

United Arab Bank P.J.S.C.

Review report and condensed interim financial statements

For the six months period ended 30 June 2025

United Arab Bank P.J.S.C.

**Review report and condensed interim financial statements
For the six months period ended 30 June 2025**

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Review report on condensed interim financial information to the Board of Directors of United Arab Bank P.J.S.C

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Arab Bank P.J.S.C (the "Bank") as at 30 June 2025 and the related condensed interim statements of income and comprehensive income, for the three-month and six-month periods then ended and condensed interim statements of cash flows and changes in equity for the six month period ended and other explanatory notes. The Directors are responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

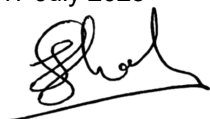
Scope of review

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 the condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34").

PricewaterhouseCoopers Limited Partnership – SHJ. BR
17 July 2025



Jigesh Ashokkumar Shah
Registered Auditor Number: 5621
Place: Sharjah, United Arab Emirates

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<i>Unaudited 30 June 2025 AED'000</i>	<i>Audited 31 December 2024 AED'000</i>
	<i>Notes</i>		
Assets			
Cash and balances with UAE Central Bank	5	2,411,019	2,225,224
Due from banks, net	6	531,637	585,146
Loans and advances and Islamic financing receivables, net	7	13,418,384	11,526,357
Investments and Islamic instruments, net	8	6,613,100	6,004,981
Property, equipment and capital work-in-progress	9	223,586	204,207
Customer acceptances		303,335	422,990
Other assets, net	10	420,290	492,575
TOTAL ASSETS		23,921,351	21,461,480
Liabilities and Equity			
Liabilities			
Due to banks	11	3,997,297	3,596,354
Customer deposits and Islamic customer deposits	12	15,601,418	13,577,035
Medium term borrowings	13	734,600	734,600
Customer acceptances		303,335	422,990
Other liabilities	14	503,713	579,016
Total liabilities		21,140,363	18,909,995
Shareholders' equity			
Share capital	15	2,062,550	2,062,550
Treasury shares		(2,399)	(3,008)
Tier 1 instrument	15	550,875	550,875
Special reserve		78,118	78,118
Statutory reserve		107,042	107,042
General reserve		9,311	9,311
Cumulative changes in fair value	15	(54,931)	(98,231)
Retained earnings/(accumulated losses)		30,422	(155,172)
Total equity		2,780,988	2,551,485
TOTAL LIABILITIES AND EQUITY		23,921,351	21,461,480

This condensed interim financial information was approved by the Board of Directors on 17 July 2025 and signed on its behalf by:

HH Sheikh Mohammed Bin Faisal Bin Sultan Al Qassimi
Chairman

Shirish Bhide
Chief Executive Officer

The notes on pages 7 to 23 form an integral part of the condensed interim financial information. The independent auditors' report on review of the Bank's condensed interim financial information is set out on page 1.

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF INCOME

For the six months period ended 30 June 2025

	<i>Notes</i>	<i>Three months period ended 30 June (Unaudited)</i>		<i>Six months period ended 30 June (Unaudited)</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
		<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Interest income		295,168	266,226	551,460	542,800
Income from Islamic financing receivables		41,669	29,292	75,537	57,246
Total interest income and income from Islamic financing products		336,837	295,518	626,997	600,046
Interest expense		(155,859)	(154,600)	(304,122)	(298,976)
Distribution to Islamic depositors		(23,027)	(30,282)	(47,686)	(58,402)
Total interest expense and distribution to depositors		(178,886)	(184,882)	(351,808)	(357,378)
Net interest income and income from Islamic financing products net of distribution to depositors		157,951	110,636	275,189	242,668
Net fees and commission income		26,285	19,684	51,353	42,552
Foreign exchange income		11,000	6,562	21,821	12,840
Other operating income		12,923	129	25,180	2,409
Total operating income		208,159	137,011	373,543	300,469
Employee benefit expenses		(56,192)	(49,164)	(111,295)	(99,419)
Depreciation and amortization		(6,158)	(5,201)	(11,510)	(10,647)
Other operating expenses		(27,039)	(16,432)	(54,215)	(38,401)
Total operating expenses		(89,389)	(70,797)	(177,020)	(148,467)
Operating profit before impairment loss		118,770	66,214	196,523	152,002
Net impairment reversal/(loss)	16	(2,056)	10,973	31,854	194
Net profit for the period before tax		116,714	77,187	228,377	152,196
Tax expense	17	(10,536)	(6,914)	(20,635)	(13,677)
Net profit for the period		106,178	70,273	207,742	138,519
Earnings per share (basic and diluted in AED)	4	0.05	0.03	0.10	0.07

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2025

	<i>Three months period ended 30 June (Unaudited)</i>		<i>Six months period ended 30 June (Unaudited)</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
<i>Notes</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Net profit for the period	106,178	70,273	207,742	138,519
Other comprehensive income				
Items that may be reclassified to the income statement:				
FVOCI investments:				
Net change in fair value	49,444	(5,871)	87,342	4,706
Reclassified to the income statement	(20,372)	(2,942)	(25,372)	4,625
Net change in allowance for expected credit loss	(440)	-	(14,388)	-
Cash flow hedge:				
Effective portion of changes in fair value	-	(338)	-	71
Total items that may be reclassified to the income statement	28,632	(9,151)	47,582	9,402
Related tax on other comprehensive income	(2,577)	-	(4,282)	-
Other comprehensive income/(loss) for the period	26,055	(9,151)	43,300	9,402
Total comprehensive income for the period	132,233	61,122	251,042	147,921

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2025

	<i>Notes</i>	<i>Six months period ended 30 June (unaudited)</i>	
		2025	2024
		AED'000	AED'000
Operating activities			
Net profit for the period		207,742	138,519
Adjustments for:			
Depreciation		11,510	10,647
Gain on sale of assets acquired in settlement of debt		(15,320)	-
Impairment on assets acquired in settlement of debt		5,950	5,500
Tax expense	17	20,635	13,677
Amortization of commission paid on medium term borrowing		916	916
Net impairment losses		(20,982)	(5,306)
Amortisation of premium paid on investments		1,705	1,741
Gain on sale of property and equipment		(30)	-
Net fair value gain/(loss) on disposal of investments and Islamic instruments		(12,559)	(250)
Operating cash flows before movements in working capital		199,567	165,444
Changes in operating assets and liabilities:			
Loans and advances and Islamic financing receivables		(1,847,952)	(1,105,979)
Balances with the UAE Central Bank maturing after three months		(173,617)	(193,243)
Other assets		152,834	(277,471)
Due from banks maturing after three months		(21,731)	(299)
Due to banks maturing after three months		1,065,587	(483,233)
Customer deposits and Islamic customer deposits		2,024,383	1,891,414
Other liabilities		(238,210)	253,294
Net cash generated from operating activities		1,160,861	249,927
Investing activities			
Purchase of property, equipment and capital work-in-progress		(29,520)	(8,153)
Purchase of investments		(1,058,012)	(452,030)
Proceeds from redemption / sale of investments		520,834	351,103
Proceeds from sale of assets acquired in settlement of debt		29,000	-
Proceeds from sale of property and equipment		30	-
Net cash used in investing activities		(537,668)	(109,080)
Financing activities			
Rights issue cost		(32)	-
Net sale/(purchase) of treasury shares		694	(4,046)
Coupon paid on Tier 1 instrument		(22,200)	(22,200)
Net cash used in financing activities		(21,538)	(26,246)
Net increase in cash and cash equivalents		601,655	114,601
Cash and cash equivalents at 1 January		12,573	1,182,622
Cash and cash equivalents at 30 June		614,228	1,297,223
Cash and cash equivalents comprise the following statement of financial position amounts with original maturities of three months or less:			
Cash and balances with UAE Central Bank		1,545,383	1,882,304
Due from other banks		509,981	639,142
Due to banks		(1,441,136)	(1,224,223)
		614,228	1,297,223

The notes on pages 7 to 23 form an integral part of the condensed interim financial information. The independent auditors' report on review of the Bank's condensed interim financial information is set out on page 1.

United Arab Bank P.J.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2025

	<i>Share capital AED'000</i>	<i>Tier 1 instrument AED'000</i>	<i>Special reserve AED'000</i>	<i>Statutory reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Treasury shares AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Retained Earnings/ (accumulated losses) AED'000</i>	<i>Total AED'000</i>
At 1 January 2025	2,062,550	550,875	78,118	107,042	9,311	(3,008)	(98,231)	(155,172)	2,551,485
Net profit for the period	-	-	-	-	-	-	-	207,742	207,742
Other comprehensive income for the period	-	-	-	-	-	-	43,300	-	43,300
Total comprehensive income for the period	-	-	-	-	-	-	43,300	207,742	251,042
Coupon on Tier 1 instrument	-	-	-	-	-	-	-	(22,201)	(22,201)
Rights issue costs (Note 15)	-	-	-	-	-	-	-	(32)	(32)
Treasury shares sold	-	-	-	-	-	609	-	85	694
At 30 June 2025 (unaudited)	2,062,550	550,875	78,118	107,042	9,311	(2,399)	(54,931)	30,422	2,780,988
At 1 January 2024	2,062,550	550,875	48,022	76,946	9,311	(3,885)	(119,170)	(334,904)	2,289,745
Net profit for the period	-	-	-	-	-	-	-	138,519	138,519
Other comprehensive income for the period	-	-	-	-	-	-	9,402	-	9,402
Total comprehensive income for the period	-	-	-	-	-	-	9,402	138,519	147,921
Coupon on Tier 1 instrument	-	-	-	-	-	-	-	(22,201)	(22,201)
Treasury shares acquired	-	-	-	-	-	(4,046)	-	(89)	(4,135)
At 30 June 2024 (unaudited)	2,062,550	550,875	48,022	76,946	9,311	(7,931)	(109,768)	(218,675)	2,411,330

The notes on pages 7 to 23 form an integral part of the condensed interim financial information.

The independent auditors' report on review of the Bank's condensed interim financial information is set out on page 1.

1 LEGAL STATUS AND ACTIVITIES

United Arab Bank P.J.S.C. (the “Bank”) was incorporated in 1975 as a Private Joint Stock Company in the Emirate of Sharjah. The legal form of the Bank was converted to a public company with limited liability in 1982 by a decree of His Highness the Ruler of Sharjah and has been registered as a Public Joint Stock Company under the UAE Commercial Companies Law No. (8) of 1984 (as amended). The Bank’s registered office is located in the Emirate of Sharjah, United Arab Emirates. The address of the registered office is PO Box 25022, Sharjah, United Arab Emirates.

The Bank carries out the business of commercial banking through its offices and branches in the United Arab Emirates. The Bank also carries out Islamic banking operations through Islamic banking windows at selected branches.

The condensed interim financial statements of the Bank have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of laws of the United Arab Emirates.

2. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

2.1 Changes in accounting policies

The accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Bank’s annual financial information for the year ended 31 December 2024 except for the below:

During the period, the bank has elected not to recognise right of use assets and lease liabilities and avail the short-term lease exemption in accordance with IFRS 16. Payments associated with low value and short term leases (lease term of 12 months or less) are recognised on a straight line basis over the lease term as an expense in the statement of profit and loss. The change in the accounting policy does not have a material impact on the Bank’s condensed interim financial statements.

The Bank has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these condensed interim financial statements. Other amendments and interpretations apply for the first time in 2025, but do not have an impact on the Bank’s condensed interim financial statements.

Standards, amendments and interpretations that are effective for the Bank’s accounting period beginning on 1 January 2025

The following amendments to existing standards have been applied by the Bank in preparation of these condensed interim financial statements. The adoption of these new standards does not have significant impact on the condensed interim financial statements.

Description	Effective from
Lack of Exchangeability (amendments to IAS 21)	1 January 2025

Standard Issued but not yet Effective

The new and amended standards and interpretations that are issued but not yet effective, up to the date of issuance of the Bank’s interim condensed consolidated financial statements are described below.

Description	Effective from
Classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Presentation and disclosures in financial statements (IFRS 18)	1 January 2027

The Bank is currently evaluating these amendments. The Bank will adopt it when the amendments become effective.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

2. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS (continued)

2.2 Key accounting estimates and judgments

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may therefore differ resulting in future changes in these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended 31 December 2024.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Basis of preparation

The condensed interim financial information of the Bank has been prepared in accordance with the IFRS Accounting Standards, International Accounting Standard (IAS) 34: Interim Financial Reporting as issued by International Accounting Standard Board (IASB).

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Bank's audited financial statements as at and for the year ended 31 December 2024. In addition, results for the six months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2025.

In preparing this condensed interim financial information, significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2024 as explained in Note 2.2.

3.2 Material accounting policies

The accounting policies applied by the Bank in the preparation of the condensed interim financial statements are consistent with those applied by the Bank in the annual audited financial statements for the year ended 31 December 2024, except for changes in accounting policies explained in Note 2.1.

4 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period. The calculations are as follows:

	<i>Unaudited six-months period ended</i>	
	<i>30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
Net profit for the period	207,742	138,519
<i>Number of ordinary shares:</i>		
Number of shares of AED 1 each outstanding for the period	2,060,867,185	2,056,186,132
Basic earnings per share	AED 0.10	AED 0.07

The diluted earnings per share are the same as basic earnings per share as the Bank has not issued any instruments which would have a dilutive impact on earnings per share if or when exercised.

The total number of shares outstanding excludes 1,683,464 treasury shares (30 June 2024: 6,364,517) which is deducted for the purpose of computing earnings per share.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

5 CASH AND BALANCES WITH UAE CENTRAL BANK

	<i>Unaudited</i> 30 June 2025 AED'000	<i>Audited</i> 31 December 2024 AED'000
Cash on hand	44,005	48,684
Balances and statutory reserve requirements with UAE Central Bank	517,014	226,540
Overnight Deposit Facility and Certificate of Deposits	1,850,000	1,950,000
	2,411,019	2,225,224

As per the CBUAE regulations, the Bank is allowed to draw their balances held in the UAE reserve account, while ensuring that they meet the reserve requirements over a 14 day period.

The UAE Central Bank balances are high grade in nature. Cash and balances with UAE Central Bank is classified under stage 1 as per IFRS 9. However, these are low credit risk and therefore expected credit losses is considered to be immaterial and no provision has been recognised.

6 DUE FROM BANKS

	<i>Unaudited</i> 30 June 2025 AED'000	<i>Audited</i> 31 December 2024 AED'000
Demand deposits	531,931	285,368
Term deposits	-	300,000
Less: expected credit loss	(294)	(222)
	531,637	585,146

Due from banks includes AED 505,772 thousand (31 December 2024: AED 273,551 thousand) placed with foreign banks outside the UAE. AED 21,951 thousand (31 December 2024: AED 220 thousand) is held with other banks as margin for derivative transactions. Due from Banks is classified under stage 1 as per IFRS 9.

7 LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES

	<i>Unaudited</i> 30 June 2025 AED'000	<i>Audited</i> 31 December 2024 AED'000
The composition of the loans and advances portfolio is as follows:		
(a) By type:		
Overdrafts	1,021,764	1,186,866
Term loans (medium and short term)	11,958,182	10,029,966
Loans against trust receipts	591,026	597,788
Bills discounted	123,552	126,188
Other cash advances	19,004	20,133
Bills drawn under letters of credit	148,750	113,187
Gross amount of loans and advances and Islamic financing receivables	13,862,278	12,074,128
Less: provision for impairment on loans and advances and Islamic financing receivables	(443,894)	(547,771)
Net loans and advances and Islamic financing receivables	13,418,384	11,526,357

Term loans (medium and short term) includes retail loans of AED 2,821,591 thousand (31 December 2024: AED 2,069,674 thousand).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

7 LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES (continued)

(b) By economic sector:

	<i>Unaudited</i> 30 June 2025 AED'000	<i>Audited</i> 31 December 2024 AED'000
Real estate	2,268,850	1,958,608
Personal – retail mortgage	2,225,201	1,603,185
Government and public sector	698,678	743,584
Trade	872,326	987,882
Personal loans (retail and business)	942,989	849,273
Manufacturing	909,492	719,214
Construction	185,102	150,265
Services	1,891,048	1,797,360
Financial institutions	3,447,065	2,766,930
Transport and communication	420,927	427,433
Others	600	70,394
Gross loans and advances and Islamic financing receivables	13,862,278	12,074,128

Islamic financing gross receivables amount to AED 2,065,457 thousand (31 December 2024: AED 1,261,475 thousand) recognized through the Bank's Shari'a - compliant Islamic window.

Movement in the gross balances of loans and advances and Islamic financing receivables

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount as at 31 December 2024	11,392,369	216,525	465,234	12,074,128
<i>Changes due to financial assets recognized in the opening balance that have</i>				
Transferred from Stage 1	(275,891)	271,232	4,659	-
Transferred from Stage 2	8,294	(14,155)	5,861	-
Transferred from Stage 3	-	4	(4)	-
Net of new assets originated or repaid	1,968,401	(4,507)	(115,942)	1,847,952
Write-offs	-	-	(59,802)	(59,802)
As at 30 June 2025	13,093,173	469,099	300,006	13,862,278
	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount as at 31 December 2023	9,044,063	471,210	496,662	10,011,935
<i>Changes due to financial assets recognized in the opening balance that have</i>				
Transferred from Stage 1	(15,317)	11,215	4,102	-
Transferred from Stage 2	63,020	(175,336)	112,316	-
Transferred from Stage 3	1	2,663	(2,664)	-
Net of new assets originated or repaid	2,300,602	(93,227)	(79,263)	2,128,112
Write-offs	-	-	(65,919)	(65,919)
As at 31 December 2024	11,392,369	216,525	465,234	12,074,128

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

7 LOANS AND ADVANCES AND ISLAMIC FINANCING RECEIVABLES (continued)

Movement in provision for impairment of loans and advances

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2024	102,087	117,510	328,174	547,771
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	(59,337)	57,563	1,774	-
Transferred from lifetime ECL not credit impaired	213	(2,232)	2,019	-
Transferred from lifetime ECL credit-impaired	-	3	(3)	-
Transferred to ECL on commitments and contingent liabilities	-	-	-	-
Net impairment charge/(release) to income statement	49,116	(27,023)	(66,168)	(44,075)
Release to income statement	-	-	-	-
Write-offs	-	-	(59,802)	(59,802)
As at 30 June 2025	92,079	145,821	205,994	443,894
	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2023	130,431	169,779	354,432	654,642
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	(21,824)	7,336	14,488	-
Transferred from lifetime ECL not credit-impaired	8,991	(49,938)	40,947	-
Transferred from lifetime ECL credit-impaired	-	637	(637)	-
Transferred to ECL on commitments and contingent liabilities	(10,395)	-	4,780	(5,615)
Net impairment (release)/charge to income statement	(5,116)	(10,304)	3,487	(11,933)
Release to income statement	-	-	(23,404)	(23,404)
Write-offs	-	-	(65,919)	(65,919)
As at 31 December 2024	102,087	117,510	328,174	547,771

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

8 INVESTMENTS AND ISLAMIC INSTRUMENTS

	<i>Unaudited</i> 30 June 2025			<i>Audited</i> 31 December 2024		
	<i>Quoted</i> <i>AED'000</i>	<i>Unquoted</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Quoted</i> <i>AED'000</i>	<i>Unquoted</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Debt:						
FVOCI						
Local	1,860,674	-	1,860,674	2,057,585	-	2,057,585
Overseas	2,230,895	-	2,230,895	2,244,046	-	2,244,046
Amortised cost						
Local	834,207	-	834,207	569,585	-	569,585
Overseas	1,702,642	-	1,702,642	1,135,082	-	1,135,082
Total debt securities	6,628,418	-	6,628,418	6,006,298	-	6,006,298
Equity:						
FVOCI						
Local	-	1,225	1,225	-	849	849
Overseas	-	76	76	-	76	76
Total equities	-	1,301	1,301	-	925	925
Total investments	6,628,418	1,301	6,629,719	6,006,298	925	6,007,223
Expected credit loss and reserve			(16,619)			(2,242)
Net investments			6,613,100			6,004,981

The Bank holds a stage 1 ECL allowance on its investment securities classified under FVOCI amounting to AED 14,871 thousand as at 30 June 2025 (31 December 2024: AED 29,260 thousand).

Included in the above are investment securities amounting to AED 1,964,394 thousand (31 December 2024: 1,460,843 thousand) secured under repurchase agreement with the lenders. The Banks holds an ECL allowance of AED 3,990 thousand (31 December 2024: AED 2,447 thousand) on these investment securities secured under repurchase agreements.

Investments and Islamic instruments are classified under stage 1 as per IFRS 9.

9 PROPERTY, EQUIPMENT AND CAPITAL WORK IN-PROGRESS

During the six-month period ended 30 June 2025, the Bank acquired assets with a cost of AED 29,520 thousand (30 June 2024: AED 8,153 thousand). The depreciation charged during the six-months period ended 30 June 2025 is AED 10,141 thousand (30 June 2024: AED 9,376 thousand).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

10 OTHER ASSETS

	<i>Unaudited</i> 30 June 2025 <i>AED'000</i>	<i>Audited</i> 31 December 2024 <i>AED'000</i>
Interest receivable, net	178,883	157,968
Positive fair value of derivatives (Note 22)	32,697	51,268
Prepayments and other assets	178,620	225,125
Right-of-use assets	-	8,494
Assets repossessed in settlement of debts, net (refer below)	30,090	49,720
	420,290	492,575

During the period, the Bank recognized a gain of AED 15,320 thousand (2024: AED Nil) on its properties which had a net carrying value of AED 13,680 thousand (2024: AED 13,680 thousand) at the time of sale. During the six-month period ended 30 June 2025, the bank has recognized an impairment of AED 5,950 thousand (30 June 2024: AED 5,500 thousand).

11 DUE TO BANKS

	<i>Unaudited</i> 30 June 2025 <i>AED'000</i>	<i>Audited</i> 31 December 2024 <i>AED'000</i>
Demand deposits	24,755	42,129
Term deposits	3,972,542	3,554,225
	3,997,297	3,596,354

Term deposits include borrowings through repurchase agreements of AED 1,764,024 thousand (31 December 2024: AED 1,234,446 thousand). Demand deposits include AED 19,244 thousand (31 December 2024: AED 35,623 thousand) held as margin for derivative transactions.

12 CUSTOMER DEPOSITS AND ISLAMIC CUSTOMER DEPOSITS

	<i>Unaudited</i> 30 June 2025 <i>AED'000</i>	<i>Audited</i> 31 December 2024 <i>AED'000</i>
Term deposits	9,913,494	9,014,789
Current accounts	5,516,567	4,384,780
Call and savings accounts	171,357	177,466
	15,601,418	13,577,035

Customer' deposits include Islamic customer deposits amounting to AED 2,076,095 thousand (31 December 2024: AED 2,091,426 thousand) undertaken through the Bank's Shari'a - compliant Islamic window.

13 MEDIUM TERM BORROWINGS

The Bank has arranged a term loan facility amounting to AED 734,600 thousand during 2023. The facility carries a floating interest rate, being margin over EIBOR and is repayable in full in December 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

14 OTHER LIABILITIES

	<i>Unaudited</i> 30 June 2025 AED'000	<i>Audited</i> 31 December 2024 AED'000
Interest payable	174,563	166,380
Negative fair value of derivatives (Note 22)	13,526	12,149
ECL on off-balance sheet exposures (Note 18)	105,994	100,150
Staff related provisions	23,668	21,697
Accrued expenses	25,307	50,729
Un-presented cheques	43,996	54,313
Lease liability	-	7,180
Corporate tax liability	50,446	29,811
Deferred tax liability	6,353	2,071
Others	59,860	134,536
	503,713	579,016

15 SHARE CAPITAL AND RESERVES

a) Share capital

The authorised paid up share capital of the Bank is 2,750,067,532 (2024: 2,750,067,532) shares of AED 1 each. The issued and fully paid up share capital of the Bank comprises 2,062,550,649 (2024: 2,062,550,649) shares of AED 1 each.

In the Annual General Meeting held on 6 March 2025, the shareholders approved the increase of the paid up share capital from 2,062,550,649 up to 3,093,825,974 by issuing 1,031,275,325 shares through rights issuance at nominal value of AED 1 per share. Post obtaining regulatory approvals, allotment and dealings in the newly subscribed shares shall commence during August 2025. The transaction costs incurred towards the rights issuance are accounted for as a deduction from equity.

b) Tier 1 instrument

On 30 March 2023, the Bank has issued a perpetual, non-callable 5.5 years Tier 1 Instrument ("instrument") of USD 150,000 thousand (AED 550,875 thousand) which qualifies to be included as regulatory Tier 1 capital. The instrument constitutes direct, unsecured, non-convertible and sub-ordinated obligations of the Bank. Under the terms and conditions of the issue, the Bank may elect not to pay a coupon and has the option to call back the Instrument at the contractual reset date subject to Central Bank of UAE approval.

c) Cumulative changes in fair value

Cumulative changes in fair value reserve includes the net change in fair value of FVOCI assets, deferred tax liability and the net change in allowance for expected credit loss. This reserve has a balance of negative AED 54,931 thousand as of 30 June 2025 (2024: negative AED 98,231 thousand).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

16 NET IMPAIRMENT LOSSES

Provision for credit losses recognized in the condensed interim statement of income is as follows:

	<i>Six months period ended</i>	
	<i>30 June (Unaudited)</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Net impairment of financial assets on:		
Loans and advances, Islamic financing receivables and other financial assets	26,885	(14,253)
Contingent liabilities (Note 18)	(5,844)	(5,430)
Investments and Islamic instruments	13	-
Due from banks	(72)	(144)
Recovery on bad debts written-off	16,822	25,521
Impairment on non-financial assets (Note 10)	(5,950)	(5,500)
Net impairment reversal	31,854	194

17 TAX EXPENSE

The Bank calculates the period income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense in the condensed interim financial statement of profit or loss are:

	<i>Six months period ended</i>	
	<i>30 June (Unaudited)</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Tax expense for the period:		
Statement of profit or loss:		
Current tax charge	20,635	13,677
Statement of other comprehensive income:		
Deferred tax on items that may be reclassified to income statement	4,282	-

Reconciliation of Bank's tax on profit based on accounting and profit as per tax law is as follows:

	<i>Six months period ended</i>	
	<i>30 June (Unaudited)</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Net profit before tax	228,377	152,196
Effect of corporate income tax @ 9%	20,554	13,698
Tax effects of:		
Expense not deductible for tax purposes	115	13
Effect of standard exemption	(34)	(34)
Income tax expense	20,635	13,677

For determining the tax expense for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purpose include items relating to both income and expense. After giving effect to these adjustments, the average effective tax rate is estimated to 9.04%.

The UAE has issued Cabinet Decision No (142) of 2024 that implements a Domestic Minimum Top-up Tax ("DMTT"). The DMTT will apply to Multinational Enterprises ("MNEs") that are within scope of Pillar Two based on the Organisation for Economic Cooperation and Development (OECD) Global Anti-Base Erosion ("GloBE") Model Rules. These rules will be imposed in cases where the MNE's effective tax rate ("ETR") in the UAE is below 15%. The Bank is domiciled in the UAE and is not expected to be captured within the Pillar Two rules.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

18 COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities represent credit related commitments under letters of credit and guarantees that are designed to meet the requirements of the Bank's customers towards third parties. Commitments represent credit facilities that are undrawn as on the date of the condensed interim statement of financial position. The Bank has the following gross credit related commitments:

	<i>Unaudited</i> 30 June 2025 <i>AED'000</i>	<i>Audited</i> 31 December 2024 <i>AED'000</i>
<i>Contingent liabilities</i>		
Letters of credit	495,035	378,897
Guarantees	2,646,373	2,259,152
	3,141,408	2,638,049
<i>Commitments</i>		
Undrawn loan commitments	2,007,077	1,930,278

Movement in the gross balance of contingent liabilities

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross carrying amount				
As at 31 December 2024	2,425,790	107,092	105,167	2,638,049
<i>Changes due to financial assets recognized in the opening balance that have:</i>				
Transferred from Stage 1	(50)	50	-	-
Transferred from Stage 2	18,906	(21,335)	2,429	-
Transferred from Stage 3	-	-	-	-
Net of originated / (expired) during the period	513,221	(174)	(9,688)	503,359
As at 30 June 2025	2,957,867	85,633	97,908	3,141,408
Gross carrying amount	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
As at 31 December 2023	1,858,206	199,480	134,645	2,192,331
<i>Changes due to financial assets recognized in the opening balance that have:</i>				
Transferred from Stage 1	(30,985)	30,852	133	-
Transferred from Stage 2	44,681	(56,721)	12,040	-
Transferred from Stage 3	-	-	-	-
Net of originated / (expired) during the period	553,888	(66,519)	(41,651)	445,718
As at 31 December 2024	2,425,790	107,092	105,167	2,638,049

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

18 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Movement in the provision for impairment of commitments and contingent liabilities

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2024	3,100	16,564	80,486	100,150
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	-	-	-	-
Transferred from lifetime ECL not credit impaired	663	(926)	263	-
Transferred from lifetime ECL credit impaired	-	-	-	-
Transferred from ECL on loans and advances	-	-	-	-
Net impairment charge/(release) to income statement (Note 16)	780	(3,087)	8,151	5,844
As at 30 June 2025	4,543	12,551	88,900	105,994
	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Balance as at 31 December 2023	4,394	16,667	68,605	89,666
<i>Changes due to provisions recognized in the opening balance that have:</i>				
Transferred from 12 month ECL	(823)	823	-	-
Transferred from lifetime ECL not credit impaired	60	(4,908)	4,848	-
Transferred from lifetime ECL credit impaired	-	-	-	-
Transferred from ECL on loans and advances	-	1,745	3,870	5,615
Net impairment (release)/charge to income statement	(530)	2,237	3,162	4,869
As at 31 December 2024	3,101	16,564	80,485	100,150

In the normal course of business, certain litigations were filed by or against the Bank. However, based on management's assessment, none of the litigations have a material impact on Bank's financial results.

The bank seeks to comply with all applicable laws and regulations by which it is governed and is not aware of any material fines or penalties that warrant disclosure in the financial statements.

19 SEGMENTAL INFORMATION

For the purposes of reporting to the chief operating decision makers, the Bank is organized into three segments:

Wholesale banking	- principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
Retail banking	- principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit card facilities and funds transfer facilities as well as Islamic banking services.
Treasury and capital markets	- principally managing the Bank's portfolio of investments and interbank treasury operations including transactions for foreign exchange, derivatives, margin FX and hedging strategies.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

19 SEGMENTAL INFORMATION (continued)

Segmental information for the six months period ended 30 June 2025 is as follows:

	<i>Wholesale banking AED'000</i>	<i>Retail banking AED'000</i>	<i>Treasury and capital markets AED'000</i>	<i>Total AED'000</i>
Net interest income and income from Islamic products net of distribution to depositors	170,311	24,042	80,836	275,189
Other operating income	60,853	12,203	25,298	98,354
Operating expenses	(96,835)	(35,246)	(44,939)	(177,020)
Net impairment losses	29,282	2,679	(107)	31,854
Net profit for the period before tax	163,611	3,678	61,088	228,377
Capital expenditure - Property and equipment	15,540	3,872	10,108	29,520
As at 30 June 2025				
Segment assets	12,592,879	3,137,730	8,190,742	23,921,351
Segment liabilities	14,180,851	3,602,644	3,356,868	21,140,363

Segmental information for the six months period ended 30 June 2024 was as follows:

	<i>Wholesale banking AED'000</i>	<i>Retail banking AED'000</i>	<i>Treasury and capital markets AED'000</i>	<i>Total AED'000</i>
Net interest income and income from Islamic products net of distribution to depositors	142,859	23,664	76,145	242,668
Other operating income	43,519	4,751	9,531	57,801
Operating expenses	(83,949)	(27,754)	(36,764)	(148,467)
Net impairment losses	(3,772)	3,966	-	194
Net profit for the period before tax	98,657	4,627	48,912	152,196
Capital expenditure - Property and equipment	4,723	668	2,762	8,153
As at 31 December 2024				
Segment assets	11,529,908	2,302,775	7,628,797	21,461,480
Segment liabilities	12,697,027	2,964,978	3,247,990	18,909,995

The Bank operates in only one geographic area, the Middle East. Accordingly, no further geographical analysis of operating income, net profit and net assets is given.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

20 RELATED PARTY TRANSACTIONS

The Bank carries out transactions in the ordinary course of business with related parties, defined as shareholders who have a significant equity interest in the Bank, Directors of the Bank, key management personnel of the Bank and companies over which such shareholders and Directors exercise control or significant influence either directly or indirectly.

The significant balances outstanding are as follows:

	<i>Unaudited</i> <i>30 June</i> <i>2025</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2024</i> <i>AED'000</i>
<u><i>Shareholders:</i></u>		
Due from banks	181	132
Due to banks	5,389	6,159
Contingent liabilities	6,045	6,045
Loans and advances	51	6,193
Customer deposits	23,743	5,952
Tier 1 Instrument	550,875	550,875
Accrued coupon on Tier 1 instrument	11,101	11,101
	<i>Unaudited</i> <i>30 June</i> <i>2025</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2024</i> <i>AED'000</i>
<u><i>Directors:</i></u>		
Loans and advances	1,335	1,301
Customer deposits	82,064	9,344
<u><i>Other related entities of shareholders and Directors:</i></u>		
Loans and advances	82,409	64,406
Due from banks	12	8
Due to banks	41	46
Customer deposits	260,537	262,849
Acceptances	1,544	559
Contingent liabilities	9,504	30,578
	<i>Unaudited</i> <i>30 June</i> <i>2025</i> <i>AED'000</i>	<i>Audited</i> <i>31 December</i> <i>2024</i> <i>AED'000</i>
<u><i>Key management personnel of the Bank:</i></u>		
Loans and advances	18,587	11,997
Customers' deposits	8,526	7,272
<u><i>Shareholders, Directors, their related entities and key management personnel:</i></u>		
Interest receivable	632	592
Interest payable	666	1,734

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

20 RELATED PARTY TRANSACTIONS (continued)

The significant balances outstanding are as follows: (continued)

The income, expenses, purchase and sale of investments in respect of related parties during the period included in the interim statement of income are as follows:

	<i>Unaudited six months period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
<i>Shareholders, Directors, their related entities and key management personnel:</i>		
Interest income	2,005	3,156
Interest expense	2,774	3,143
Fee and commission	1,686	1,150
Professional fees and other administrative expenses	10	96
Coupon paid on Tier 1 instrument	22,200	22,200
	<i>Unaudited six months period ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
<i>Key management personnel</i>		
Number of key management personnel	13	13
Salaries and other short term benefits	14,467	12,822
Employees' end of service benefits	424	480
Total compensation to key management personnel	14,891	13,302

Terms and conditions of transactions with related parties

The above mentioned outstanding balances and transactions arose from the ordinary course of business and have been conducted on an arm's length. The interest charged to, and by, related parties is at normal commercial rates.

The Bank has leased office space in various premises owned by a related party. The property leases and associated expenses for the six month's period ended 30 June 2025 amounted to AED 766 thousand (30 June 2024: AED 722 thousand). The property rentals are negotiated each year at market rates.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 - other techniques for which all inputs have a significant effect on the recorded fair value that are observable, either directly or indirectly; and

Level 3 - techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments recorded at fair value

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
30 June 2025				
Investments	4,091,569	-	1,301	4,092,870
Derivative assets	-	32,697	-	32,697
	<u>4,091,569</u>	<u>32,697</u>	<u>1,301</u>	<u>4,125,567</u>
Derivative liabilities	-	13,526	-	13,526
31 December 2024				
Investments	4,301,631	-	925	4,302,556
Derivative assets	-	51,268	-	51,268
	<u>4,301,631</u>	<u>51,268</u>	<u>925</u>	<u>4,353,824</u>
Derivative liabilities	-	12,149	-	12,149

There were no other movements between the levels of financial instruments during the year (2024: Nil).

The basis for determining the fair value of the financial instruments in the table above is explained in the financial statements for the year ended 31 December 2024.

Financial instruments not recorded at fair value

The fair values of financial instruments not recorded at fair value includes cash and balances with the UAE Central Bank, due from banks, loans and advances and Islamic financing receivables, investments held at amortised cost, customer acceptances, other assets (excluding derivative assets), due to banks, customer deposits and Islamic customer deposits, medium term borrowings and other liabilities (excluding derivative liabilities) that are categorised as level two based on market observable inputs. The fair values of financial instruments not recorded at fair value are not materially different to their carrying values.

Financial instruments carried at amortised cost

The fair value of the quoted debt instruments at amortised cost as at 30 June 2025 amounted to AED 2,540,335 thousand (31 December 2024: AED 1,705,409 thousand). The fair value determination of the quoted debt instruments will fall under level 1 category wherein fair value is determined based on inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

22 DERIVATIVES

Derivatives held for risk management

The tables below show the fair values of derivative financial instruments for risk management and hedging purposes, recorded as Other Assets and Other Liabilities, together with their notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are neither indicative of the market risk nor credit risk.

30 June 2025

	<i>Positive fair value</i> <i>AED'000</i>	<i>Negative fair value</i> <i>AED'000</i>	<i>Notional amount</i> <i>AED'000</i>	<i>Notional amounts by term to maturity</i>			
				<i>Within 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>Over 5 years</i>
				<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Forward contracts	10,094	(12,466)	2,030,694	927,958	417,317	685,419	-
Interest rate swaps	1,060	(1,060)	620,000	-	20,000	600,000	-
	11,154	(13,526)	2,650,694	927,958	437,317	1,285,419	-

31 December 2024

	<i>Positive fair value</i> <i>AED'000</i>	<i>Negative fair value</i> <i>AED'000</i>	<i>Notional amount</i> <i>AED'000</i>	<i>Notional amounts by term to maturity</i>			
				<i>Within 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>Over 5 years</i>
				<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Forward contracts	8,442	(10,793)	2,645,007	2,614,924	30,083	-	-
Interest rate swaps	1,355	(1,356)	630,000	-	-	630,000	-
	9,797	(12,149)	3,275,007	2,614,924	30,083	630,000	-

As at 30 June 2025, the Bank held the following interest rate swaps as hedging instruments in fair value hedges of interest rate risk, along with amounts relating to hedged items:

	<i>Positive fair value</i> <i>AED'000</i>	<i>Negative fair value</i> <i>AED'000</i>	<i>Notional amount</i> <i>AED'000</i>	<i>Notional amounts by term to maturity</i>			
				<i>Within 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>Over 5 years</i>
				<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
30 June 2025							
Hedge of investments	21,543	-	924,890	-	275,437	649,453	-
31 December 2024							
Hedge of investments	41,471	-	1,150,476	187,121	73,450	889,905	-

The carrying amount of the hedged items are included in the line item 'Investments' on the statement of financial position with the notional amount totaling to AED 915,611 thousand (31 December 2024: AED 1,124,058 thousand). These hedged items comprise of debt instruments which are held as FVOCI.

The Bank has recognised the following gains relating to hedge ineffectiveness calculated as follows:

	30 June 2025		30 June 2024	
	<i>Change in value</i> <i>AED'000</i>	<i>Effectiveness recognised in profit and loss</i> <i>AED'000</i>	<i>Change in value</i> <i>AED'000</i>	<i>Effectiveness recognised in profit and loss</i> <i>AED'000</i>
On hedging instruments	(19,928)	(7,438)	3,730	470
On hedged items	12,490	-	(3,260)	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

23 CAPITAL ADEQUACY RATIO

	<i>Unaudited</i> 30 June 2025	<i>Audited</i> 31 December 2024
Common equity Tier 1 capital ratio	12.1%	12.7%
Tier 1 capital ratio	15.1%	16.2%
Capital adequacy ratio	16.3%	17.4%

24 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in these financial statements.

25 SUBSEQUENT EVENTS

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in this condensed interim financial information as at and for the six-months period ended 30 June 2025.