,337)	-	(3,030,337)
Transfer to Impairment reserve – General	32	-	-	-	-	(64,382)	64,382	-	-	-	-
Movement in reserves		-	17,096	-	-	(17,096)	-	-	-	-	-
Balance at 31 March 2025 - unaudited		3,632,000	2,687,870	3,947,177	400,000	11,889,561	(1,454,840)	4,754,375	25,856,143	1,071,226	26,927,369

The attached notes 1 to 44 form part of these condensed consolidated interim financial statements.

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

		31 March 2026 AED '000	31 March 2025 AED '000
	Notes		
Operating activities			
Profit for the period		1,825,085	1,710,213
Adjustments for:			
Depreciation on investment properties	23	3,364	3,591
Depreciation on property and equipment		75,322	67,056
Depreciation on right-of-use assets		12,224	17,292
Amortisation of intangibles	26	2,364	2,276
Share of results of associates and joint ventures		(31,354)	(24,447)
Realised loss (gain) on investments carried at fair value through profit or loss	7	1,233	(6,705)
Unrealised loss (gain) on investments carried at fair value through profit or loss	7	38,231	(9,218)
Realised gain on sukuk carried at fair value through other comprehensive income	7	(60)	(1,931)
Finance cost on lease liabilities	10	1,429	1,502
Provision for impairment, net	11	158,376	105,580
Provision for taxation		270,555	226,012
Gain on disposal of investment properties		(52,434)	(983)
Changes in operating assets and liabilities		2,304,335	2,090,238
Decrease (increase) in balances with central banks		3,982,802	(934,503)
(Increase) decrease in balances and wakala deposits with Islamic banks and other financial institutions		(190,676)	667,555
Increase in murabaha and mudaraba with financial institutions		(639,804)	(530,719)
Increase in murabaha and other Islamic financing		(9,392,397)	(5,288,495)
Increase in ijara financing		(3,276,816)	(2,375,341)
Additions in investments carried at fair value through profit or loss		(4,521,259)	(3,245,255)
Disposals / redemptions in investments carried at fair value through profit or loss		3,637,962	3,623,195
Increase in other assets		(284,844)	(541,474)
(Decrease) increase in due to financial institutions		(1,530,699)	866,126
Increase in depositors' accounts		10,237,072	17,417,280
(Decrease) increase in other liabilities		(685,904)	494,507
Cash (used in) from operations		(360,228)	12,243,114
Directors' remuneration paid		(18,900)	(16,100)
Net cash (used in) from operating activities		(379,128)	12,227,014

The attached notes 1 to 44 form part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows
For the three-months period ended (unaudited) [continued]

	Notes	31 March 2026 AED '000	31 March 2025 AED '000
Investing activities			
Additions in investments carried at fair value through other comprehensive income		-	(82,793)
Disposal / redemptions in investments carried at fair value through other comprehensive income		39,128	229,451
Additions in investments carried at amortised cost		(3,841,745)	(5,726,167)
Redemptions of investments carried at amortised cost		617,767	2,388,913
Proceeds from disposal of investment properties		179,650	2,363
Purchase of property and equipment		(51,717)	(131,927)
Net cash used in investing activities		(3,056,917)	(3,320,160)
Financing activities			
Repayment of lease liability		(12,192)	(12,401)
Repayment of finance cost on lease liability	10	(1,429)	(1,502)
Profit paid on Tier 1 sukuk – Listed (third issue)	33	(99,846)	(99,846)
Dividends paid		(3,524,856)	(3,030,337)
Net cash used in financing activities		(3,638,323)	(3,144,086)
(Decrease) increase in cash and cash equivalents		(7,074,368)	5,762,768
Effect of exchange rate on cash and cash equivalents		(40,032)	2,366
Cash and cash equivalents at 1 January		15,949,306	14,042,801
Cash and cash equivalents at 31 March	35	8,834,906	19,807,935
Operating cash flows from profit on balances and wakala deposits with Islamic banks and other financial institutions, murabaha and mudaraba with financial institutions, customer financing, sukuk and customer deposits are as follows:			
Profit received		3,712,085	3,113,966
Profit paid to depositors		1,380,051	1,038,467

The attached notes 1 to 44 form part of these condensed consolidated interim financial statements.

**Notes to the condensed consolidated interim financial statements
31 March 2026 (Unaudited)****1 Legal status and principal activities**

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

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

In addition to its main office in Abu Dhabi, the Bank operates through its 61 branches in UAE (2025: 61 branches) and 3 overseas branches in Iraq, Qatar and Sudan and subsidiaries in the UAE, Egypt and the United Kingdom. The condensed consolidated interim financial statements combine the activities of the Bank’s head office, its branches and subsidiaries.

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

The condensed consolidated interim financial statements of the Group were authorised for issue by the Board of Directors on 29 April 2026.

2 Definitions

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

Murabaha

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

Istisna’a

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

Ijara

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

Qard Hasan

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (Unaudited)

2 Definitions (continued)

Musharaka

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

Mudaraba

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

Wakalah

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

Sukuk

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

3 Basis of preparation

3.1 (a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards"), general principles of the Shari'a as determined by the Group's Internal Shari'a Supervisory Committee and applicable requirements of the laws of the UAE.

3.1 (b) Accounting convention

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

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (Unaudited)

3 Basis of preparation (continued)

3.1 (c) Basis of consolidation

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

	<i>Activity</i>	<i>Country of incorporation</i>	<i>Percentage of holding</i>	
			2026	2025
Abu Dhabi Islamic Bank – Egypt (S.A.E.)**	Islamic Banking	Egypt	53%	53%
Abu Dhabi Islamic Securities Company LLC	Equity brokerage services	United Arab Emirates	95%	95%
Burooj Properties LLC	Real estate investments	United Arab Emirates	100%	100%
MPM Properties LLC	Real estate services	United Arab Emirates	100%	100%
Kawader Services LLC	Manpower supply	United Arab Emirates	100%	100%
ADIB (UK) Limited	Other services	United Kingdom	100%	100%
ADIB Capital Ltd	Funds services	United Arab Emirates	100%	100%
Fractionalized Sukuk Holding Limited*	Special purpose vehicle	United Arab Emirates	-	-
ADIB Sukuk Company II Ltd*	Special purpose vehicle	Cayman Island	-	-
ADIB Capital Invest 3 Ltd*	Special purpose vehicle	Cayman Island	-	-

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

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

These condensed consolidated interim financial statements include the operations of the subsidiaries over which the Bank has control. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

3.2 Changes in accounting policies

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

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

4 Material accounting policies

The condensed consolidated interim financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS Accounting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025. In addition, results for the three months ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The accounting policies used in the preparation of the condensed consolidated interim financial statements, except the adoption of the following new standards / amendments as of 1 January 2026, are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

New and amended Standard and interpretations adopted effective from 1 January 2026

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

Annual Improvements to IFRS Accounting Standard – Volume 11

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18 Presentation and Disclosure Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosure	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21).	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the condensed consolidated interim financial statements of the Group in the period of initial application.

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

5 Income from murabaha, mudaraba, ijara and other islamic financing from customers

	Three months ended 31 March	
	2026 (unaudited) AED ‘000	2025 (unaudited) AED ‘000
Vehicle murabaha	291,542	232,400
Goods murabaha	513,439	454,852
Share murabaha	233,404	219,123
Commodities murabaha – Al Khair	160,332	141,667
Islamic covered cards (murabaha)	165,366	130,065
Other murabaha	407,586	240,662
Total murabaha	1,771,669	1,418,769
Mudaraba	242,802	209,197
Ijara	915,927	785,410
Wakala	33,475	47,967
Istisna’a	2,666	2,543
	2,966,539	2,463,886

6 Income from sukuks measured at fair value

	Three months ended 31 March	
	2026 (unaudited) AED ‘000	2025 (unaudited) AED ‘000
Income from sukuk measured at fair value through profit or loss	22,285	25,977
Income from sukuk measured at fair value through other comprehensive income	46,679	30,741
	68,964	56,718

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

7 Net gains and other income from investments measured at fair value

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED '000	AED '000
Realised (loss) gain on investments carried at fair value through profit or loss	(1,233)	6,705
Unrealised (loss) gain on investments carried at fair value through profit or loss	(38,231)	9,218
Realised gain on sukuk carried at fair value through other comprehensive income	60	1,931
Income from other investment assets	10,079	5,316
	(29,325)	23,170

8 Fees and commission income and expense

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED '000	AED '000
Fees and commission income		
Fees and commission income on cards	497,487	496,383
Trade related fees and commission	56,061	73,506
Accounts services fees	63,021	39,058
Projects and property management fees	15,806	17,259
Risk participation and arrangement fees	105,014	64,570
Brokerage fees and commission	15,534	9,959
Other fees and commissions	157,062	181,973
Total fees and commission income	909,985	882,708
Fees and commission expenses		
Card related fees and commission expenses	(334,449)	(292,654)
Other fees and commission expenses	(59,955)	(46,045)
Total fees and commission expenses	(394,404)	(338,699)
Fees and commission income, net	515,581	544,009

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

9 Employees' costs

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED '000	AED '000
Salaries and wages	503,057	440,068
End of service benefits	23,311	19,624
Other staff expenses	41,932	32,001
	568,300	491,693

10 General and administrative expenses

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED '000	AED '000
Legal and professional expenses	37,258	39,641
Premises expenses	30,810	22,814
Marketing and advertising expenses	28,137	22,898
Communication expenses	31,902	29,720
Technology related expenses	81,729	77,209
Finance cost on lease liabilities	1,429	1,502
Other operating expenses	76,277	53,978
	287,542	247,762

11 Provision for impairment, net

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED '000	AED '000
Murabaha and other Islamic financing	109,022	83,073
Ijara financing	126,122	56,026
Direct write-off, net of recoveries	1,271	2,603
Investment in sukuk measured at amortised cost	13,585	6,780
Others	(91,624)	(42,902)
	158,376	105,580

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

12 Distribution to depositors and sukuk holders

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED ‘000	AED ‘000
Investment accounts	1,499,578	1,219,322
Sukuk holders	25,999	25,999
	1,525,577	1,245,321

13 Income tax expense

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

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

The current tax charge is as follows:

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
	AED ‘000	AED ‘000
Current	152,378	136,417
As per other international tax jurisdiction	152,378 118,177	136,417 89,595
	270,555	226,012
Effective Tax Rate (“ETR”)	12.9%	11.7%
Accounting profit before tax	2,095,640	1,936,225
Tax expense at 9% (UAE Corporate tax rate)	188,608	174,260
Tax effect of difference:		
Tax effect of different tax rate of subsidiaries operating in foreign jurisdictions	84,238	58,079
Others	(2,291)	(6,327)
	270,555	226,012

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

13 Income tax expense (continued)

Pillar 2

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

As per Article 9.3 of the UAE DMTT framework offers Initial Phase of International Activity (IPIA) relief, which permits a reduction of the top-up tax to zero for UAE entities for up to five years, provided that specific conditions are met. The Group fulfills the criteria for IPIA relief for the three months period ended 31 March 2026.

14 Basic and diluted earnings per share

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

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

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

	Three months ended 31 March	
	2026	2025
	(unaudited)	(unaudited)
Profit for the period attributable to equity holders (AED '000)	1,713,748	1,615,972
Less: profit attributable to Tier 1 sukuk holder - Listed (third issue) (AED '000)	(99,846)	(99,846)
Profit for the period attributable to equity holders after deducting profit relating to Tier 1 sukuk (AED '000)	1,613,902	1,516,126
Weighted average number of ordinary shares at in issue (000's)	3,632,000	3,632,000
Basic and diluted earnings per share (AED)	0.444	0.417

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

15 Cash and balances with central banks

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Cash on hand	2,331,611	2,641,965
Balances with central banks:		
- Current accounts	917,870	1,634,186
- Statutory reserve	17,706,444	22,961,774
- Islamic certificate of deposits	11,141,123	16,714,748
	32,097,048	43,952,673
Less: provision for impairment	(4,059)	(526)
	32,092,989	43,952,147

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

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
UAE	27,688,196	39,612,259
Rest of the Middle East	2,204,209	2,175,399
Others	2,204,643	2,165,015
	32,097,048	43,952,673

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Current accounts	995,944	513,681
Wakala deposits	4,553,486	4,108,828
	5,549,430	4,622,509
Less: provision for impairment	(3,957)	(3,729)
	5,545,473	4,618,780

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

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
UAE	1,550,567	211,177
Rest of the Middle East	2,698,785	3,733,569
Europe	476,234	293,011
Others	823,844	384,752
	5,549,430	4,622,509

17 Murabaha and mudaraba with financial institutions

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Murabaha	7,919,274	7,303,119
Less: provision for impairment	(51,066)	(48,014)
	7,868,208	7,255,105

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

17 Murabaha and mudaraba with financial institutions (continued)

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Rest of the Middle East	252,895	202,869
Others	7,666,379	7,100,250
	7,919,274	7,303,119

18 Murabaha and other Islamic financing

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Vehicle murabaha	14,673,622	14,503,428
Goods murabaha	60,065,962	54,113,322
Share murabaha	10,650,716	10,724,546
Commodities murabaha – Al Khair	12,314,951	12,046,639
Islamic covered cards (murabaha)	16,477,062	16,556,391
Other murabaha	16,248,499	15,399,521
Total murabaha	130,430,812	123,343,847
Mudaraba	7,229,712	6,867,249
Wakala	4,584,384	2,645,822
Istisna’a	151,097	209,956
Other financing receivables	246,138	251,926
Total murabaha and other Islamic financing	142,642,143	133,318,800
Less: deferred income on murabaha	(20,922,611)	(20,785,765)
	121,719,532	112,533,035
Less: provision for impairment	(1,685,377)	(1,780,983)
	120,034,155	110,752,052

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

18 Murabaha and other Islamic financing (continued)

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

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
<i>Industry sector</i>		
Government	19,422,776	15,646,975
Public sector	24,973,605	22,612,680
Corporates	9,627,851	8,952,619
Financial institutions	8,430,649	6,411,002
Individuals	57,332,238	57,110,188
Small and medium enterprises	1,932,413	1,799,571
	121,719,532	112,533,035
<i>Geographic region</i>		
UAE	88,020,180	81,266,309
Rest of the Middle East	16,455,481	14,614,568
Europe	4,321,289	3,957,057
Others	12,922,582	12,695,101
	121,719,532	112,533,035

19 Ijara financing

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

The aggregate future lease receivables are as follows:

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Ijara financing	76,297,397	73,055,943
Less: provision for impairment	(2,522,492)	(2,431,732)
	73,774,905	70,624,211

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

19 Ijara financing (continued)

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

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
<i>Industry sector</i>		
Government	1,100,458	1,210,274
Public sector	6,445,176	5,717,013
Corporates	17,573,890	18,419,796
Individuals	50,618,421	47,231,561
Small and medium enterprises	453,448	367,655
Non-profit organisations	106,004	109,644
	76,297,397	73,055,943
<i>Geographic region</i>		
UAE	73,110,349	69,953,559
Rest of the Middle East	1,692,354	1,671,519
Europe	380,637	456,154
Others	1,114,057	974,711
	76,297,397	73,055,943

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

20 Investment in sukuk measured at amortised cost

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Sukuk - Quoted	29,988,618	26,764,718
Less: provision for impairment	(64,014)	(50,507)
	29,924,604	26,714,211

The Group entered into collateralized murabaha arrangement whereby sukuk are held as collateral with counterparties. The risks and rewards relating to the sukuk collateralised remain with the Group. At 31 March 2026, certain sukuk with an aggregate carrying value of AED 4,846,865 thousand (fair value of AED 4,597,780 thousand) [31 December 2025: carrying value AED 3,781,762 thousand and fair value AED 3,635,755 thousand] which were collateralized against Collateralised murabaha amounts to AED 4,343,388 thousand (31 December 2025: AED 3,363,553 thousand).

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
UAE	14,273,046	12,900,956
Rest of the Middle East	13,101,925	11,518,860
Others	2,613,647	2,344,902
	29,988,618	26,764,718

21 Investments measured at fair value

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
<i>Investments carried at fair value through profit or loss</i>		
Quoted investments		
Equities	22,289	11,041
Sukuk	1,789,580	956,995
	1,811,869	968,036
Unquoted sukuk	332,135	332,135
	2,144,004	1,300,171

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

21 Investments measured at fair value (continued)

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
<i>Investments carried at fair value through other comprehensive income</i>		
Quoted investments		
Equities	23,490	24,166
Sukuk	2,841,408	2,886,305
	2,864,898	2,910,471
Unquoted investments		
Sukuk	25,235	43,257
Funds	548,414	559,265
Private equities	115,816	117,399
	689,465	719,921
	3,554,363	3,630,392
Less: provision for impairment	5,698,367 (15,589)	4,930,563 (24,197)
	5,682,778	4,906,366

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

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
<i>Geography region</i>		
UAE	2,571,535	2,635,105
Rest of the Middle East	1,685,551	1,272,691
Europe	5,403	880
Others	1,435,878	1,021,887
	5,698,367	4,930,563

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

22 Investment in associates and joint ventures

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
At the beginning of the period	1,028,969	910,854
Share of results	31,354	105,011
Dividends received	-	(18,250)
Foreign currency translation	(10,875)	31,354
At the end of the period	1,049,448	1,028,969
Less: provision for impairment	(15,156)	(15,156)
Net balance at the end of the period	1,034,292	1,013,813

There is no movement in the provision for impairment during the period.

Details of the Bank’s investment in associates and joint ventures at 31 March is as follows:

	Place of incorporation	Proportion of ownership interest		Principal activity
		2026 %	2025 %	
Associates				
Abu Dhabi National Takaful PJSC	UAE	42	42	Islamic insurance
Bosna Bank International D. D	Bosnia	27	27	Islamic banking
The Residential REIT (IC) Limited	UAE	29	29	Real estate fund
Joint ventures				
Saudi Finance Company CSJC	Kingdom of Saudi Arabia	51	51	Islamic Retail Finance
Arab Link Money Transfer PSC (under liquidation)	UAE	51	51	Currency Exchange
Abu Dhabi Islamic Merchant Acquiring Company LLC	UAE	51	51	Merchant acquiring

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

23 Investment properties

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Cost		
Balance at the beginning of the period	1,476,245	1,496,592
Disposals during the period	(129,784)	(20,384)
Foreign currency translation	(32)	37
Gross balance at the end of the period	1,346,429	1,476,245
Less: provision for impairment	(31,943)	(31,943)
Net balance at the end of the period	1,314,486	1,444,302
Accumulated depreciation:		
Balance at the beginning of the period	133,933	131,661
Charge for the period	3,364	13,988
Relating to disposals	(2,568)	(11,716)
Balance at the end of the period	134,729	133,933
Net book value at the end of the period	1,179,757	1,310,369

The property rental income earned by the Group from its investment properties, that are leased out under operating leases, amounted to AED 9,316 thousand (31 March 2025: AED 9,569 thousand) for the three months period ended 31 March 2026.

There is no movement in the provision for impairment during the period.

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

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
UAE	1,203,261	1,333,821
Rest of the Middle East	8,214	8,214
Others	225	277
	1,211,700	1,342,312

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

24 Development properties

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
At the beginning of the period	866,645	846,620
Additions during the period	-	20,025
	866,645	866,645
Less: provision for impairment	-	(123,680)
	866,645	742,965

Development properties include land with a carrying value of AED 820,025 thousand (31 December 2025: AED 696,345 thousand) pertaining to a subsidiary of the Bank.

All development properties are located in the UAE.

25 Other assets

	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
Acceptances	769,509	965,822
Assets acquired in satisfaction of claims	185,614	193,817
Trade receivables	599,165	549,593
Prepaid expenses	1,911,935	1,339,586
Accrued profit	888,508	1,019,435
Positive fair value of Shari’a compliant alternatives of derivative financial instruments	9,092	13,774
Others, net	1,547,160	1,543,502
	5,910,983	5,625,529

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

26 Goodwill and intangibles

	Goodwill AED '000	Core deposit AED '000	License AED '000	Total AED '000
At 1 January 2025 - audited	193,073	76,076	140,719	409,868
Exchange translation differences	45,915	7,151	9,275	62,341
Amortisation during the year	-	(9,338)	-	(9,338)
At 1 January 2026 - audited	238,988	73,889	149,994	462,871
Exchange translation	(15,956)	(14,292)	(18,539)	(48,787)
Amortisation during the period	-	(2,364)	-	(2,364)
At 31 March 2026 - unaudited	223,032	57,233	131,455	411,720

27 Due to financial institutions

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Current accounts	2,227,019	2,471,294
Investment deposits	1,511,859	3,849,801
Collateralised murabaha with banks	4,343,388	3,363,553
	8,082,266	9,684,648
Current account - Central Bank of UAE	71,683	-
	8,153,949	9,684,648

The collateral provided against these collateralised murabaha are disclosed in note 20.

28 Depositors' accounts

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Current accounts	59,379,993	57,318,734
Investment accounts	179,176,527	171,002,626
Investment risk reserve	778,451	774,934
	239,334,971	229,096,294

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

28 Depositors' accounts (continued)

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

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
At the beginning of the period	774,934	737,298
Share of profit / paid during the period	3,517	37,636
At the end of the period	778,451	774,934
The distribution of the depositors' accounts by industry sector was as follows:		
Government	37,162,924	32,149,734
Public sector	33,211,849	24,683,901
Corporates	25,548,581	29,419,108
Financial institutions	3,301,855	4,073,612
Individuals	107,554,871	107,283,328
Small and medium enterprises	27,782,240	27,379,630
Non-profit organisations	4,772,651	4,106,981
	239,334,971	229,096,294

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

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

29 Other liabilities

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Accounts payable	627,644	695,229
Acceptances	769,509	965,822
Lease liabilities	154,893	174,928
Accrued profit for distribution to depositors and sukuk holders	948,129	806,120
Bankers' cheques	1,341,855	1,421,945
Provision for staff benefits and other expenses	474,670	642,875
Retentions payable	145,057	127,679
Advances from customers	94,444	76,619
Accrued expenses	332,672	361,536
Deferred income	464,207	461,178
Negative fair value of Shari'a compliant alternatives of derivative financial instruments	29,818	25,642
Others	2,276,215	2,006,763
	7,659,113	7,766,336

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

30 Sukuk financing instrument

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Sukuk financing instrument	1,836,250	1,836,250

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

Terms of arrangement

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

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

31 Share capital

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
<i>Authorised share capital:</i>		
4,000,000 thousand (2025: 4,000,000 thousand)		
ordinary shares of AED 1 each (2025: AED 1 each)	4,000,000	4,000,000
<i>Issued and fully paid share capital:</i>		
3,632,000 thousand (2025: 3,632,000 thousand)		
ordinary shares of AED 1 each (2025: AED 1 each)	3,632,000	3,632,000

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

32 Other reserves

	Cumulative changes in fair values	Land revaluation reserve	Foreign currency translation reserve	Hedging reserve	Impairment reserve - General	Others	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
At 1 January 2026 - audited	(226,114)	137,400	(1,597,793)	-	626,424	7,262	(1,052,821)
Net movement in valuation of equity investment carried at FVTOCI -net of tax	(34,816)	-	-	-	-	-	(34,816)
Net movement in valuation of investment in sukuk carried at FVTOCI – net of tax	1,195	-	-	-	-	-	1,195
Exchange differences arising on translations of foreign operations	-	-	(234,927)	-	-	-	(234,927)
Gain on hedge of foreign operations	-	-	1,605	-	-	-	1,605
Fair value loss on cash flow hedges	-	-	-	-	-	-	-
Net movement in impairment reserve – General	-	-	-	-	342,816	-	342,816
Net movement in other reserves	-	-	-	-	-	(6,159)	(6,159)
At 31 March 2026 - unaudited	(259,735)	137,400	(1,831,115)	-	969,240	1,103	(983,107)
At 1 January 2025 - audited	(331,204)	137,400	(1,690,718)	(3,341)	331,186	(3,314)	(1,559,991)
Net movement in valuation of equity investment carried at FVTOCI-net of tax	1,043	-	-	-	-	-	1,043
Net movement in valuation of investment in sukuk carried at FVTOCI-net of tax	30,507	-	-	-	-	-	30,507
Exchange differences arising on translation of foreign operations	-	-	1,351	-	-	-	1,351
Loss on hedge of foreign operations	-	-	(2,726)	-	-	-	(2,726)
Fair value gain on cash flow hedges	-	-	-	3,341	-	-	3,341
Net movement in impairment reserve – General	-	-	-	-	64,382	-	64,382
Net movement in other reserves	-	-	-	-	-	7,253	7,253
At 31 March 2025 - unaudited	(299,654)	137,400	(1,692,093)	-	395,568	3,939	(1,454,840)

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

33 Tier 1 sukuk

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
Tier 1 sukuk – Listed (third issue)	2,754,375	2,754,375
Tier 1 sukuk – Government of Abu Dhabi	2,000,000	2,000,000
	4,754,375	4,754,375

Tier 1 sukuk – Listed (third issue)

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

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

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

33 Tier 1 sukuk (continued)

Tier 1 sukuk – Government of Abu Dhabi

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

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

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

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

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

34 Contingent liabilities and commitments

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

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
<i>Contingent liabilities</i>		
Letters of credit	2,704,320	2,968,738
Letters of guarantee	12,529,203	12,704,509
	15,233,523	15,673,247
<i>Commitments</i>		
Undrawn facilities commitments	4,271,400	4,038,564
Future capital expenditure	233,435	247,632
	4,504,835	4,286,196
	19,738,358	19,959,443

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

35 Cash and cash equivalents

	Three months ended 31 March 2026 (unaudited)	Three months ended 31 March 2025 (unaudited)
Cash and balances with central banks, short term	3,849,542	8,307,320
Balances and wakala deposits with Islamic banks and other financial institutions, short term	4,985,364	11,474,923
Murabaha and mudaraba with financial institutions, short term	-	25,692
	8,834,906	19,807,935

36 Related party transactions

In the ordinary course of its activities, the Bank enters into transactions with related parties, comprising major shareholder, directors, associates and joint ventures, key management and their related parties in the ordinary course of business at terms agreed between both parties on arm's length transaction. The Bank obtains collateral, including charges over real estate properties and securities, the extent of which is dependent on the Bank's assessment of the credit risk of the related party. All transactions with related parties are free of any specific provision for impairment. Transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

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

	Major shareholder AED '000	Directors and Key management personnel AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<i>31 March 2026 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	3,938	-	3,938
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	17,913	129	3,265	34,480	55,787
Fees and commission income, net	-	73	8	444	525
Operating expenses	-	183	-	-	183
Distribution to depositors and sukuk holders	24	123	230	85	462

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

36 Related party transactions (continued)

	Major Shareholder AED '000	Directors and Key management personnel AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<i>31 March 2025 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	1,860	-	1,860
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	10,353	1	3,576	20,461	34,391
Fees and commission income, net	-	12	7	1,273	1,292
Operating expenses	-	231	-	-	231
Distribution to depositors and sukuk holders	990	185	496	76	1,747

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

	Major shareholder AED '000	Directors and Key management personnel AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<i>31 March 2026 - unaudited</i>					
Murabaha and mudaraba with financial institutions	-	-	203,260	-	203,260
Murabaha, mudaraba, ijara and other Islamic financing	2,091,149	25,026	249,266	4,040,411	6,405,852
Other assets	-	-	20,754	9,642	30,396
	2,091,149	25,026	473,280	4,050,053	6,639,508
Due to financial institutions	-	-	193	-	193
Depositors' accounts	3,612	36,081	72,884	62,290	174,867
Other liabilities	-	99	396	9,910	10,405
	3,612	36,180	73,473	72,200	185,465
Contingencies	-	788	10,000	120,232	131,020
<i>31 December 2025 - audited</i>					
Murabaha and mudaraba with financial institutions	-	-	203,786	-	203,786
Murabaha, mudaraba, ijara and other Islamic financing	2,073,236	25,558	248,807	4,018,890	6,366,491
Other assets	-	-	38,693	9,642	48,335
	2,073,236	25,558	491,286	4,028,532	6,618,612
Due to financial institutions	-	-	197	-	197
Depositors' accounts	3,259	24,974	42,443	49,236	119,912
Other liabilities	-	113	243	9,895	10,251
	3,259	25,087	42,883	59,131	130,360
Contingencies	-	788	10,000	121,123	131,911

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

36 Related party transactions (continued)

Compensation of key management personnel

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

	Three months ended 31 March 2026 (unaudited)	Three months ended 31 March 2025 (unaudited)
Salaries and other benefits	7,851	7,474
Employees' end of service benefits	578	536
	8,429	8,010

During 2026, AED 18,900 thousand was paid to Board of Directors pertaining to the year ended 31 December 2025 after the approval by the shareholders at the Annual General Assembly held on 04 March 2026.

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

37 Segment information

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

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

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

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

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

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

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

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

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

37 Segment information (continued)

	Global retail banking AED '000	Global wholesale banking AED '000	Private banking AED '000	Treasury AED '000	Real estate AED '000	Other operations AED '000	Associates & subsidiaries AED '000	Total AED '000
31 March 2026 - unaudited								
Revenue and results								
Segment revenues, net	1,543,959	524,129	65,239	197,539	74,484	211,491	586,291	3,203,132
Operating expenses excluding provision for impairment, net	(607,236)	(76,332)	(23,028)	(11,850)	(19,777)	(75,599)	(135,294)	(949,116)
Operating profit	936,723	447,797	42,211	185,689	54,707	135,892	450,997	2,254,016
Provision for impairment, net	(127,108)	(59,341)	(33)	(12,453)	123,681	(38,683)	(44,439)	(158,376)
Profit for the period before zakat and tax	809,615	388,456	42,178	173,236	178,388	97,209	406,558	2,095,640
Zakat and tax	-	(5,147)	-	-	(16,137)	(134,138)	(115,133)	(270,555)
Profit for the period after zakat and tax	809,615	383,309	42,178	173,236	162,251	(36,929)	291,425	1,825,085
Non-controlling interest	-	-	-	-	-	-	(111,337)	(111,337)
Profit for the period attributable to equity holders of the Bank	809,615	383,309	42,178	173,236	162,251	(36,929)	180,088	1,713,748
Assets								
Segmental assets	116,540,238	88,035,904	5,616,621	39,636,617	2,322,602	5,093,680	29,819,747	287,065,409
Liabilities								
Segmental liabilities	117,449,652	73,262,608	19,702,148	15,837,571	90,697	5,725,870	24,915,737	256,984,283

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

37 Segment information (continued)

	Global retail banking AED '000	Global wholesale banking AED '000	Private banking AED '000	Treasury AED '000	Real estate AED '000	Other operations AED '000	Associates & subsidiaries AED '000	Total AED '000
31 March 2025 – unaudited								
Revenue and results								
Segment revenues, net	1,395,166	491,571	60,956	137,212	24,581	313,568	448,421	2,871,475
Operating expenses excluding provision for impairment, net	(569,866)	(71,151)	(20,548)	(11,161)	(15,263)	(44,967)	(96,714)	(829,670)
Operating profit	825,300	420,420	40,408	126,051	9,318	268,601	351,707	2,041,805
Provision for impairment, net	(110,129)	(9,970)	(414)	1,196	-	51,698	(37,961)	(105,580)
Profit for the period before tax	715,171	410,450	39,994	127,247	9,318	320,299	313,746	1,936,225
Tax	-	(12,190)	-	-	(838)	(140,845)	(72,139)	(226,012)
Profit for the period after tax	715,171	398,260	39,994	127,247	8,480	179,454	241,607	1,710,213
Non-controlling interest	-	-	-	-	-	-	(94,241)	(94,241)
Profit for the period attributable to equity holders of the Bank	715,171	398,260	39,994	127,247	8,480	179,454	147,366	1,615,972
31 December 2025 - audited								
Assets								
Segmental assets	111,630,704	80,199,305	5,586,018	46,258,070	2,128,782	5,326,153	29,624,116	280,753,148
Liabilities								
Segmental liabilities	116,390,631	70,446,777	16,410,393	15,425,172	77,337	4,825,055	24,808,163	248,383,528

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

37 Segment information (continued)

Geographical information

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

			Three months ended 31 March 2026 (unaudited) Total AED '000	Domestic AED '000	International AED '000	Three months ended 31 March 2025 (unaudited) Total AED '000
Revenue and results						
Segment revenues, net	2,608,385	594,747	3,203,132	2,375,136	496,339	2,871,475
Operating expenses excluding provision for impairment, net	(799,804)	(149,312)	(949,116)	(724,605)	(105,065)	(829,670)
Operating profit	1,808,581	445,435	2,254,016	1,650,531	391,274	2,041,805
Provision for impairment, net	(89,939)	(68,437)	(158,376)	(105,231)	(349)	(105,580)
Profit for the period before tax	1,718,642	376,998	2,095,640	1,545,300	390,925	1,936,225
Tax	(152,505)	(118,050)	(270,555)	(143,284)	(82,728)	(226,012)
Profit for the period after tax	1,566,137	258,948	1,825,085	1,402,016	308,197	1,710,213
Non-controlling interest	(901)	(110,436)	(111,337)	(635)	(93,606)	(94,241)
Profit for the period attributable to equity holders of the Bank	1,565,236	148,512	1,713,748	1,401,381	214,591	1,615,972
			31 March 2026 (unaudited) Total AED '000	Domestic AED '000	International AED '000	31 December 2025 (audited) Total AED '000
Assets						
Segmental assets	252,901,376	34,164,033	287,065,409	246,355,562	34,397,586	280,753,148
Liabilities						
Segmental liabilities	229,322,963	27,661,321	256,984,284	221,197,380	27,186,148	248,383,528

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

38 Risk management

Credit quality per stage for financial assets

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

	Gross Exposure				Expected credit losses - (ECL)			
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 March 2026 - unaudited								
Cash and balances with central banks	28,961,146	804,291	-	29,765,437	516	3,543	-	4,059
Balances and wakala deposits with Islamic banks and other financial institutions	5,523,654	25,776	-	5,549,430	3,884	73	-	3,957
Murabaha and mudaraba with financial institutions	7,867,720	51,554	-	7,919,274	49,979	1,087	-	51,066
Murabaha and other Islamic financing	117,818,829	2,790,932	1,109,771	121,719,532	539,725	397,877	747,775	1,685,377
Ijara financing	70,073,258	2,095,434	4,128,705	76,297,397	465,873	92,176	1,964,443	2,522,492
Investment in sukuk measured at amortised cost	29,976,830	-	11,788	29,988,618	52,226	-	11,788	64,014
Investments measured at fair value	2,841,040	-	25,603	2,866,643	4,088	-	11,501	15,589
Other assets	1,075,217	221	-	1,075,438	11,350	3	-	11,353
	264,137,694	5,768,208	5,275,867	275,181,769	1,127,641	494,759	2,735,507	4,357,907
Contingent liabilities and commitments	18,986,333	351,627	166,963	19,504,923	147,053	12,986	45,977	206,016
	283,124,027	6,119,835	5,442,830	294,686,692	1,274,694	507,745	2,781,484	4,563,923

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

38 Risk management (continued)

Credit quality per stage for financial assets

	Gross Exposure				Expected credit losses - (ECL)			
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 December 2025 - audited								
Cash and balances with central banks	41,310,708	-	-	41,310,708	526	-	-	526
Balances and wakala deposits with Islamic banks and other financial institutions	4,622,509	-	-	4,622,509	3,729	-	-	3,729
Murabaha and mudaraba with financial institutions	7,303,119	-	-	7,303,119	48,014	-	-	48,014
Murabaha and other Islamic financing	108,786,384	2,626,671	1,119,980	112,533,035	590,705	386,442	803,836	1,780,983
Ijara financing	66,903,994	2,012,432	4,139,517	73,055,943	504,994	90,437	1,836,301	2,431,732
Investment in sukuk measured at amortised cost	26,752,930	-	11,788	26,764,718	38,719	-	11,788	50,507
Investments measured at fair value	2,909,950	-	19,612	2,929,562	4,586	-	19,611	24,197
Other assets	1,451,819	5,489	3,483	1,460,791	13,321	283	727	14,331
	<u>260,041,413</u>	<u>4,644,592</u>	<u>5,294,380</u>	<u>269,980,385</u>	<u>1,204,594</u>	<u>477,162</u>	<u>2,672,263</u>	<u>4,354,019</u>
Contingent liabilities and commitments	<u>18,602,571</u>	<u>646,188</u>	<u>463,052</u>	<u>19,711,811</u>	<u>133,238</u>	<u>11,712</u>	<u>49,861</u>	<u>194,811</u>
	<u>278,643,984</u>	<u>5,290,780</u>	<u>5,757,432</u>	<u>289,692,196</u>	<u>1,337,832</u>	<u>488,874</u>	<u>2,722,124</u>	<u>4,548,830</u>

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

39 Capital adequacy ratio

The Central Bank of the UAE sets and monitors capital requirements for the Group as a whole. The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 (“CET1”), Additional Tier 1 (“AT1”) and Total Capital.

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

	Basel III	
	31 March 2026 AED ‘000 (unaudited)	31 December 2025 AED ‘000 (audited)
<i>Capital base</i>		
Common Equity Tier 1	23,178,223	22,064,801
Additional Tier 1 capital	4,887,966	4,809,639
Tier 1 capital	28,066,189	26,874,440
Tier 2 capital	1,960,559	1,976,336
Total capital base	30,026,748	28,850,776
<i>Risk weighted assets</i>		
Credit risk	172,231,629	163,542,029
Market risk	2,642,449	1,925,065
Operational risk	18,873,607	18,170,293
Total risk weighted assets	193,747,685	183,637,387
<i>Capital ratios</i>		
Common Equity Tier 1 ratio	12.0%	12.0%
Total Tier 1 capital ratio	14.5%	14.6%
Total capital ratio	15.5%	15.7%

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

40 Dividend

During 2026, cash dividend of 97.05 fils per share relating to year ended 31 December 2025 amounting to AED 3,524,856 thousand, was paid after the approval by the shareholders at the Annual General Assembly held on 4 March 2025.

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

41 Fair value of financial instruments

Fair value measurement recognized in the consolidated statement of financial position

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

Quoted market prices – Level 1

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

Valuation techniques using observable inputs – Level 2

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

Valuation techniques using significant unobservable inputs – Level 3

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

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

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

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

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

The valuation methodologies considered by valuers include:

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

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

41 Fair value of financial instruments (continued)

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

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
<i>31 March 2026 - unaudited</i>				
Assets and liabilities measured at fair value:				
Financial assets				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	22,289	-	-	22,289
Sukuk	1,789,580	-	-	1,789,580
	<u>1,811,869</u>	<u>-</u>	<u>-</u>	<u>1,811,869</u>
Unquoted sukuk	-	-	332,135	332,135
	<u>1,811,869</u>	<u>-</u>	<u>332,135</u>	<u>2,144,004</u>
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	23,490	-	-	23,490
Sukuk	2,841,408	-	-	2,841,408
	<u>2,864,898</u>	<u>-</u>	<u>-</u>	<u>2,864,898</u>
<i>Unquoted investments</i>				
Sukuk	-	-	25,235	25,235
Funds	-	-	548,414	548,414
Private equities	-	-	115,816	115,816
	<u>-</u>	<u>-</u>	<u>689,465</u>	<u>689,465</u>
	<u>2,864,898</u>	<u>-</u>	<u>689,465</u>	<u>3,554,363</u>
	<u>4,676,767</u>	<u>-</u>	<u>1,021,600</u>	<u>5,698,367</u>
Shari'a compliant alternatives of swap (note 25)	-	9,092	-	9,092
	<u>-</u>	<u>29,818</u>	<u>-</u>	<u>29,818</u>
Financial liabilities				
Shari'a compliant alternatives of swap (note 29)	-	29,818	-	29,818
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assets for which fair values are disclosed:				
Investment properties	-	-	1,529,528	1,529,528
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment carried at amortised cost - Sukuk	28,771,559	367,250	-	29,138,809
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assets acquired in satisfaction of claims	-	224,726	-	224,726
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

41 Fair value of financial instruments (continued)

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
31 December 2025				
Assets and liabilities measured at fair value:				
Financial assets				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	11,041	-	-	11,041
Sukuk	956,995	-	-	956,995
	968,036	-	-	968,036
Unquoted sukuk	-	-	332,135	332,135
	968,036	-	332,135	1,300,171
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	24,166	-	-	24,166
Sukuk	2,886,305	-	-	2,886,305
	2,910,471	-	-	2,910,471
<i>Unquoted investments</i>				
Sukuk	-	-	43,257	43,257
Funds	-	-	559,265	559,265
Private equities	-	-	117,399	117,399
	-	-	719,921	719,921
	2,910,471	-	719,921	3,630,392
	3,878,507	-	1,052,056	4,930,563
Shari'a compliant alternatives of swap (note 25)	-	13,774	-	13,774
Financial liabilities				
Shari'a compliant alternatives of swap (note 29)	-	25,642	-	25,642
Assets for which fair values are disclosed:				
Investment properties	-	-	1,728,171	1,728,171
Investment carried at amortised cost - Sukuk	26,028,563	368,689	-	26,397,252
Assets acquired in satisfaction of claims	-	232,929	-	232,929

The carrying value and fair value for all the investments are same except for investments carried at amortised cost - sukuk, whose carrying value is disclosed in note 20. There were no transfers between level 1, 2 and 3 during the period (2025: Nil).

The impact of the sensitivity of inputs to the valuation techniques used of the investments classified under Level 3 are immaterial.

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

41 Fair value of financial instruments (continued)

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

	31 March 2026 AED '000 (unaudited)	31 December 2025 AED '000 (audited)
At the beginning of the period	1,052,056	726,437
(Purchases) / settlements	(28,589)	310,419
Gain through income / other comprehensive income statement recorded in equity	2,288	14,056
Foreign currency translation	(4,155)	1,144
At the end of the period	1,021,600	1,052,056

42 Regional geopolitical developments

The current extraordinary circumstances, which began on 28 February 2026 has resulted in uncertainty in the global economic environment. This situation continues to unfold and has had secondary impacts globally, causing disruption to certain business and economic activities.

The Group's business continuity, resilience arrangements and wider risk management framework remain in place to address any potential concerns arising from the evolving regional environment. The Group has taken into account relevant regulatory guidance, including support measures made available by the Central Bank of the UAE ("CBUAE") effective from 17 March 2026 and applicable until 30 June 2026 under the Financial Institution Resilience Package (the "Package"). The CBUAE's introduction of the Package reflects proactive measures to support stability and resilience during a period of heightened regional uncertainty further underscoring its commitment to the UAE banking system and the broader economy.

The Group continues to monitor developments and assess their potential implications for its operating environment, sectoral exposures, and counterparty risk profile. As part of this assessment, exposures are reviewed on an ongoing basis across significant sectors and counterparties, particularly those operating in sectors directly affected by the current circumstances. Specific measures undertaken by the Group include enhanced monitoring of vulnerable sectors and counterparties, targeted client outreach, portfolio reviews, and stress testing to assess the potential impact under different scenarios. The Group remains committed to supporting affected customers, where appropriate.

The Group has a dedicated IFRS 9 governance process and in determination of 31 March 2026 ECL position, considered potential impact caused by current extraordinary circumstances. Based on information available at the reporting date, relief measures introduced by the CBUAE were applied on a case-by-case basis, where applicable. The Group continues to assess the creditworthiness of affected obligors, and related stage migration is conducted in accordance with the CBUAE Credit Risk Management Standards ("CRMS"), the Group's internal policies and the requirements of IFRS 9. The Group's liquidity position as at 31 March 2026 remained well placed to absorb and manage the impacts of potential market disruption, and as a result of the CBUAE Package, has access to liquidity facilities, including the relaxation of the minimum reserves requirement enhancing flexibility which the bank is utilizing. As at 31 March 2026, the Group's liquidity and funding ratios remained comfortably above regulatory thresholds and sufficient high-quality liquid assets to meet obligations under stressed conditions were held. The Group continues to monitor liquidity and funding requirements closely and has calibrated its stress testing scenarios to reflect current market conditions.

Notes to the condensed consolidated interim financial statements (continued)
31 March 2026 (unaudited)

43 Seasonality of results

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

44 Comparative figures

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