Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED FINANCIAL INFORMATION

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025

Emirates Investment Bank P.J.S.C.

Review report and interim condensed financial information for the three month period ended 31 March 2025

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C

Introduction

We have reviewed the accompanying interim condensed financial information of Emirates Investment Bank P.J.S.C (the "Bank") as at 31 March 2025 which comprise the interim condensed statement of financial position as at 31 March 2025 and the related interim condensed statement of profit or loss, interim condensed statement of other comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the three-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed 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 condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed 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 condensed financial information are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young Middle East (Dubai Branch)

Sanjay Khiara
Registration No: 5513

8 May 2025

Dubai, United Arab Emirates

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Notes	*31 March 2025 AED'000 (Unaudited)*	*31 December 2024 AED'000 (Audited)*
ASSETS			
Cash and balances with Central Bank of the UAE		**461,818**	893,752
Due from banks and financial institutions, net	3	**503,964**	527,273
Investments, net	4	**2,714,224**	2,738,944
Loans and advances, net	5	**855,454**	898,138
Investment in associate		**72**	72
Other assets		**52,824**	56,400
Property and equipment		**2,679**	2,615
Deferred tax assets		**-**	190
Intangible assets		**401**	486
TOTAL ASSETS		**4,591,436**	5,117,870
LIABILITIES AND EQUITY			
LIABILITIES			
Customer deposits	7	**3,114,540**	3,677,672
Current tax liabilities		**15,241**	11,443
Other liabilities		**73,833**	82,617
Deferred tax liabilities		**1,104**	-
TOTAL LIABILITIES		**3,204,718**	3,771,732
EQUITY			
Share capital		**1,000,000**	1,000,000
Legal reserve		**56,625**	56,625
Impairment reserve-general		**35,217**	29,832
Cumulative changes in fair value		**48,663**	33,491
Retained earnings		**246,213**	226,190
TOTAL EQUITY		**1,386,718**	1,346,138
TOTAL LIABILITIES AND EQUITY		**4,591,436**	5,117,870

The interim condensed financial information was approved by the Board of Directors on 8 May 2025 and signed on its behalf by:

Omar Abdullah Al Futtaim (Chairman)	Edward Quinlan (Director)	Gaurav Shah (Chief Executive Officer)

The accompanying notes 1to 20 form an integral part of this interim condensed financial information.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS

For the three month period ended 31 March 2025 (Unaudited)

		Three months period ended 31 March	
	Notes	***2025 AED’000***	*2024 AED’000*
Interest income from loans and placements	8	**23,040**	30,764
Net income from investments	9	**33,356**	30,600
		56,396	61,364
Interest expense		**(17,031)**	(19,987)
INTEREST AND INVESTMENT INCOME, NET		**39,365**	41,377
Fee, commission and other income,net		**10,267**	9,812
Exchange gain, net		**2,037**	4,348
OPERATING INCOME		**51,669**	55,537
General and administrative expenses		**(20,157)**	(20,984)
Net impairment (loss)/reversal on financial assets	6.1	**(2,301)**	(339)
OPERATING EXPENSES		**(22,458)**	(21,323)
PROFIT FOR THE PERIOD BEFORE TAX		**29,211**	34,214
Income tax expense	10	**(3,803)**	(3,079)
PROFIT FOR THE PERIOD		**25,408**	31,135
BASIC AND DILUTED EARNING PER SHARE (in AED)	11	**2.54**	3.11

The accompanying notes 1 to 20 form an integral part of this interim condensed financial information.

INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three month period ended 31 March 2025 (Unaudited)

	Three months period ended 31 March	
	2025	2024
	AED'000	AED'000
PROFIT FOR THE PERIOD	**25,408**	31,135
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	**2,072**	14,192
Income tax related to the above	**6**	-
	2,078	14,192
Items that will be reclassified subsequently to profit or loss		
Debt instruments at fair value through other comprehensive income:		
Net changes in the fair value during the period	**13,552**	(1,787)
Change in allowance for expected credit losses	**1,156**	(63)
Reclassification to the statement of profit or loss	**(320)**	1,946
Income tax related to the above	**(1,294)**	-
	13,094	96
Other comprehensive income for the period	**15,172**	14,288
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**40,580**	45,423

The accompanying notes 1to 20 form an integral part of this interim condensed financial information.

INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the three month period ended 31 March 2025 (Unaudited)

		Three months period ended 31 March	
	Notes	***2025*** ***AED'000***	*2024* *AED'000*
OPERATING ACTIVITIES			
Profit for the period before tax		**29,211**	34,214
Adjustments for:			
Depreciation on property and equipment		**185**	200
Amortization of intangible assets		**85**	101
Depreciation on right-of-use assets		**1,247**	877
Net impairment loss on financial assets	6.1	**2,301**	339
Operating profit before changes in operating assets and liabilities		**33,029**	35,731
Change in statutory reserve deposits with Central Bank of the UAE		**(23,310)**	(96,025)
Change in loans and advances, net		**41,754**	(369,932)
Change in investments, net		**38,669**	(300,008)
Change in other assets		**2,431**	(10,298)
Change in customers' deposits		**(563,132)**	847,781
Change in other liabilities		**(6,389)**	(61,753)
Net cash (used)/generated from operating activities		**(476,948)**	45,496
INVESTING ACTIVITY			
Purchase of property and equipment		**(249)**	(49)
Net cash used in investing activity		**(249)**	(49)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		**(1,296)**	(901)
Net cash generated from financing activities		**(1,296)**	(901)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(478,493)**	44,546
Cash and cash equivalents at 1 January		**1,185,539**	648,831
CASH AND CASH EQUIVALENTS AT 31 MARCH		**707,046**	693,377
Cash and cash equivalents comprise the following amounts in the interim condensed statement of financial position with original maturities of three months or less:			
Cash and balances with the Central Bank of the UAE (excluding statutory deposits)		**208,321**	438
Due from banks		**498,725**	692,939
		707,046	693,377
Operational cash flows from interest and dividends			
Interest paid		**24,208**	20,054
Interest received (including interest from investments)		**57,592**	51,360
Dividends received		**3,710**	3,904

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
For the three month period ended 31 March 2025 (Unaudited)

	Share capital AED'000 (Unaudited)	*Statutory reserve AED'000 (Unaudited)*	*Impairment reserve-general AED'000 (Unaudited)*	*Cumulative changes in fair values AED'000 (Unaudited)*	*Retained earnings AED'000 (Unaudited)*	*Total AED'000 (Unaudited)*
At 1 January 2025	1,000,000	56,625	29,832	33,491	226,190	1,346,138
Profit for the period	-	-	-	-	25,408	25,408
Other comprehensive income for the period	-	-	-	15,172	-	15,172
Total comprehensive income for the period	-	-	-	15,172	25,408	40,580
Transfer to impairment reserve-general	-	-	5,385	-	(5,385)	-
Balance at 31 March 2025	**1,000,000**	**56,625**	**35,217**	**48,663**	**246,213**	**1,386,718**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (continued)

For the three month period ended 31 March 2024 (Unaudited)

	Share capital AED'000 (Unaudited)	*Statutory reserve AED'000 (Unaudited)*	*Impairment reserve-general AED'000 (Unaudited)*	*Cumulative changes in fair values AED'000 (Unaudited)*	*Retained earnings AED'000 (Unaudited)*	*Total AED'000 (Unaudited)*
At 1 January 2024	1,000,000	45,754	25,306	11,089	132,176	1,214,325
Profit for the period	-	-	-	-	31,135	31,135
Other comprehensive income for the period	-	-	-	14,288	-	14,288
Total comprehensive income for the period	-	-	-	14,288	31,135	45,423
Transfer to impairment reserve-general	-	-	7	-	(7)	-
Balance at 31 March 2024	1,000,000	45,754	25,313	25,377	163,304	1,259,748

The accompanying notes 1 to 20 form an integral part of this interim condensed financial information.

1 GENERAL INFORMATION

Emirates Investment Bank P.J.S.C. (the "Bank") was incorporated on 17 February 1976 in Dubai, United Arab Emirates by a decree of HH The Ruler of Dubai. The Bank is registered under the UAE Federal Law No. (32) of 2021 (the "Companies law") as a Public Joint Stock Company. During 2023, the Bank received a restricted banking license under the Restricted License Bank Regulation (Circular 23/2022), issued by the Central Bank of the UAE ("CBUAE").

The Bank is engaged in the business of investment advisory and wealth management. The address of the Bank's registered office is P. O. Box 5503, Dubai, United Arab Emirates.

The Bank is a subsidiary of Al Futtaim Private Company LLC which holds 92.39% (2024: 92.39%) of the shares in the Bank.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial information of the Bank is prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting,* issued by the International Accounting Standards Board ('IASB') and comply with the applicable requirements of the laws in the U.A.E.

The interim condensed financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual financial statements for the year ended 31 December 2024.

In addition, results for the three month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The accounting policies applied by the Bank in the preparation of the interim condensed financial information are consistent with those applied in the preparation of annual audited financial statements for the year ended 31 December 2024, unless otherwise stated.

2.2 Significant management judgments and estimates

In the application of the Bank's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this interim condensed financial information, the significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty are consistent with those that applied to the consolidated financial statements for the year ended 31 December 2024.

2.3 New and revised IFRS applied on the interim condensed financial information

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in this interim financial information. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

Amendments to IAS 21 – Lack of Exchangeability
The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

3 DUE FROM BANKS, NET

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Placements	**312,561**	330,732
Call and short notice	**191,673**	196,751
	504,234	527,483
Less: allowance for impairment (note 6)	**(270)**	(210)
	503,964	527,273

4 INVESTMENTS, NET

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Investment at fair value through profit or loss		
Equity instruments		
Unquoted	**17,258**	18,489
Total investments measured at fair value through profit or loss	**17,258**	18,489
Investments at fair value through other comprehensive income		
Debt instruments		
Quoted	**2,406,782**	2,456,188
Equity instruments		
Quoted	**93,313**	91,240
Unquoted	**8,631**	8,631
	101,944	99,871
Total investments measured at fair value through other comprehensive income	**2,508,726**	2,556,059
Investments at amortised cost		
Debt instruments		
Quoted	**220,919**	197,008
Total investments measured at amortised cost	**220,919**	197,008
Gross investments	**2,746,903**	2,771,556
Less: allowance for impairment (note 6)	**(32,679)**	(32,612)
Investments, net	**2,714,224**	2,738,944

4 INVESTMENTS, NET (continued)

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 which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 March 2025, the Bank held the following investments measured as follows:

	Total	**Investments carried at fair value**		**Investments carried at amortized cost**
		Level 1	**Level 3**	
	AED'000	**AED'000**	**AED'000**	**AED'000**
	(Unaudited)	***(Unaudited)***	***(Unaudited)***	***(Unaudited)***
Debt instruments:				
Domestic	**723,000**	**652,772**	**-**	**70,228**
Regional	**329,623**	**265,551**	**-**	**64,072**
International	**1,575,078**	**1,488,459**	**-**	**86,619**
Equity instruments:				
Domestic	**101,944**	**55,169**	**46,775**	**-**
International	**17,258**	**-**	**17,258**	**-**
Gross investments	**2,746,903**	**2,461,951**	**64,033**	**220,919**
Less: allowance for impairment (note 6)	**(32,679)**			
Investments, net	**2,714,224**			

The fair value of debt investments carried at amortised cost as at 31 March 2025 amounts to AED 179,992 thousand (31 December 2024: AED 154,692 thousand) and these investments would be classified as level 1 within the fair value hierarchy.

As at 31 December 2024, the Bank held the following investments measured as follows:

	Total	Investments carried at fair value		Investments carried at amortised cost
		Level 1	Level 3	
	AED'000	AED'000	AED'000	AED'000
	(Audited)	*(Audited)*	*(Audited)*	*(Audited)*
Debt instruments:				
Domestic	836,375	769,132	-	67,243
Regional	319,925	269,282	-	50,643
International	1,496,896	1,417,774	-	79,122
Equity instruments:				
Domestic	99,871	53,096	46,775	
International	18,489	-	18,489	-
Gross investments	2,771,556	2,509,284	65,264	197,008
Less: allowance for impairment (note 10)	(32,612)			
Investments, net	2,738,944			

4 INVESTMENTS, NET (continued)

The following table shows a reconciliation of the opening and closing amounts of level 3 investments recorded at fair value:

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
At the beginning of the period/year	**65,264**	36,995
Net unrealised (loss)/gain recognised in other comprehensive income	**-**	4,224
Net income/(loss) recognised in profit or loss	**(684)**	-
Transfers into Level 3	**-**	24,275
Disposal	**(547)**	(230)
At the end of the period/year	**64,033**	65,264

Level 3 investments include unquoted investments and quoted investments which are not actively traded. The fair value of financial instruments classified as level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Bank employs valuation techniques, depending on the instrument type and available market data.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, analysis of the investee's financial position and results, risk profile and other factors. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. Any change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would not change the fair value significantly.

5 LOANS AND ADVANCES, NET

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Gross loans and advances	**868,005**	909,651
Less: allowance for impairment (note 6)	**(11,932)**	(11,002)
Less: interest and fees in suspense	**(619)**	(511)
Loans and advances, net	**855,454**	898,138

Management considers that the carrying amounts of loans and advances approximate their fair values as these are substantially short term in nature and carry market rates of interest.

6 ALLOWANCES FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Movement in allowances for impairment losses

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Allowance on due from banks		
At 1 January	**210**	364
Charge/(reversal) for the period/year	**60**	(154)
	270	210
Allowance on loans and advances		
At 1 January	**11,002**	8,657
Charge for the period/year	**930**	2,345
	11,932	11,002
Allowance on Investments – measured at amortised cost		
At 1 January	**32,612**	33,259
Charge/(reversal) for the period/year	**67**	(647)
	32,679	32,612
Allowance on other assets		
At 1 January	-	-
Charge for the period/year	**88**	-
	88	-

Expected credit losses by stage

The analysis of expected credit losses by stage for loans and advances, investment in debt instruments measured at amortised cost and due from banks is as follows:

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Expected credit losses- Lifetime ECL (Stage 3)	**40,980**	40,861
Expected credit losses- 12-months ECL (Stage 1)	**3,989**	2,963
Expected credit losses- Lifetime ECL (Stage 2)	**-**	-
Expected credit losses (Stage 1 and 2)	**3,989**	2,963
Total expected credit losses	**44,969**	43,824

6.1 Net impairment loss on financial assets

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Impairment (loss)/ reversal on investments measured at amortized cost	**(67)**	111
Impairment (loss)/ reversal on investments measured at FVOCI	**(1,156)**	63
Impairment loss on loans and advances	**(930)**	(622)
Impairment (loss)/ reversal on due from banks	**(60)**	109
Impairment loss on other assets	**(88)**	-
	(2,301)	(339)

7 CUSTOMER DEPOSITS

	31 March	*31 December*
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Audited)*
Time deposits	**1,463,139**	2,630,740
Call accounts	**1,651,401**	1,046,932
	3,114,540	3,677,672

8 INTEREST INCOME FROM LOANS AND PLACEMENTS

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Loans and advances	**16,045**	14,319
Bank placements	**6,995**	16,445
	23,040	30,764

9 NET INCOME FROM INVESTMENTS

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Interest income on investments in debt instruments	**30,685**	27,573
Dividend income	**3,710**	3,904
Net realised loss on investments measured at amortised cost and FVOCI	**(4)**	(713)
Net (loss)/income from investments measured at fair value through profit or loss	**(815)**	90
Portfolio management fees paid to other financial institutions	**(220)**	(254)
	33,356	30,600

10 INCOME TAX

Income tax expense

Income tax expense comprises of current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination and for items recognized directly in equity in OCI.

The components of income tax expense for the period ended 31 March 2025 and 2024 are, as follows:

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Current income tax:		
Statement of profit or loss	**3,803**	3,079
Statement of other comprehensive income	**(6)**	-
Deferred tax		
Relating to origination and reversal of temporary differences	**1,294**	-
	5,091	3,079

The Bank is in the scope of the Pillar Two Global Anti-Base Erosion Rules (GloBE rules or Pillar Two rules) issued by the Organization for Economic Co-operation and Development (OECD) as the annual consolidated revenue of the parent company along with subsidiaries ("Group") exceeds €750 million threshold. The top-up tax relates to the Bank's operations in the UAE, where the statutory tax rate is 9% which is lower than its effective tax rate of 13% as applicable to Group. The Bank has recognised a current tax expense of AED 1,388 thousand related to the top-up tax (31 March 2024 : nil) which is levied on the Bank.

On 23 May 2023, the IASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the Pillar Two rules. In line with IAS 12 (as amended), the Bank has applied the exception in relation to the above.

11 BASIC AND DILUTED EARNING PER SHARE

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

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Profit for the period	**25,408**	31,135
Weighted average number of shares	**10,000,000**	10,000,000
Basic earning per share (AED)	**2.54**	3.11

The figure for basic and diluted earnings per share is the same as the Bank has not issued any instruments which would have an impact on earnings per share.

In accordance with IAS 33 "Earnings Per Share", the impact of bonus shares and right shares issued have been considered retrospectively while computing the weighted average number of ordinary shares during all periods presented.

12 SEGMENTAL ANALYSIS

For operating purposes, the Bank is organised into two major business segments: (a) Investments, which is principally involved in managing the Bank's own investment portfolio and provides treasury services; and (b) Banking Services, which principally manages clients' investment portfolios, provides credit facilities, accepts deposits from corporate and individual customers. These segments are the basis on which the Bank reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds and an equitable allocation of expenses and the Bank operations are primarily within the UAE.

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.

	***Investments* Three month ended 31 March**		***Banking Services* Three month ended 31 March**		***Total* Three month ended 31 March**	
	2025 AED'000 (Unaudited)	*2024 AED'000 (Unaudited)*	***2025 AED'000 (Unaudited)***	*2024 AED'000 (Unaudited)*	***2025 AED'000 (Unaudited)***	*2024 AED'000 (Unaudited)*
Interest and investment income, net	**40,350**	47,044	**(985)**	(5,667)	**39,365**	41,377
Fee, commission and other income, net (including exchange gain)	**1,469**	1,834	**10,835**	12,326	**12,304**	14,160
Intersegment adjustments	**(25,134)**	(36,554)	**25,134**	36,554	**-**	-
Operating income	**16,685**	12,324	**34,984**	43,213	**51,669**	55,537
General and administrative expenses	**(4,263)**	(5,218)	**(15,894)**	(15,766)	**(20,157)**	(20,984)
Net impairment (loss)/ reversal on financial assets	**(1,283)**	282	**(1,018)**	(621)	**(2,301)**	(339)
Operating expenses	**(5,546)**	(4,936)	**(16,912)**	(16,387)	**(22,458)**	(21,323)
Profit before tax	**11,139**	7,388	**18,072**	26,826	**29,211**	34,214
Income tax expense					**(3,803)**	(3,079)
Profit for the year					**25,408**	31,135

	Investments		***Banking Services***		***Total***	
	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*	***31 March 2025 AED'000 (Unaudited)***	*31 December 2024 AED'000 (Audited)*	***31 March 2025 AED'000 (Unaudited)***	*31 December 2024 AED'000 (Audited)*
Segment assets	**3,708,958**	4,187,818	**882,478**	930,052	**4,591,436**	5,117,870
Segment liabilities and equity	**1,122,799**	1,045,577	**3,468,637**	4,072,293	**4,591,436**	5,117,870

13 COMMITMENTS AND CONTINGENT LIABILITIES

Credit-related commitments and contingent liabilities

Credit-related commitments include commitments to extend credit, guarantees and acceptances which are designed to meet the requirements of the Bank's customers.

Guarantees and acceptances commit the Bank to make payments on behalf of customers, contingent upon the failure of the customers to perform under the terms of the contract.

The Bank has the following credit related contingent liabilities and commitments:

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Guarantees	**11,034**	11,034
Unutilised committed credit facilities*	**106,198**	41,809
	117,232	52,843

The Bank has recorded ECL on the guarantees issued by it in line with the requirements of IFRS 9. All guarantees are classified as Stage 1 (31 December 2024: Stage 1). There was no transition in the staging of the guarantees during the period ended 31 March 2025 (2024: no transition).

The Bank has commitments of AED 27,761 thousand on account of investment in equity instruments (31 December 2024: AED 26,940 thousand).

* Unutilized committed credit facilities represent a contractual commitment to permit draw downs on a facility within a defined period subject to conditions precedent and termination clauses. As commitments may expire without being drawn down and since conditions precedent to draw down have to be fulfilled, the total contract amounts do not necessarily represent exact future cash requirements.

The Bank has received a legal claim in relation to alleged losses incurred by a claimant under a securities backed loan facility in effect in the prior years. In the current period, the case is presently being heard before the Primary Court, which has appointed experts to assess the subject matter in dispute. The expert panel has submitted its final report to the court with no identified breaches or liabilities attributed to the Bank. The Bank has performed an assessment and has concluded that it has no legal obligation to the client in respect of this matter. Accordingly, no provision has been maintained by the Bank as at 31 March 2025.

14 RELATED PARTY TRANSACTIONS

The Bank enters into transactions in the ordinary course of business with related parties, defined as major shareholders, directors, key management personnel and their related companies. Transactions with such related parties are done on an arm's length basis, including interest rates and collateral, as those prevailing at the same time for comparable transactions with external customers and parties. Pricing policies and terms of related parties' transactions are approved by the Bank's management and the Board of Directors where appropriate.

The significant balances outstanding in respect of related parties included in the interim condensed financial information are as follows:

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Customer deposits	**111,771**	535,422
Loans and advances*	**33**	402,235
Other liabilities	**844**	1,215
Other assets	**382**	7,957
Guarantees	**1,771**	1,771

14 RELATED PARTY TRANSACTIONS (continued)

* These loans and advances are fully collaterised by customer deposits amounting to AED 33 thousand (31 December 2024: AED 402,235 thousand) from a related party.

Outstanding balances at the period end arise in the normal course of business. The Bank has recorded ECL on the loans and advances and guarantees provided to related parties in line with the requirements of IFRS 9. All related party balances are classified as Stage 1 (31 December 2024: Stage 1). There was no transition in the staging of the related party balances during the period ended 31 March 2025 (2024: no transition).

The income and expenses in respect of related parties included in the interim condensed financial information are as follows:

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Interest income	**1,756**	4,543
Interest expense	**(1,709)**	(3,953)
Fee, commission, and other income	**596**	3,310
General and administrative expenses	**(2,157)**	(1,638)

Compensation of key management personnel:

	Three months ended 31 March	
	2025	*2024*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Salaries and other benefits	**3,816**	10,784

15 DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Bank enters into transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rate or index. The purpose of derivative financial instruments in the Bank's business is to mitigate the risks arising from default, currency and interest fluctuations and other market variables. The Bank uses forward foreign exchange contracts and options to mitigate the currency risk on certain investments.

There were no derivative instruments held by the Bank as of 31 March 2025 and 31 December 2024.

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have an impact on the profit or loss of the Bank. The Bank's exposure under derivative contracts is closely monitored as part of the overall management of the Bank's market risk.

16 RISK MANAGEMENT

Credit risk

Credit risk is the risk that a customer or counterparty will fail to meet a commitment, resulting in financial loss to the Bank. Such risk arises from lending, trade finance, treasury and other activities undertaken by the Bank. Credit risk is actively monitored in accordance with the credit policies which clearly define delegated lending authorities, policies and procedures. The management of credit risk also involves the monitoring of risk concentrations by industrial sector as well as by geographic location.

Movement in gross carrying amount

The following table explains the changes in the gross carrying amount of financial assets from 1 January 2025 to 31 March 2025 and 1 January 2024 to 31 December 2024:

	31 March 2025 (Unaudited)			
	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Due from banks				
As at 1 January 2025	**527,483**	**-**	**-**	**527,483**
New financial assets originated	**307,069**	**-**	**-**	**307,069**
Repayment and other movements	**(330,318)**	**-**	**-**	**(330,318)**
As at 31 March 2025	**504,234**	**-**	**-**	**504,234**
Loans and advances				
As at 1 January 2025	**900,702**	**-**	**8,949**	**909,651**
Transfers				
Transfer from Stage 1 to Stage 2	**(5)**	**5**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(5)**	**5**	**-**
New financial assets originated	**363,701**	**-**	**-**	**363,701**
Repayments and other movements	**(405,532)**	**-**	**185**	**(405,347)**
As at 31 March 2025	**858,866**	**-**	**9,139**	**868,005**
Investments – measured at amortised cost				
As at 1 January 2025	**164,585**	**-**	**32,423**	**197,008**
New financial assets originated	**23,985**	**-**	**-**	**23,985**
Redemption and other movements	**(74)**	**-**	**-**	**(74)**
As at 31 March 2025	**188,496**	**-**	**32,423**	**220,919**

16 RISK MANAGEMENT (continued)

Credit risk (continued)

Movement in gross carrying amount (continued)

	31 December 2024 (Audited)			
	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Due from banks				
As at 1 January 2024	653,913	-	-	653,913
New financial assets originated	330,749	-	-	330,749
Repayment and other movements	(457,179)	-	-	(457,179)
As at 31 December 2024	527,483	-	-	527,483
Loans and advances				
As at 1 January 2024	485,956	-	7,740	493,696
Transfers				
Transfer from Stage 1 to Stage 2	(352)	352	-	-
Transfer from Stage 2 to Stage 3	-	(352)	352	-
New financial assets originated	648,661	-	-	648,661
Repayment and other movements	(233,563)	-	857	(232,706)
As at 31 December 2024	900,702	-	8,949	909,651
Investments – measured at amortised cost				
As at 1 January 2024	361,600	3,673	32,423	397,696
Redemption and other movements	43,186	-	-	43,186
Repayment and other movements	(240,201)	(3,673)	-	(243,874)
As at 31 December 2024	164,585	-	32,423	197,008

16 RISK MANAGEMENT (continued)

Credit risk (continued)

Movement in loss allowance

The following table explain the changes in the loss allowance on financial asset from 1 January 2025 to 31 March 2025 and 1 January 2024 to 31 December 2024:

	31 March 2025 (Unaudited)			
	Stage 1 12-month ECL AED'000	**Stage 2 Lifetime ECL AED'000**	**Stage 3 Lifetime ECL AED'000**	**Total AED'000**
Due from banks				
As at 1 January 2025	**210**	**-**	**-**	**210**
New financial assets originated	**9**	**-**	**-**	**9**
Changes in PDs/LGDs/EADs	**51**	**-**	**-**	**51**
As at 31 March 2025	**270**	**-**	**-**	**270**
Loans and advances				
As at 1 January 2025	**2,564**	**-**	**8,438**	**11,002**
New financial assets originated	**867**	**-**	**-**	**867**
Changes in PDs/LGDs/EADs	**(56)**	**-**	**119**	**63**
As at 31 March 2025	**3,375**	**-**	**8,557**	**11,932**
Investments – measured at amortised cost				
As at 1 January 2025	**189**	**-**	**32,423**	**32,612**
New financial assets originated	**23**	**-**	**-**	**23**
Changes in PDs/LGDs/EADs	**44**	**-**	**-**	**44**
As at 31 March 2025	**256**	**-**	**32,423**	**32,679**

All guarantees issued by the Bank are collateralised by cash and classified as stage 1 within the ECL model as at 31 March 2025 and 31 December 2024.

	31 December 2024 (Audited)			
	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Due from banks				
As at 1 January 2024	364	-	-	364
New financial assets originated	15	-	-	15
Changes in PDs/LGDs/EADs	(169)	-	-	(169)
As at 31 December 2024	210	-	-	210
Loans and advances				
As at 1 January 2024	1,007	-	7,650	8,657
Transfers				
Transfer from Stage 1 to Stage 2	(1)	1	-	-
Transfer from Stage 2 to Stage 3	-	(1)	1	-
New financial assets originated	1,919	-	-	1,919
Changes in PDs/LGDs/EADs	(361)	-	787	426
As at 31 December 2024	2,564	-	8,438	11,002

16 RISK MANAGEMENT (continued)

Credit risk (continued)

Movement in loss allowance (continued)

	31 December 2024 (Audited)			
	Stage 1 12-month ECL AED'000	Stage 2 Lifetime ECL AED'000	Stage 3 Lifetime ECL AED'000	Total AED'000
Investments – measured at amortised cost				
As at 1 January 2024	821	15	32,423	33,259
New financial assets originated	37	-	-	37
Changes in PDs/LGDs/EADs	(669)	(15)	-	(684)
As at 31 December 2024	189	-	32,423	32,612

17 CAPITAL ADEQUACY

The Central Bank of UAE ('CBUAE') supervises the Bank and therefore receives information on the capital adequacy of, and sets capital requirements for, the Bank. Effective from 2017, the capital is computed at a Bank level using the Basel III framework of the Basel Committee on Banking Supervision ('Basel Committee'), after applying the amendments advised by the CBUAE, within national discretion.

The capital adequacy ratio as per Basel III framework is given below:

		31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Common Equity Tier 1 capital			
Issued capital		**1,000,000**	1,000,000
Legal reserve		**56,625**	56,625
Retained earnings		**246,213**	226,190
Fair value reserve		**10,001**	(224)
Regulatory deductions		**(401)**	(486)
Total CET I capital		**1,312,438**	1,282,105
Tier II capital			
Eligible general provisions		**32,671**	27,329
Total tier II capital		**32,671**	27,329
Total eligible capital		**1,345,109**	1,309,434
Risk weighted exposure			
Credit risk		**2,613,685**	2,186,315
Market risk		**758**	2,873
Operational risk		**316,507**	295,768
Total		**2,930,950**	2,484,956
Capital Ratio	**Minimum requirement**		
Total capital ratio	13%	**45.89%**	52.69%
Tier I ratio	11%	**44.78%**	51.59%
CET I ratio	9.5%	**44.78%**	51.59%

18 FIDUCIARY ASSETS

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Balance of fiduciary assets	**6,625,265**	6,537,803

The Bank provides custody services for its customers' assets. These assets are held by the Bank in a fiduciary capacity and are, accordingly, not included in these interim condensed financial information as assets of the Bank.

19 SUBSEQUENT EVENTS

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the interim condensed financial information as at and for the three month period ended 31 March 2025.

20 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where appropriate to conform to the presentation adopted in this interim condensed financial information.