

**ABU DHABI ISLAMIC BANK PJSC**

**Condensed consolidated interim  
financial statements  
31 March 2024 (Unaudited)**

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

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Abu Dhabi Islamic Bank PJSC (the “Bank”) and its subsidiaries (together the “Group”) as at 31 March 2024, and the related income statement and statement of comprehensive income for the three-month period ended, and the related statements of changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard IAS 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 the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

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

Deloitte & Touche (M.E.)



Obada Alkowitz  
Registration No. 1056  
24 April 2024  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated interim income statement  
Three months ended 31 March 2024 (Unaudited)**

	Notes	Three months ended 31 March	
		2024 AED '000	2023 AED '000
<b>Operating income</b>			
Income from murabaha, mudaraba and wakala, with financial institutions		584,249	300,902
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	5	2,081,343	1,713,125
Income from sukuk measured at amortised cost		217,427	117,795
Income from investments measured at fair value	6	68,840	67,705
Share of results of associates and joint ventures		30,035	18,638
Fees and commission income, net	7	418,201	299,612
Foreign exchange income		67,687	88,311
Income from investment properties		9,467	9,105
Other income		15,410	9,936
		<b>3,492,659</b>	<b>2,625,129</b>
<b>Operating expenses</b>			
Employees' costs	8	(455,593)	(445,936)
General and administrative expenses	9	(224,760)	(197,020)
Depreciation		(81,670)	(79,494)
Amortisation of intangibles	25	(3,367)	(3,712)
Provision for impairment, net	10	(109,147)	(146,351)
		<b>(874,537)</b>	<b>(872,513)</b>
<b>Profit from operations, before distribution to depositors and sukuk holders</b>			
		<b>2,618,122</b>	<b>1,752,616</b>
Distribution to depositors and sukuk holders	11	(975,357)	(588,616)
<b>Profit for the period before Zakat and tax</b>			
		<b>1,642,765</b>	<b>1,164,000</b>
Zakat and tax	12	(191,629)	(61,887)
<b>Profit for the period after Zakat and tax</b>			
		<b>1,451,136</b>	<b>1,102,113</b>
<i>Attributable to:</i>			
Equity holders of the Bank		1,356,937	1,058,756
Non-controlling interest		94,199	43,357
		<b>1,451,136</b>	<b>1,102,113</b>
Basic and diluted earnings per share attributable to ordinary shares (AED)	13	<b>0.346</b>	0.264

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

**Condensed consolidated interim statement of comprehensive income**  
**Three months ended 31 March 2024 (Unaudited)**


	Notes	Three months ended 31 March	
		2024 AED '000	2023 AED '000
<b>Profit for the period after Zakat and Tax</b>		<b>1,451,136</b>	1,102,113
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified to consolidated income statement</i>			
Net movement on valuation of equity investments carried at fair value through other comprehensive income	31	(3,665)	(437)
Other movement in reserves	31	3,830	(28,740)
Directors' remuneration paid	35	(16,100)	(16,100)
<i>Items that may be subsequently reclassified to consolidated income statement</i>			
Net movement in valuation of investments in sukuk carried at fair value through other comprehensive income		(18,159)	41,804
Exchange differences arising on translation of foreign operations	31	(526,597)	(231,617)
Gain (loss) on hedge of foreign operations	31	1,490	(1,355)
Fair value gain on cash flow hedge	31	953	2,633
<b>Other comprehensive loss for the period</b>		<b>(558,248)</b>	(233,812)
<b>Total comprehensive income for the period</b>		<b>892,888</b>	868,301
<i>Attributable to:</i>			
Equity holders of the Bank		798,689	824,944
Non-controlling interest		94,199	43,357
		<b>892,888</b>	868,301

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

**Condensed consolidated interim statement of financial position  
At 31 March 2024 (Unaudited)**

	Notes	31 March 2024 AED '000	31 December 2023 AED '000 (audited)
<b>ASSETS</b>			
Cash and balances with central banks	14	32,458,799	31,498,312
Balances and wakala deposits with Islamic banks and other financial institutions	15	5,694,889	7,373,806
Murabaha and mudaraba with financial institutions	16	2,888,842	3,930,130
Murabaha and other Islamic financing	17	67,236,192	67,044,317
Ijara financing	18	49,706,638	47,958,087
Investment in sukuk measured at amortised cost	19	20,872,208	18,881,549
Investments measured at fair value	20	5,398,771	5,601,452
Investment in associates and joint ventures	21	848,587	834,334
Investment properties	22	1,258,256	1,262,770
Development properties	23	722,940	722,940
Other assets	24	4,474,598	4,286,167
Property and equipment		2,644,956	2,797,990
Goodwill and intangibles	25	441,380	635,338
<b>TOTAL ASSETS</b>		<b>194,647,056</b>	<b>192,827,192</b>
<b>LIABILITIES</b>			
Due to financial institutions	26	3,268,718	2,555,004
Depositors' accounts	27	160,262,493	157,066,994
Other liabilities	28	5,265,460	5,126,576
Sukuk financing instrument	29	1,836,250	1,836,250
<b>Total liabilities</b>		<b>170,632,921</b>	<b>166,584,824</b>
<b>EQUITY</b>			
Share capital	30	3,632,000	3,632,000
Legal reserve		2,654,258	2,647,420
General reserve		3,431,547	3,431,547
Credit risk reserve		400,000	400,000
Retained earnings		9,849,904	11,358,406
Other reserves	31	(1,509,954)	(1,094,992)
Tier 1 sukuk	32	4,754,375	4,754,375
<b>Equity attributable to the equity and Tier 1 sukuk holders of the Bank</b>		<b>23,212,130</b>	<b>25,128,756</b>
Non-controlling interest		802,005	1,113,612
<b>Total equity</b>		<b>24,014,135</b>	<b>26,242,368</b>
<b>Total liabilities and equity</b>		<b>194,647,056</b>	<b>192,827,192</b>

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

  
H.E. Jawaan Awaidha Suhail Al Khaili  
Chairman

  
Mohamed Abdelbary  
Acting Group Chief Executive Officer

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

**Condensed consolidated interim statement of changes in equity  
Three months ended 31 March 2024 (Unaudited)**

<i>Attributable to the equity and Tier 1 sukuk holders of the Bank</i>											
	Notes	Share capital AED '000	Legal reserve AED '000	General reserve AED '000	Credit risk reserve AED '000	Retained earnings AED '000	Other reserves AED '000	Tier 1 sukuk AED '000	Total AED '000	Non- controlling interest AED '000	Total equity AED '000
Balance at 1 January 2024 – audited		3,632,000	2,647,420	3,431,547	400,000	11,358,406	(1,094,992)	4,754,375	25,128,756	1,113,612	26,242,368
Profit for the period		-	-	-	-	1,356,937	-	-	1,356,937	94,199	1,451,136
Other comprehensive loss		-	-	-	-	(16,100)	(542,148)	-	(558,248)	-	(558,248)
Profit paid on Tier 1 sukuk – Listed (third issue)	32	-	-	-	-	(99,846)	-	-	(99,846)	-	(99,846)
Dividends paid	39	-	-	-	-	(2,595,469)	-	-	(2,595,469)	-	(2,595,469)
Dividends paid to charity		-	-	-	-	(20,000)	-	-	(20,000)	-	(20,000)
Transfer to Impairment reserve – General	31	-	-	-	-	(104,847)	104,847	-	-	-	-
Transfer to Impairment reserve – Specific	31	-	-	-	-	8,101	(8,101)	-	-	-	-
Movement in reserves		-	6,838	-	-	(37,278)	30,440	-	-	-	-
Other movement in non-controlling Interest		-	-	-	-	-	-	-	-	(405,806)	(405,806)
<b>Balance at 31 March 2024 - unaudited</b>		<b>3,632,000</b>	<b>2,654,258</b>	<b>3,431,547</b>	<b>400,000</b>	<b>9,849,904</b>	<b>(1,509,954)</b>	<b>4,754,375</b>	<b>23,212,130</b>	<b>802,005</b>	<b>24,014,135</b>
Balance at 1 January 2023 – audited		3,632,000	2,640,705	2,975,819	400,000	8,642,250	(564,647)	4,754,375	22,480,502	980,168	23,460,670
Profit for the period		-	-	-	-	1,058,756	-	-	1,058,756	43,357	1,102,113
Other comprehensive loss		-	-	-	-	(16,100)	(217,712)	-	(233,812)	-	(233,812)
Profit paid on Tier 1 sukuk – Listed (second issue)		-	-	-	-	(98,125)	-	-	(98,125)	-	(98,125)
Dividends paid	39	-	-	-	-	(1,779,312)	-	-	(1,779,312)	(1,350)	(1,780,662)
Dividends paid to charity		-	-	-	-	(20,000)	-	-	(20,000)	-	(20,000)
Loss on disposal of FVTOCI investment		-	-	-	-	(5,215)	5,215	-	-	-	-
Transfer to Impairment reserve – General	31	-	-	-	-	56,760	(56,760)	-	-	-	-
Transfer to Impairment reserve – Specific	31	-	-	-	-	(8,781)	8,781	-	-	-	-
Transfer to reserves		-	6,737	317	-	(7,054)	-	-	-	-	-
Other movement in non-controlling Interest		-	-	-	-	-	-	-	-	(174,698)	(174,698)
<b>Balance at 31 March 2023 - unaudited</b>		<b>3,632,000</b>	<b>2,647,442</b>	<b>2,976,136</b>	<b>400,000</b>	<b>7,823,179</b>	<b>(825,123)</b>	<b>4,754,375</b>	<b>21,408,009</b>	<b>847,477</b>	<b>22,255,486</b>

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

**Condensed consolidated interim statement of cash flows**  
**Three months ended 31 March 2024 (Unaudited)**

	Notes	Three months ended 31 March	
		2024 AED '000	2023 AED '000
<b>Operating activities</b>			
Profit for the period		1,451,136	1,102,113
Adjustments for:			
Depreciation on investment properties	22	3,607	3,639
Depreciation on property and equipment		63,502	55,644
Depreciation on right-of-use assets		14,561	20,211
Amortisation of intangibles	25	3,367	3,712
Share of results of associates and joint ventures		(30,035)	(18,638)
Realised gain on investments carried at fair value through profit or loss	6	(10,390)	(6,072)
Unrealised loss (gain) on investments carried at fair value through profit or loss	6	736	(4,567)
Dividend income	6	-	(5,775)
Finance cost on lease liabilities	9	1,707	2,012
Provision for impairment, net	10	109,147	146,351
<b>Changes in operating assets and liabilities</b>		<b>1,607,338</b>	<b>1,298,630</b>
Increase in balances with central banks		(6,361,303)	(4,101,795)
(Increase) decrease in balances and wakala deposits with Islamic banks and other financial institutions		(2,010,377)	1,659,784
(Increase) decrease in murabaha and mudaraba with financial institutions		(478,190)	907,996
Increase in murabaha and other Islamic financing		(3,479,862)	(1,542,557)
(Increase) decrease in ijara financing		(1,905,166)	255,768
Movement in investments carried at fair value through profit or loss		115,833	(1,451)
Increase in other assets		(645,712)	(795,909)
Increase in due to financial institutions		846,455	529,586
Increase in depositors' accounts		9,104,670	6,468,429
Increase in other liabilities		930,616	1,101,471
<b>Cash (used in) from operations</b>		<b>(2,275,698)</b>	<b>5,779,952</b>
Directors' remuneration paid		(16,100)	(16,100)
<b>Net cash (used in) from operating activities</b>		<b>(2,291,798)</b>	<b>5,763,852</b>
<b>Investing activities</b>			
Movement in investments carried at fair value through other comprehensive income		70,971	98,335
Movement in investments carried at amortised cost		(2,006,075)	(1,610,624)
Dividends received	6	-	5,775
Additions in associates		-	(2,202)
Purchase of property and equipment		(84,184)	(55,773)
<b>Net cash used in investing activities</b>		<b>(2,019,288)</b>	<b>(1,564,489)</b>
<b>Financing activities</b>			
Profit paid on Tier 1 sukuk – Listed (third issue)	32	(99,846)	-
Profit paid on Tier 1 sukuk – Listed (second issue)		-	(98,125)
Finance cost on lease liability	9	(1,707)	(2,012)
Dividends paid		(2,595,469)	(1,781,210)
<b>Net cash used in financing activities</b>		<b>(2,697,022)</b>	<b>(1,881,347)</b>
<b>(Decrease) increase in cash and cash equivalents</b>		<b>(7,008,108)</b>	<b>2,318,016</b>
Cash and cash equivalents at 1 January		12,727,308	5,106,695
<b>Cash and cash equivalents at 31 March</b>	<b>34</b>	<b>5,719,200</b>	<b>7,424,711</b>
Operating cash flows from profit on balances and wakala deposits with Islamic banks and other financial institutions, murabaha and mudaraba with financial institutions, customer financing, sukuk and customer deposits are as follows:			
Profit received		2,541,902	1,942,600
Profit paid to depositors		827,094	486,895

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



**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)****1 Legal status and principal activities**

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

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

In addition to its main office in Abu Dhabi, the Bank operates through its 58 branches in UAE (2023: 58 branches) and 3 overseas branches in Iraq, Qatar and Sudan and subsidiaries in the UAE and the United Kingdom. The condensed consolidated interim financial statements combine the activities of the Bank’s head office, its branches and subsidiaries.

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

The condensed consolidated interim financial statements of the Group were authorised for issue by the Board of Directors on 24 April 2024.

**2 Definitions**

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

**Murabaha**

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

**Istisna’a**

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

**Ijara**

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)****2 Definitions (continued)****Qard Hasan**

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

**Musharaka**

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

**Mudaraba**

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

**Wakalah**

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

**Sukuk**

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

**3 Basis of preparation****3.1 (a) Statement of compliance**

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**3 Basis of preparation (continued)**

**3.1 (b) Accounting convention**

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

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

**3.1 (c) Basis of consolidation**

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

	Activity	Country of incorporation	Percentage of holding	
			2024	2023
Abu Dhabi Islamic Bank – Egypt (S.A.E)	Islamic banking	Egypt	53%	53%
Abu Dhabi Islamic Securities Company LLC	Equity brokerage services	United Arab Emirates	95%	95%
Burooj Properties LLC	Real estate investments	United Arab Emirates	100%	100%
MPM Properties LLC	Real estate services	United Arab Emirates	100%	100%
ADIB Invest 1	Equity brokerage services	BVI	100%	100%
Kawader Services LLC	Manpower supply	United Arab Emirates	100%	100%
ADIB (UK) Limited	Other services	United Kingdom	100%	100%
ADIB Capital Ltd	Funds services	United Arab Emirates	100%	100%
ADIB Sukuk Company II Ltd*	Special purpose vehicle	Cayman Island	-	-
ADIB Capital Invest 2 Ltd*	Special purpose vehicle	Cayman Island	-	-
ADIB Capital Invest 3 Ltd*	Special purpose vehicle	Cayman Island	-	-

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

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

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

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)****3 Basis of preparation (continued)****3.2 Significant judgements and estimates**

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

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2023.

**4 Significant accounting policies**

The condensed consolidated interim financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. In addition, results for the three months ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these interim condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**4 Significant accounting policies (continued)**

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

<u><b>New and revised IFRSs</b></u>	<u><b>Effective for annual periods beginning on or after</b></u>
Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
IFRS 18 Presentation and Disclosure Financial Statements Issued	1 January 2027

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

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

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

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

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Vehicle murabaha	<b>175,520</b>	115,165
Goods murabaha	<b>308,915</b>	234,393
Share murabaha	<b>221,856</b>	212,602
Commodities murabaha – Al Khair	<b>119,002</b>	99,361
Islamic covered cards (murabaha)	<b>108,345</b>	95,382
Other murabaha	<b>183,689</b>	141,947
	<hr/>	<hr/>
Total murabaha	<b>1,117,327</b>	898,850
Mudaraba	<b>186,811</b>	162,619
Wakala	<b>80,474</b>	68,052
Ijara	<b>696,419</b>	583,603
Istisna'a	<b>312</b>	1
	<hr/>	<hr/>
	<b>2,081,343</b>	1,713,125
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Income from sukuk measured at fair value through profit or loss	<b>27,708</b>	18,462
Income from sukuk measured at fair value through other comprehensive income	<b>28,825</b>	31,859
Realised gain on investments carried at fair value through profit or loss	<b>10,390</b>	6,072
Unrealised (loss) gain on investments carried at fair value through profit or loss	<b>(736)</b>	4,567
Dividend income	<b>-</b>	5,775
Income from other investment assets	<b>2,653</b>	970
	<hr/>	<hr/>
	<b>68,840</b>	67,705
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**7 Fees and commission income, net**

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
<b>Fees and commission income</b>		
Fees and commission income on cards	<b>406,618</b>	311,596
Trade related fees and commission	<b>36,790</b>	39,915
Accounts services fees	<b>34,498</b>	30,632
Projects and property management fees	<b>12,807</b>	11,347
Risk participation and arrangement fees	<b>38,684</b>	20,346
Brokerage fees and commission	<b>8,635</b>	7,839
Other fees and commissions	<b>162,142</b>	123,735
	<hr/>	<hr/>
Total fees and commission income	<b>700,174</b>	545,410
	<hr/>	<hr/>
<b>Fees and commission expenses</b>		
Card related fees and commission expenses	<b>(248,650)</b>	(222,500)
Other fees and commission expenses	<b>(33,323)</b>	(23,298)
	<hr/>	<hr/>
Total fees and commission expenses	<b>(281,973)</b>	(245,798)
	<hr/>	<hr/>
Fees and commission income, net	<b>418,201</b>	299,612
	<hr/> <hr/>	<hr/> <hr/>

**8 Employees' costs**

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Salaries and wages	<b>399,520</b>	386,431
End of service benefits	<b>17,958</b>	28,282
Other staff expenses	<b>38,115</b>	31,223
	<hr/>	<hr/>
	<b>455,593</b>	445,936
	<hr/> <hr/>	<hr/> <hr/>

Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)

**9 General and administrative expenses**

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Legal and professional expenses	<b>36,233</b>	29,523
Premises expenses	<b>25,743</b>	26,758
Marketing and advertising expenses	<b>18,499</b>	19,350
Communication expenses	<b>25,940</b>	27,480
Technology related expenses	<b>62,395</b>	49,968
Finance cost on lease liabilities	<b>1,707</b>	2,012
Other operating expenses	<b>54,243</b>	41,929
	<hr/>	<hr/>
	<b>224,760</b>	197,020
	<hr/> <hr/>	<hr/> <hr/>

**10 Provision for impairment, net**

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Murabaha and other Islamic financing	<b>83,791</b>	(98,103)
Ijara financing	<b>28,291</b>	183,701
Direct write offs, net of recoveries	<b>2,890</b>	(3,136)
Others	<b>(5,825)</b>	63,889
	<hr/>	<hr/>
	<b>109,147</b>	146,351
	<hr/> <hr/>	<hr/> <hr/>

**11 Distribution to depositors and sukuk holders**

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Saving accounts	<b>51,025</b>	42,896
Investment accounts	<b>898,188</b>	545,720
Sukuk holders	<b>26,144</b>	-
	<hr/>	<hr/>
	<b>975,357</b>	588,616
	<hr/> <hr/>	<hr/> <hr/>



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

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

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

**Tax**

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

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

The tax charge for period ended 31 March 2024 is AED 191,629 thousand (31 March 2023: AED 61,583 thousand), representing an Effective Tax Rate ("ETR") of 11.7% (31 March 2023: 5.3%) with corporate tax rate of 9% for UAE and other international jurisdictions mainly Egypt at 22.5%.

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**13 Basic and diluted earnings per share**

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

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

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

	<b>Three months ended 31 March</b>	
	<b>2024</b>	2023
	<b>AED '000</b>	AED '000
Profit for the period attributable to equity holders (AED '000)	<b>1,356,937</b>	1,058,756
Less: profit attributable to Tier 1 sukuk holder – Listed (third issue) (AED '000) (note 31)	<b>(99,846)</b>	-
Less: profit attributable to Tier 1 sukuk holder – Listed (second issue) (AED '000)	-	(98,125)
Profit for the period attributable to equity holders after deducting profit relating to Tier 1 sukuk (AED '000)	<b>1,257,091</b>	960,631
Weighted average number of ordinary shares in issue (000's)	<b>3,632,000</b>	3,632,000
Basic and diluted earnings per share (AED)	<b>0.346</b>	0.264

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  
31 March 2024 (Unaudited)**

**14 Cash and balances with central banks**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Cash on hand	<b>2,143,081</b>	2,022,259
Balances with central banks:		
- Current accounts	<b>1,054,001</b>	1,739,360
- Statutory reserve	<b>15,111,806</b>	14,127,177
- Islamic certificate of deposits	<b>14,156,134</b>	13,610,743
	<b>32,465,022</b>	31,499,539
Less: provision for impairment	<b>(6,223)</b>	(1,227)
	<b>32,458,799</b>	31,498,312

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>28,395,330</b>	27,831,678
Rest of the Middle East	<b>2,643,910</b>	2,416,442
Others	<b>1,425,782</b>	1,251,419
	<b>32,465,022</b>	31,499,539

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Current accounts	<b>446,482</b>	205,301
Wakala deposits	<b>5,256,010</b>	7,186,958
	<hr/>	<hr/>
	<b>5,702,492</b>	7,392,259
Less: provision for impairment	<b>(7,603)</b>	(18,453)
	<hr/>	<hr/>
	<b>5,694,889</b>	7,373,806
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>1,177,831</b>	1,433,787
Rest of the Middle East	<b>4,089,480</b>	5,749,171
Europe	<b>102,582</b>	134,677
Others	<b>332,599</b>	74,624
	<hr/>	<hr/>
	<b>5,702,492</b>	7,392,259
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**16 Murabaha and Mudaraba with financial institutions**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Murabaha	<b>2,933,992</b>	3,994,920
Less: provision for impairment	<b>(45,150)</b>	(64,790)
	<hr/> <b>2,888,842</b> <hr/>	<hr/> 3,930,130 <hr/>

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>24,270</b>	25,989
Rest of the Middle East	<b>50,388</b>	49,389
Others	<b>2,859,334</b>	3,919,542
	<hr/> <b>2,933,992</b> <hr/>	<hr/> 3,994,920 <hr/>

Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)

17 Murabaha and other Islamic financing

	31 March 2024 AED '000	31 December 2023 AED '000 (audited)
Vehicle murabaha	10,174,209	9,696,136
Goods murabaha	22,257,292	22,852,342
Share murabaha	12,294,568	12,494,133
Commodities murabaha – Al Khair	9,169,604	8,677,902
Islamic covered cards (Murabaha)	8,826,412	7,694,314
Other murabaha	9,779,260	9,551,973
	<hr/>	<hr/>
Total murabaha	72,501,345	70,966,800
Mudaraba	4,511,722	5,111,209
Wakala	3,527,073	3,819,872
Istisna'a	112,143	92,419
Other financing receivables	170,172	190,189
	<hr/>	<hr/>
Total murabaha and other Islamic financing	80,822,455	80,180,489
Less: deferred income on murabaha	(11,721,265)	(10,753,070)
	<hr/>	<hr/>
	69,101,190	69,427,419
Less: provision for impairment	(1,864,998)	(2,383,102)
	<hr/>	<hr/>
	<b>67,236,192</b>	<b>67,044,317</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Industry sector</b>		
Government	2,625,547	2,627,253
Public sector	9,698,452	9,901,507
Corporates	6,599,456	7,824,923
Financial institutions	5,493,869	5,480,880
Individuals	43,583,112	42,402,600
Small and medium enterprises	1,100,754	1,190,256
	<hr/> <b>69,101,190</b> <hr/>	<hr/> 69,427,419 <hr/>
<b>Geographic region</b>		
UAE	52,979,698	52,172,504
Rest of the Middle East	5,713,801	6,184,559
Europe	3,431,574	2,956,416
Others	6,976,117	8,113,940
	<hr/> <b>69,101,190</b> <hr/>	<hr/> 69,427,419 <hr/>

**18 Ijara financing**

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

The aggregate future lease receivables are as follows:

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Ijara Financing	52,331,865	50,741,625
Less: provision for impairment	(2,625,227)	(2,783,538)
	<hr/> <b>49,706,638</b> <hr/>	<hr/> 47,958,087 <hr/>

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**18 Ijara financing (continued)**

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Industry sector</b>		
Government	1,702,025	1,772,125
Public sector	6,346,432	6,384,383
Corporates	17,838,485	21,498,292
Individuals	26,069,873	20,689,980
Small and medium enterprises	204,685	203,505
Non-profit organisations	170,365	193,340
	<u>52,331,865</u>	<u>50,741,625</u>
<b>Geographic region</b>		
UAE	50,904,498	49,190,106
Rest of the Middle East	961,227	971,771
Europe	6,303	6,357
Others	459,837	573,391
	<u>52,331,865</u>	<u>50,741,625</u>

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Sukuk – Quoted	21,010,175	19,004,100
Less: provision for impairment	(137,967)	(122,551)
	<u>20,872,208</u>	<u>18,881,549</u>

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

UAE	10,974,579	10,573,633
Rest of the Middle East	7,887,341	6,371,362
Others	2,148,255	2,059,105
	<u>21,010,175</u>	<u>19,004,100</u>



**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**20 Investments measured at fair value**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<i>Investments carried at fair value through profit or loss</i>		
Quoted investments		
Equities	22,430	33,956
Sukuk	1,888,105	1,982,758
	<hr/>	<hr/>
	1,910,535	2,016,714
	<hr/>	<hr/>
Unquoted sukuk	307,182	307,182
	<hr/>	<hr/>
	2,217,717	2,323,896
	<hr/>	<hr/>
<i>Investments carried at fair value through other comprehensive income</i>		
Quoted investments		
Equities	26,643	27,063
Sukuk	3,035,289	3,119,326
	<hr/>	<hr/>
	3,061,932	3,146,389
	<hr/>	<hr/>
Unquoted investments		
Sukuk	65,863	67,726
Funds	26,483	27,581
Private equities	105,233	110,787
	<hr/>	<hr/>
	197,579	206,094
	<hr/>	<hr/>
	3,259,511	3,352,483
	<hr/>	<hr/>
Less: provision for impairment	5,477,228 (78,457)	5,676,379 (74,927)
	<hr/>	<hr/>
	5,398,771	5,601,452
	<hr/> <hr/>	<hr/> <hr/>

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

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Geography region</b>		
UAE	<b>2,469,237</b>	2,407,816
Rest of the Middle East	<b>1,825,299</b>	1,945,593
Europe	<b>815</b>	832
Others	<b>1,181,877</b>	1,322,138
	<hr/> <b>5,477,228</b> <hr/>	<hr/> 5,676,379 <hr/>

**21 Investment in associates and joint ventures**

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
At the beginning of the period	<b>849,490</b>	791,240
Share of results	<b>30,035</b>	76,121
Dividends received	-	(16,250)
Foreign currency translation	<b>(15,782)</b>	(1,621)
	<hr/> <b>863,743</b> <hr/>	<hr/> 849,490 <hr/>
At the end of the period	<b>863,743</b>	849,490
Less: provision for impairment	<b>(15,156)</b>	(15,156)
	<hr/> <b>848,587</b> <hr/>	<hr/> 834,334 <hr/>
Net balance at the end of the period	<b>848,587</b>	834,334

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
At the beginning / end of the period	<b>15,156</b>	15,156

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

	<b>Place of incorporation</b>	<b>Proportion of ownership interest</b>		<b>Principal activity</b>
		<b>2024 %</b>	<b>2023 %</b>	
<b><i>Associates</i></b>				
Abu Dhabi National Takaful PJSC	UAE	<b>42</b>	42	Islamic insurance
Bosna Bank International D.D	Bosnia	<b>27</b>	27	Islamic banking
The Residential REIT (IC) Limited	UAE	<b>29</b>	29	Real estate fund
<b><i>Joint ventures</i></b>				
Saudi Finance Company CSJC	Kingdom of Saudi Arabia	<b>51</b>	51	Islamic Retail Finance
Arab Link Money Transfer PSC (under liquidation)	UAE	<b>51</b>	51	Currency Exchange
Abu Dhabi Islamic Merchant Acquiring Company LLC	UAE	<b>51</b>	51	Merchant acquiring

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**22 Investment properties**

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<b>Cost</b>		
Balance at the beginning of the period	1,499,533	1,500,054
Foreign currency translation	(607)	(521)
Disposals during the period	(300)	-
	<hr/>	<hr/>
Gross balance at the end of the period	1,498,626	1,499,533
Less: provision for impairment	(119,247)	(119,247)
	<hr/>	<hr/>
Net balance at the end of the period	1,379,379	1,380,286
	<hr/>	<hr/>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period	117,516	102,859
Charge for the period	3,607	14,657
	<hr/>	<hr/>
Balance at the end of the period	121,123	117,516
	<hr/>	<hr/>
Net book value at the end of the period	1,258,256	1,262,770
	<hr/>	<hr/>

The property rental income earned by the Group from its investment properties, that are leased out under operating leases, amounted to AED 9,467 thousand (31 March 2023: AED 9,105 thousand) for the three months period ended 31 March 2024.

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
At the beginning of the period	119,247	119,252
Foreign currency translation	-	(5)
	<hr/>	<hr/>
At the end of the period	119,247	119,247
	<hr/>	<hr/>

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**22 Investment properties (continued)**

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
UAE	<b>1,368,307</b>	1,371,881
Rest of the Middle East	<b>8,214</b>	8,214
Others	<b>982</b>	1,922
	<hr/> <b>1,377,503</b> <hr/>	<hr/> 1,382,017 <hr/>

**23 Development properties**

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

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

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

Development properties include land with a carrying value of AED 676,320 thousand (2023: AED 676,320 thousand) pertaining to a subsidiary of the Bank.

All development properties are located in the UAE.

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**24 Other assets**

	<b>31 March 2024 AED ‘000</b>	31 December 2023 AED ‘000 (audited)
Acceptances	<b>822,671</b>	655,161
Assets acquired in satisfaction of claims	<b>87,138</b>	94,594
Trade receivables	<b>492,774</b>	574,110
Prepaid expenses	<b>1,073,765</b>	1,039,018
Accrued profit	<b>578,315</b>	603,036
Positive fair value of Shari’a compliant alternatives of derivative financial instruments	<b>7,333</b>	6,415
Others, net	<b>1,412,602</b>	1,313,833
	<hr/> <b>4,474,598</b> <hr/>	<hr/> 4,286,167 <hr/>

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

**25 Goodwill and intangibles**

	<b>Other intangible assets</b>			<b>Total AED ‘000</b>
	<b>Goodwill AED ‘000</b>	<b>Core deposit AED ‘000</b>	<b>License AED ‘000</b>	
At 1 January 2023 – audited	280,866	215,920	289,234	786,020
Exchange translation differences	(33,988)	(44,325)	(57,496)	(135,809)
Amortisation during the period	-	(14,873)	-	(14,873)
	<hr/> <b>246,878</b> <hr/>	<hr/> <b>156,722</b> <hr/>	<hr/> <b>231,738</b> <hr/>	<hr/> <b>635,338</b> <hr/>
At 1 January 2024 – audited	<b>246,878</b>	<b>156,722</b>	<b>231,738</b>	<b>635,338</b>
Exchange translation differences	<b>(47,698)</b>	<b>(62,205)</b>	<b>(80,688)</b>	<b>(190,591)</b>
Amortisation during the period	-	<b>(3,367)</b>	-	<b>(3,367)</b>
	<hr/> <b>199,180</b> <hr/>	<hr/> <b>91,150</b> <hr/>	<hr/> <b>151,050</b> <hr/>	<hr/> <b>441,380</b> <hr/>
<b>At 31 March 2024 - unaudited</b>	<b>199,180</b>	<b>91,150</b>	<b>151,050</b>	<b>441,380</b>

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**26 Due to financial institutions**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Current accounts	<b>1,528,654</b>	1,513,821
Investment deposits	<b>1,737,350</b>	1,009,634
	<hr/>	<hr/>
	<b>3,266,004</b>	2,523,455
Current account – Central Bank of UAE	<b>2,714</b>	31,549
	<hr/>	<hr/>
	<b>3,268,718</b>	2,555,004
	<hr/> <hr/>	<hr/> <hr/>

**27 Depositors' accounts**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Current accounts	<b>48,133,084</b>	47,179,358
Savings accounts	<b>57,354,050</b>	55,402,458
Investment accounts	<b>54,046,564</b>	53,725,866
Investment risk reserve	<b>728,795</b>	759,312
	<hr/>	<hr/>
	<b>160,262,493</b>	157,066,994
	<hr/> <hr/>	<hr/> <hr/>

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

At the beginning of the period/year	<b>759,312</b>	713,007
Share of profit and payments made during the period/year	<b>(30,517)</b>	46,305
	<hr/>	<hr/>
At the end of the period/year	<b>728,795</b>	759,312
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**27 Depositors' accounts (continued)**

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

	<b>31 March</b>	31 December
	<b>2024</b>	2023
	<b>AED '000</b>	AED '000
		(audited)
Government	<b>26,961,151</b>	26,239,028
Public sector	<b>6,641,853</b>	6,217,852
Corporates	<b>14,937,489</b>	14,900,280
Financial institutions	<b>1,638,928</b>	2,053,840
Individuals	<b>90,166,070</b>	88,298,701
Small and medium enterprises	<b>17,026,659</b>	16,590,630
Non-profit organisations	<b>2,890,343</b>	2,766,663
	<hr/> <b>160,262,493</b> <hr/>	<hr/> 157,066,994 <hr/>

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

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



**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**28 Other liabilities**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Accounts payable	466,171	398,318
Acceptances	822,671	655,161
Lease liabilities	168,427	180,637
Accrued profit for distribution to depositors and sukuk holders	560,186	408,310
Bankers' cheques	1,088,738	856,609
Provision for staff benefits and other expenses	397,942	586,367
Retentions payable	39,494	29,198
Advances from customers	71,298	58,362
Accrued expenses	307,125	314,905
Deferred income	302,181	278,359
Charity account	7,728	7,014
Donation account	15,259	11,720
Others	1,018,240	1,341,616
	<hr/>	<hr/>
	<b>5,265,460</b>	<b>5,126,576</b>
	<hr/> <hr/>	<hr/> <hr/>

**29 Sukuk financing instrument**

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

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**29 Sukuk financing instrument (continued)**

**Terms of arrangement**

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

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

**30 Share capital**

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

Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)

31 Other reserves

	Cumulative changes in fair values AED '000	Land revaluation reserve AED '000	Foreign currency translation reserve AED '000	Hedging reserve AED '000	Impairment reserve – Specific AED '000	Impairment reserve – General AED '000	Others AED '000	Total AED '000
<b>At 1 January 2024 - audited</b>	<b>(389,983)</b>	<b>137,400</b>	<b>(1,085,422)</b>	<b>2,064</b>	<b>207,673</b>	<b>43,696</b>	<b>(10,420)</b>	<b>(1,094,992)</b>
Net movement in valuation of equity investment carried at FVTOCI	(3,665)	-	-	-	-	-	-	(3,665)
Net movement in valuation of investment in sukuk carried at FVTOCI	12,281	-	-	-	-	-	-	12,281
Exchange differences arising on translation of foreign operations	-	-	(526,597)	-	-	-	-	(526,597)
Gain on hedge of foreign operations	-	-	1,490	-	-	-	-	1,490
Fair value gain on cash flow hedges	-	-	-	953	-	-	-	953
Net movement in impairment reserve – Specific	-	-	-	-	(8,101)	-	-	(8,101)
Net movement in impairment reserve – General	-	-	-	-	-	104,847	-	104,847
Net movement in other reserves	-	-	-	-	-	-	3,830	3,830
<b>At 31 March 2024 - unaudited</b>	<b>(381,367)</b>	<b>137,400</b>	<b>(1,610,529)</b>	<b>3,017</b>	<b>199,572</b>	<b>148,543</b>	<b>(6,590)</b>	<b>(1,509,954)</b>
At 1 January 2023 - audited	(463,494)	137,400	(837,980)	-	320,100	279,327	-	(564,647)
Net movement in valuation of equity investment carried at FVTOCI	11,502	-	-	-	-	-	-	11,502
Net movement in valuation of investment in sukuk carried at FVTOCI	29,865	-	-	-	-	-	-	29,865
Loss on disposal of investments carried at FVTOCI	5,215	-	-	-	-	-	-	5,215
Exchange differences arising on translation of foreign operations	-	-	(231,617)	-	-	-	-	(231,617)
Loss on hedge of foreign operations	-	-	(1,355)	-	-	-	-	(1,355)
Fair value gain on cash flow hedges	-	-	-	2,633	-	-	-	2,633
Net movement in impairment reserve – Specific	-	-	-	-	8,781	-	-	8,781
Net movement in impairment reserve – General	-	-	-	-	-	(56,760)	-	(56,760)
Net movement in other reserves	-	-	-	-	-	-	(28,740)	(28,740)
At 31 March 2023 - unaudited	(416,912)	137,400	(1,070,952)	2,633	328,881	222,567	(28,740)	(825,123)

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**32 Tier 1 sukuk**

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
Tier 1 sukuk – Listed (third issue)	<b>2,754,375</b>	2,754,375
Tier 1 sukuk – Government of Abu Dhabi	<b>2,000,000</b>	2,000,000
	<hr/> <b>4,754,375</b> <hr/>	<hr/> 4,754,375 <hr/>

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

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

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

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)****32 Tier 1 sukuk (continued)****Tier 1 sukuk – Government of Abu Dhabi**

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

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

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

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

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

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**33 Contingent liabilities and commitments**

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
<i>Contingent liabilities</i>		
Letters of credit	<b>2,496,637</b>	3,374,592
Letters of guarantee	<b>8,780,720</b>	9,295,832
	<b>11,277,357</b>	12,670,424
<i>Commitments</i>		
Undrawn facilities commitments	<b>1,876,515</b>	1,466,162
Future capital expenditure	<b>180,560</b>	191,484
	<b>2,057,075</b>	1,657,646
	<b>13,334,432</b>	14,328,070

**34 Cash and cash equivalents**

	<b>Three months ended 31 March</b>	
	<b>2024 AED '000</b>	2023 AED '000
Cash and balances with central banks, short term	<b>3,197,082</b>	5,676,940
Balances and wakala deposits with Islamic banks and other financial institutions, short term	<b>5,654,814</b>	3,856,268
Murabaha and mudaraba with financial institutions, short term	-	640,895
Due to financial institutions, short term	<b>(3,132,696)</b>	(2,749,392)
	<b>5,719,200</b>	7,424,711

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**35 Related party transactions**

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

During the period, significant transactions with related parties included in the condensed consolidated interim income statement were as follows:

	Major shareholder AED '000	Directors AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<i>31 March 2024 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	994	-	994
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	10,468	-	-	23,335	33,803
Fees and commission income, net	1	2	13	208	224
Operating expenses	-	210	-	-	210
Distribution to depositors and sukuk holders	990	163	646	545	2,344
<i>31 March 2023 - unaudited</i>					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	163	-	163
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	10,353	-	2,575	23,711	36,639
Fees and commission income, net	-	-	12	400	412
Operating expenses	-	162	-	-	162
Distribution to depositors and sukuk holders	-	43	264	2	309

**Notes to the condensed consolidated interim financial statements**  
**31 March 2024 (Unaudited)**

**35 Related party transactions**

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

	Major shareholder AED '000	Directors AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
<i>31 March 2024 - unaudited</i>					
Murabaha and mudaraba with financial Institutions	-	-	51,272	-	51,272
Murabaha, mudaraba, ijara and other Islamic financing	2,056,966	-	-	4,023,138	6,080,104
Other assets	-	-	248,043	-	248,043
	<u>2,056,966</u>	<u>-</u>	<u>299,315</u>	<u>4,023,138</u>	<u>6,379,419</u>
Due to financial institutions	-	-	320	-	320
Depositors' accounts	1,022,773	74,165	74,498	63,214	1,234,650
Other liabilities	-	-	71	1	72
	<u>1,022,773</u>	<u>74,165</u>	<u>74,889</u>	<u>63,215</u>	<u>1,235,042</u>
Contingencies	-	-	10,000	61,268	71,268
<i>31 December 2023 – audited</i>					
Murabaha and mudaraba with financial institutions	-	-	50,146	-	50,146
Murabaha, mudaraba, ijara and other Islamic financing	2,046,100	-	-	4,155,645	6,201,745
Other assets	-	-	227,288	-	227,288
	<u>2,046,100</u>	<u>-</u>	<u>277,434</u>	<u>4,155,645</u>	<u>6,479,179</u>
Due to financial institutions	-	-	742	-	742
Depositors' accounts	918,302	16,649	337,717	22,836	1,295,504
Other liabilities	3,415	-	146	4	3,565
	<u>921,717</u>	<u>16,649</u>	<u>338,605</u>	<u>22,840</u>	<u>1,299,811</u>
Contingencies	-	-	10,000	62,825	72,825



**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**35 Related party transactions (continued)**

**Compensation of key management personnel**

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

	<b>Three months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>AED '000</b>	<b>AED '000</b>
Salaries and other benefits	<b>7,323</b>	7,330
Employees' end of service benefits	<b>543</b>	788
	<b>7,866</b>	8,118

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

**36 Segment information**

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

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

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

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

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

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

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

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

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

Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)

36 Segment information (continued)

	Global retail banking AED '000	Global wholesale banking AED '000	Private banking AED '000	Treasury AED '000	Real estate AED '000	Other operations AED '000	Associates & Subsidiaries AED '000	Total AED '000
<b>31 March 2024 – unaudited</b>								
<b>Revenue and results</b>								
Segment revenues, net	1,334,463	389,515	60,140	61,560	27,675	236,721	407,228	2,517,302
Operating expenses excluding provision for impairment, net	(505,125)	(68,062)	(20,930)	(12,702)	(11,136)	(31,894)	(115,541)	(765,390)
Operating profit	829,338	321,453	39,210	48,858	16,539	204,827	291,687	1,751,912
Provision for impairment, net	(65,937)	(30,326)	627	(17,247)	-	44,209	(40,473)	(109,147)
<b>Profit for the period before zakat and tax</b>	<b>763,401</b>	<b>291,127</b>	<b>39,837</b>	<b>31,611</b>	<b>16,539</b>	<b>249,036</b>	<b>251,214</b>	<b>1,642,765</b>
Zakat and tax	-	(8,416)	(1,213)	-	(1,462)	(97,144)	(83,394)	(191,629)
<b>Profit for the period after zakat and tax</b>	<b>763,401</b>	<b>282,711</b>	<b>38,624</b>	<b>31,611</b>	<b>15,077</b>	<b>151,892</b>	<b>167,820</b>	<b>1,451,136</b>
Non-controlling interest	-	-	-	-	-	-	(94,199)	(94,199)
Profit for the period attributable to equity holders of the Bank	763,401	282,711	38,624	31,611	15,077	151,892	73,621	1,356,937
<b>Assets</b>								
Segmental assets	74,825,239	51,559,189	5,009,694	39,624,315	1,980,866	4,277,413	17,370,340	194,647,056
<b>Liabilities</b>								
Segmental liabilities	97,783,531	37,479,297	13,540,187	4,091,157	82,666	3,510,451	14,145,632	170,632,921
<b>31 March 2023 - unaudited</b>								
<b>Revenue and results</b>								
Segment revenues, net	1,133,792	299,045	58,045	80,584	19,793	152,441	292,813	2,036,513
Operating expenses excluding provision for impairment, net	(496,815)	(68,645)	(20,405)	(10,943)	(14,547)	(25,232)	(89,575)	(726,162)
Operating profit	636,977	230,400	37,640	69,641	5,246	127,209	203,238	1,310,351
Provision for impairment, net	(41,614)	(60,283)	788	(33,362)	-	40,333	(52,213)	(146,351)
<b>Profit for the period before zakat and tax</b>	<b>595,363</b>	<b>170,117</b>	<b>38,428</b>	<b>36,279</b>	<b>5,246</b>	<b>167,542</b>	<b>151,025</b>	<b>1,164,000</b>
Zakat and tax	-	(1,754)	(1,166)	-	-	-	(58,967)	(61,887)
<b>Profit for the period after zakat and tax</b>	<b>595,363</b>	<b>168,363</b>	<b>37,262</b>	<b>36,279</b>	<b>5,246</b>	<b>167,542</b>	<b>92,058</b>	<b>1,102,113</b>
Non-controlling interest	-	-	-	-	-	-	(43,357)	(43,357)
Profit for the period attributable to equity holders of the Bank	595,363	168,363	37,262	36,279	5,246	167,542	48,701	1,058,756
<b>31 December 2023 - audited</b>								
<b>Assets</b>								
Segmental assets	71,215,922	50,977,909	4,915,320	37,762,804	1,969,132	4,031,755	21,954,350	192,827,192
<b>Liabilities</b>								
Segmental liabilities	93,732,304	35,287,280	12,970,872	3,247,988	82,183	3,270,285	17,993,912	166,584,824

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**36 Segment information (continued)**

**Geographical information**

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

	Domestic AED '000	International AED '000	31 March 2024 Total AED '000	Domestic AED '000	International AED '000	31 March 2023 Total AED '000
<b>Revenue and results</b>						
Segment revenues, net	2,014,354	502,948	2,517,302	1,716,977	319,536	2,036,513
Operating expenses excluding provision for impairment, net	(642,779)	(122,611)	(765,390)	(628,152)	(98,010)	(726,162)
Operating profit	1,371,575	380,337	1,751,912	1,088,825	221,526	1,310,351
Provision for impairment, net	(61,162)	(47,985)	(109,147)	(92,424)	(53,927)	(146,351)
<b>Profit for the period before zakat and tax</b>	<b>1,310,413</b>	<b>332,352</b>	<b>1,642,765</b>	996,401	167,599	1,164,000
Zakat and tax	(99,847)	(91,782)	(191,629)	-	(61,887)	(61,887)
<b>Profit for the period after zakat and tax</b>	<b>1,210,566</b>	<b>240,570</b>	<b>1,451,136</b>	996,401	105,712	1,102,113
Non-controlling interest	(572)	(93,627)	(94,199)	(478)	(42,879)	(43,357)
Profit for the period attributable to equity holders of the Bank	1,209,994	146,943	1,356,937	995,923	62,833	1,058,756
			<b>31 March 2024 Total AED '000</b>	Domestic AED '000	International AED '000	<i>Audited</i> 31 December 2023 Total AED '000
<b>Assets</b>						
Segmental assets	172,779,111	21,867,945	194,647,056	166,892,359	25,934,833	192,827,192
<b>Liabilities</b>						
Segmental liabilities	153,478,086	17,154,835	170,632,921	145,854,777	20,730,047	166,584,824

Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)

37 Risk management

Credit quality per stage for financial assets

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

	Gross exposure				Expected credit loss (ECL)			
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
<i>31 March 2024 - unaudited</i>								
Cash and balances with central banks	12,994,134	1,162,000	-	14,156,134	1,112	5,111	-	6,223
Balances and wakala deposits with Islamic banks and other financial institutions	5,702,492	-	-	5,702,492	7,603	-	-	7,603
Murabaha and mudaraba with financial institutions	2,933,992	-	-	2,933,992	45,150	-	-	45,150
Murabaha and other Islamic financing	65,568,856	2,189,503	1,342,831	69,101,190	361,331	480,490	1,023,177	1,864,998
Ijara financing	44,041,571	3,007,656	5,282,638	52,331,865	355,151	175,128	2,094,948	2,625,227
Investment in sukuk measured at amortised cost	20,998,387	-	11,788	21,010,175	126,179	-	11,788	137,967
Investments measured at fair value	3,034,921	-	66,231	3,101,152	44,169	-	34,288	78,457
Other assets	1,011,632	11,693	-	1,023,325	24,303	67	-	24,370
	<b>156,285,985</b>	<b>6,370,852</b>	<b>6,703,488</b>	<b>169,360,325</b>	<b>964,998</b>	<b>660,796</b>	<b>3,164,201</b>	<b>4,789,995</b>
Contingent liabilities and commitments	11,777,010	852,685	524,177	13,153,872	100,264	11,381	89,681	201,326
	<b>168,062,995</b>	<b>7,223,537</b>	<b>7,227,665</b>	<b>182,514,197</b>	<b>1,065,262</b>	<b>672,177</b>	<b>3,253,882</b>	<b>4,991,321</b>

Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)

37 Risk management (continued)

Credit quality per stage for financial assets

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

**38 Capital adequacy ratio**

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

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

For 2024 and onwards, CCB will be required to be maintained at 2.5% (2023: 2.5%) of the Capital base. CCyB is not yet in effect and is not required to be maintained for 2024 (2023: Nil).

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

	<b>Basel III</b>	
	<b>31 March 2024</b>	31 December 2023
	<b>AED ‘000</b>	AED ‘000 (audited)
<i><b>Capital base</b></i>		
Common Equity Tier 1	<b>17,953,283</b>	16,898,461
Additional Tier 1 capital	<b>4,808,752</b>	4,754,375
	<hr/>	<hr/>
Tier 1 capital	<b>22,762,035</b>	21,652,836
Tier 2 capital	<b>1,644,155</b>	1,564,480
	<hr/>	<hr/>
<b>Total capital base</b>	<b>24,406,190</b>	23,217,316
	<hr/> <hr/>	<hr/> <hr/>
<i><b>Risk weighted assets</b></i>		
Credit risk	<b>125,732,150</b>	125,158,385
Market risk	<b>2,529,136</b>	2,370,893
Operational risk	<b>14,024,537</b>	10,681,870
	<hr/>	<hr/>
<b>Total risk weighted assets</b>	<b>142,285,823</b>	138,211,148
	<hr/> <hr/>	<hr/> <hr/>
<i><b>Capital ratios</b></i>		
Common Equity Tier 1 ratio	<b>12.62%</b>	12.23%
	<hr/> <hr/>	<hr/> <hr/>
Total Tier 1 capital ratio	<b>16.00%</b>	15.67%
	<hr/> <hr/>	<hr/> <hr/>
Total capital ratio	<b>17.15%</b>	16.80%
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)****39 Dividends**

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

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

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

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

**Quoted market prices – Level 1**

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

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

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

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

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

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

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

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

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

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

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

The valuation methodologies considered by valuers include:

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



**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

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

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

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
<i>31 March 2024 - unaudited</i>				
<b>Assets and liabilities measured at fair value:</b>				
<b>Financial assets</b>				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	22,430	-	-	22,430
Sukuk	1,888,105	-	-	1,888,105
	<u>1,910,535</u>	<u>-</u>	<u>-</u>	<u>1,910,535</u>
Unquoted sukuk	-	-	307,182	307,182
	<u>1,910,535</u>	<u>-</u>	<u>307,182</u>	<u>2,217,717</u>
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	26,643	-	-	26,643
Sukuk	3,035,289	-	-	3,035,289
	<u>3,061,932</u>	<u>-</u>	<u>-</u>	<u>3,061,932</u>
<i>Unquoted investments</i>				
Sukuk	-	-	65,863	65,863
Funds	-	-	26,483	26,483
Private equities	-	-	105,233	105,233
	<u>-</u>	<u>-</u>	<u>197,579</u>	<u>197,579</u>
	<u>3,061,932</u>	<u>-</u>	<u>197,579</u>	<u>3,259,511</u>
	<u>4,972,467</u>	<u>-</u>	<u>504,761</u>	<u>5,477,228</u>
Shari'a compliant alternatives of swap (note 24)	-	7,333	-	7,333
<b>Financial Liabilities</b>				
Shari'a compliant alternatives of swap (note 28)	-	-	-	-
<b>Assets for which fair values are disclosed:</b>				
Investment properties	-	-	1,550,208	1,550,208
Investment carried at amortised cost - Sukuk	20,095,597	-	-	20,095,597
Assets acquired in satisfaction of claims	-	130,591	-	130,591

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

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

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
<i>31 December 2023 - audited</i>				
<b>Assets and liabilities measured at fair value:</b>				
<b>Financial assets</b>				
<i>Investments carried at fair value through profit or loss</i>				
Quoted investments	33,956	-	-	33,956
Sukuk	1,982,758	-	-	1,982,758
	<hr/>	<hr/>	<hr/>	<hr/>
	2,016,714	-	-	2,016,714
	<hr/>	<hr/>	<hr/>	<hr/>
Unquoted sukuk	-	-	307,182	307,182
	<hr/>	<hr/>	<hr/>	<hr/>
	2,016,714	-	307,182	2,323,896
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Investments carried at fair value through other comprehensive income</i>				
<i>Quoted investments</i>				
Equities	27,063	-	-	27,063
Sukuk	3,119,326	-	-	3,119,326
	<hr/>	<hr/>	<hr/>	<hr/>
	3,146,389	-	-	3,146,389
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Unquoted investments</i>				
Sukuk	-	-	67,726	67,726
Funds	-	-	27,581	27,581
Private equities	-	-	110,787	110,787
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	206,094	206,094
	<hr/>	<hr/>	<hr/>	<hr/>
	3,146,389	-	206,094	3,352,483
	<hr/>	<hr/>	<hr/>	<hr/>
	5,163,103	-	513,276	5,676,379
	<hr/>	<hr/>	<hr/>	<hr/>
Shari'a compliant alternatives of swap (note 24)	-	6,415	-	6,415
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial liabilities</b>				
Shari'a compliant alternatives of swap (note 28)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Assets for which fair values are disclosed:</b>				
Investment properties	-	-	1,550,816	1,550,816
	<hr/>	<hr/>	<hr/>	<hr/>
Investment carried at amortised cost - Sukuk	18,138,506	-	-	18,138,506
	<hr/>	<hr/>	<hr/>	<hr/>
Assets acquired in satisfaction of claims	-	138,047	-	138,047
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the condensed consolidated interim financial statements  
31 March 2024 (Unaudited)**

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

There were no transfers between level 1, 2 and 3 during the period (2023: Nil).

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

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

	<b>31 March 2024 AED '000</b>	31 December 2023 AED '000 (audited)
At the beginning of the period	<b>206,094</b>	203,963
Gain recorded in equity	<b>6,812</b>	2,929
Foreign currency translation	<b>(15,327)</b>	(798)
	<hr/>	<hr/>
At the end of the period	<b>197,579</b>	206,094
	<hr/> <hr/>	<hr/> <hr/>

**41 Seasonality of results**

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