FAB Q2'24

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

بنك أبوظبي الأول

FAB

First Abu Dhabi Bank

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Review report on condensed consolidated interim financial information to the Board of Directors of First Abu Dhabi Bank P.J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of First Abu Dhabi Bank P.J.S.C. (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2024 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods then ended and the condensed consolidated statement of changes in equity and cash flows for the six-month period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated 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 consolidated 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 consolidated 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 consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers Limited Partnership - Abu Dhabi
24 July 2024

Stuart Alexander Scoular
Registered Auditor Number: 5563
Place: Abu Dhabi, United Arab Emirates

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First Abu Dhabi Bank

Condensed consolidated interim statement of financial position

As at

	Note	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Assets			
Cash and balances with central banks	7	**220,142**	233,390
Investments at fair value through profit or loss	8	**45,430**	45,209
Due from banks and financial institutions		**23,447**	25,266
Reverse repurchase agreements		**64,590**	78,504
Derivative financial instruments		**49,595**	46,421
Loans, advances and Islamic financing	9	**513,154**	483,954
Non trading investment securities	10	**181,854**	179,643
Other assets		**41,926**	41,332
Investment in associates	11	**1,441**	1,501
Investment properties	12	**8,165**	8,162
Property and equipment		**4,837**	5,115
Intangibles	13	**20,038**	20,136
Total assets		**1,174,619**	1,168,633
Liabilities			
Due to banks and financial institutions	14	**61,836**	71,528
Repurchase agreements		**27,705**	26,096
Commercial paper	15	**20,930**	19,659
Derivative financial instruments		**54,001**	51,002
Customer accounts and other deposits	16	**765,702**	759,863
Other liabilities		**50,822**	46,932
Term borrowings	17	**66,342**	63,939
Subordinated notes	18	**4,070**	4,191
Total liabilities		**1,051,408**	1,043,210
Equity			
Share capital	19	**11,048**	11,048
Share premium		**53,558**	53,558
Treasury shares		**(7)**	(7)
Statutory and special reserves		**13,084**	13,084
Other reserves	19	**(2,190)**	208
Tier 1 capital notes	20	**10,755**	10,755
Share based payment	21	**250**	250
Retained earnings		**36,608**	36,417
Total equity attributable to shareholders of the Bank		**123,106**	125,313
Non-controlling interest		**105**	110
Total equity		**123,211**	125,423
Total liabilities and equity		**1,174,619**	1,168,633

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

This condensed consolidated interim financial information was approved by the Board of Directors and authorized for issue on 24 July 2024 and signed on its behalf:

Chairman | Group Chief Executive Officer | Group Chief Financial Officer

The accompanying notes forms an integral part of these condensed consolidated interim financial information.

The independent auditor's report on the review of the condensed consolidated interim financial information is set out on page 2.

Condensed consolidated interim statement of profit or loss

For the period ended (unaudited)

	Note	Six month period ended 30 Jun 2024 AED million	30 Jun 2023 AED million	Three month period ended 30 Jun 2024 AED million	30 Jun 2023 AED million
Interest income	33	**30,527**	26,896	**15,305**	14,058
Interest expense	33	**(21,820)**	(18,781)	**(10,914)**	(9,974)
Net interest income		**8,707**	8,115	**4,391**	4,084
Income from Islamic financing and investing products	33	**1,707**	1,337	**849**	672
Distribution on Islamic deposits	33	**(651)**	(620)	**(331)**	(315)
Net income from Islamic financing and investing products		**1,056**	717	**518**	357
Total net interest income and income from Islamic financing and investing products		**9,763**	8,832	**4,909**	4,441
Fee and commission income		**2,627**	2,136	**1,278**	1,055
Fee and commission expense		**(767)**	(587)	**(399)**	(290)
Net fee and commission income		**1,860**	1,549	**879**	765
Net foreign exchange gain	22,33	**1,194**	1,437	**144**	380
Net gain on investments and derivatives	23	**2,708**	1,631	**1,704**	1,200
Other operating income		**201**	114	**119**	47
Operating income		**15,726**	13,563	**7,755**	6,833
General, administration and other operating expenses	24	**(3,842)**	(3,419)	**(1,926)**	(1,732)
Profit before net impairment charge and taxation		**11,884**	10,144	**5,829**	5,101
Net impairment charge	25	**(1,920)**	(1,474)	**(896)**	(676)
Profit before taxation		**9,964**	8,670	**4,933**	4,425
Income tax expense		**(1,537)**	(516)	**(667)**	(205)
Net profit for the period		**8,427**	8,154	**4,266**	4,220
Net profit attributable to:					
Shareholders of the Bank		**8,406**	8,140	**4,255**	4,211
Non-controlling interest		**21**	14	**11**	9
Basic and diluted earnings per share (AED)	26	**0.73**	0.71	**0.38**	0.38

The accompanying notes forms an integral part of these condensed consolidated interim financial information.
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Condensed consolidated interim statement of comprehensive income

For the period ended (unaudited)

	Six month period ended		Three month period ended	
	30 Jun 2024 AED million	30 Jun 2023 AED million	**30 Jun 2024 AED million**	30 Jun 2023 AED million
Net profit for the period	**8,427**	8,154	**4,266**	4,220
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Exchange difference on translation of foreign operations	**(1,725)**	(743)	**20**	(8)
Net change in fair value reserve during the period (including ECL)	**(87)**	45	**(289)**	134
Income tax on items that may be reclassified subsequently to profit or loss	**84**	-	**29**	-
Items that will not be reclassified to profit or loss				
Equity investments at fair value through other comprehensive income - net change in the fair value	**(773)**	(82)	**(412)**	(36)
Re-measurement of defined benefit obligations	**2**	(7)	**-**	(1)
Other adjustments	**-**	3	**-**	-
Income tax on items that will not be reclassified to profit or loss	**98**	-	**39**	-
Other comprehensive (loss) / income for the period	**(2,401)**	(784)	**(613)**	89
Total comprehensive income for the period	**6,026**	7,370	**3,653**	4,309
Comprehensive income attributable to:				
Shareholders of the Bank	**6,013**	7,355	**3,653**	4,301
Non-controlling interest	**13**	15	**-**	8
Total comprehensive income for the period	**6,026**	7,370	**3,653**	4,309

The accompanying notes forms an integral part of these condensed consolidated interim financial information.
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Condensed consolidated interim statement of changes in equity

For the period ended (unaudited)

	Share capital AED million	Share premium AED million	Treasury shares AED million	Statutory and special reserves AED million	Other reserves AED million	Tier 1 capital notes AED million	Share based payment AED million	Retained earnings AED million	Equity attributable to share-holders of the Bank AED million	Non-controlling interest AED million	Total AED million
Balance at 1 January 2024	**11,048**	**53,558**	**(7)**	**13,084**	**208**	**10,755**	**250**	**36,417**	**125,313**	**110**	**125,423**
Net profit for the period	-	-	-	-	-	-	-	**8,406**	**8,406**	**21**	**8,427**
Other comprehensive loss for the period	-	-	-	-	**(2,395)**	-	-	**2**	**(2,393)**	**(8)**	**(2,401)**
Dividend for the year (net of treasury shares)	-	-	-	-	-	-	-	**(7,839)**	**(7,839)**	**(18)**	**(7,857)**
Payment on Tier 1 capital notes (note 20)	-	-	-	-	-	-	-	**(381)**	**(381)**	**-**	**(381)**
Realised gain on sale of FVOCI Investment	-	-	-	-	**(3)**	-	-	**3**	-	-	-
Balance at 30 June 2024	**11,048**	**53,558**	**(7)**	**13,084**	**(2,190)**	**10,755**	**250**	**36,608**	**123,106**	**105**	**123,211**
Balance at 1 January 2023	11,048	53,558	(7)	13,084	(836)	10,755	250	27,186	115,038	12	115,050
Net profit for the period	-	-	-	-	-	-	-	8,140	8,140	14	8,154
Other comprehensive loss for the period	-	-	-	-	(781)	-	-	(4)	(785)	1	(784)
Dividend for the year (net of treasury shares)	-	-	-	-	-	-	-	(5,741)	(5,741)	(8)	(5,749)
Payment on Tier 1 capital notes (note 20)	-	-	-	-	-	-	-	(297)	(297)	-	(297)
Realised loss on sale of FVOCI Investment	-	-	-	-	1	-	-	(1)	-	-	-
Balance at 30 June 2023	11,048	53,558	(7)	13,084	(1,616)	10,755	250	29,283	116,355	19	116,374

The accompanying notes forms an integral part of these condensed consolidated interim financial information.
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Condensed consolidated interim statement of cash flows

For the period ended (unaudited)

	Note	30 Jun 2024 AED million	30 Jun 2023 AED million
Cash flows from operating activities			
Profit before taxation		**9,964**	8,670
Adjustments for:			
Depreciation and amortization	24	**537**	582
Gain on sale of investment property		**-**	(194)
Gain on sale of property and equipment		**(5)**	-
Net impairment charge	25	**2,377**	1,640
Accreted interest		**294**	206
		13,167	10,904
Changes in:			
Investments at fair value through profit or loss		**(141)**	(9,842)
Due from central banks, banks and financial institutions		**(173)**	942
Reverse repurchase agreements		**13,942**	11,877
Loans, advances and Islamic financing		**(31,460)**	(24,297)
Other assets		**(527)**	(6,792)
Due to banks and financial institutions		**(9,692)**	12,981
Repurchase agreements		**1,609**	(9,772)
Customer accounts and other deposits		**5,839**	44,336
Derivative financial instruments		**(1,665)**	(2,336)
Other liabilities		**3,227**	9,240
		(5,874)	37,241
Income tax paid, net of recoveries		**(826)**	(654)
Directors' remuneration paid		**(45)**	(45)
Net cash (used in) / from operating activities		**(6,745)**	36,542
Cash flows from investing activities			
Net movement in non trading investment securities		**(2,482)**	4,197
Net movement in investment properties		**(3)**	(10)
Purchase of property and equipment, net of disposals		**(143)**	(569)
Net cash (used in) / from investing activities		**(2,628)**	3,618
Cash flows from financing activities			
Net movement of commercial paper		**1,271**	(18,962)
Dividend paid		**(7,816)**	(5,719)
Issue of term borrowings	17	**9,817**	6,460
Repayment of term borrowings	17	**(6,038)**	(5,127)
Payment on Tier 1 capital notes	20	**(381)**	(297)
Net cash used in financing activities		**(3,147)**	(23,645)
Net (decrease)/ increase in cash and cash equivalents		**(12,520)**	16,515
Foreign currency translation adjustment		**(2,725)**	(606)
Cash and cash equivalents at 1 January	27	**257,198**	250,796
Cash and cash equivalents	27	**241,953**	266,705

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Notes to the condensed consolidated interim financial information

1 Legal status and principal activities

First Abu Dhabi Bank PJSC (the "Bank") is a public joint stock company with a limited liability incorporated in the emirate of Abu Dhabi, United Arab Emirates (UAE) under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended). The registered address of the Bank is P. O. Box 6316, FAB Building, Khalifa Business Park, Al Qurum, Abu Dhabi, United Arab Emirates.

These condensed consolidated interim financial information as at and for the period ended 30 June 2024, comprise the Bank and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in corporate, consumer, private and investment banking activities, payment services, management services, Islamic banking activities, real estate activities; and carries out its operations through its local and overseas branches, subsidiaries and representative offices located in the United Arab Emirates, Bahrain, Brazil, Cayman Islands, China, Egypt, France, Hong Kong, India, Indonesia, Iraq, Jordan[1], Kingdom of Saudi Arabia, Kuwait, Lebanon[1], Libya, Malaysia, Oman, Qatar[2], Singapore, South Korea, Switzerland, the United Kingdom and the United States of America.

The Group's Islamic banking activities are conducted in accordance with Islamic Sharia'a rules and principles as interpreted by the Internal Shariah Supervision Committee ("ISSC") in accordance with the resolutions issued by the Higher Shariah Authority ("HSA").

The Group is listed on the Abu Dhabi Securities Exchange (Ticker: FAB). The consolidated financial statements of the Group as at and for the year ended 31 December 2023 are available upon request from the Group's registered office or at website (http://www.bankfab.com).

[1] Under closure.
[2] The Bank has notified the Qatar Financial Centre Regulatory Authority ("QFCRA") that it will relinquish its Qatar Financial Centre ("QFC") branch license and permanently close its QFC branch.

2 Basis of preparation

(a) Basis of measurement

These condensed consolidated interim financial information are prepared under the historical cost basis except for the following material items, which are measured on the following basis:

Items	Measurement basis
Investments at fair value through profit or loss	Fair value
Derivative financial instruments	Fair value
Debt and equity instruments designated at fair value through other comprehensive income	Fair value
Investment properties	Fair value
Recognised assets and liabilities designated as hedged items in qualifying hedge relationships	Adjusted for changes in fair value attributable to the risk being hedged
Non-financial assets acquired in settlement of Loans, advances and Islamic financing	Lower of their fair value less costs to sell and the carrying amount of the loans, advances and Islamic financing

(b) Functional and presentation currency

These condensed consolidated interim financial information are presented in United Arab Emirates Dirhams ("AED"), which is the Bank's functional currency. The presentation of the condensed consolidated interim financial information has been changed from AED'000 to AED millions, accordingly, all amounts have been rounded to the nearest millions, unless otherwise indicated. Items included in the financial statements of each of the Bank's overseas subsidiaries and branches are measured using the currency of the primary economic environment in which they operate.

(c) Use of estimates and judgements

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

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

Notes to the condensed consolidated interim financial information

3 Statement of compliance

These condensed consolidated interim financial information have been prepared on a going concern basis as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future, in accordance with IAS 34 Interim Financial Reporting and the requirements of applicable laws in the UAE. They do not include all the information required for the complete set of annual consolidated financial statements as required under IFRS Accounting Standards. These condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023. In addition, results for the period from 1 January 2024 to 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended).The Bank is in compliance with applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and the applicable provisions of Law No. (1) of 2017 (as amended) concerning the financial system of the Government of Abu Dhabi and instructions issued by the Department of Finance as at the date of these condensed consolidated interim financial information.

These condensed consolidated interim financial information were authorised for issue by the Board of Directors on 24 July 2024.

4 Material accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2023, except the adoption of the following new standards / amendments as of 1 January 2024.

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial information. The adoption of the below amendments did not result in changes to previously reported net profit or equity of the Group.

Description	Effective from
Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
Amendment to IAS 1 – Classification of liabilities as current or non-current	1 January 2024
Amendment to IAS 7 and IFRS 7 – Supplier finance arrangements	1 January 2024
Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted them in preparing these condensed consolidated financial information.

The following new standards and amendments to the standards are applicable to annual reporting periods beginning on or after 1 January 2025 and early application is permitted. The Group is currently evaluating the impact of the new standards and amendments to the standards and expects to adopt them on the effective date.

- Amendments to IAS 21 – Lack of Exchangeability
- Presentation and disclosures in financial statements (IFRS 18) - The new standard contains requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – This new standard permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.

Income tax

The Group's condensed consolidated interim financial information incorporates the UAE Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Law") enacted in 2023. The Law stipulates an effective tax rate of 9% on taxable profits above AED 375,000 and is calculated on the Group's outlook of the Law. On 15 March 2024, the UAE Ministry of Finance released a Consultation document on implementation of the OECD Base Erosion and Profit Shifting Pillar II (Minimum tax), which sets out a top-up tax liability calculated based on the principles in the Pillar II model rules. The Consultation was open for comments until 10 April 2024. Based on the Group's forecast model no material tax liability is expected to arise. The Group will continue to monitor any further announcements and perform further assessment to ensure compliance with the regulations.

Notes to the condensed consolidated interim financial information

5 Basis of consolidation

Subsidiaries (including special purpose entities) are entities that are controlled by the Group. The Group controls the investee if it meets the control criteria. The Group reassesses whether it has control if, there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries (including special purpose entities) are included in these condensed consolidated interim financial information from the date that control commences until the date that control ceases. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Bank and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance.

The condensed consolidated interim financial information comprises the financial information of the Bank and those of its following subsidiaries (including special purpose entities):

Legal Name	Country of Incorporation	Principal activities	As at 30 June 2024	As at 31 December 2023
First Abu Dhabi Bank USA N.V.	Curacao	Banking	100%	100%
First Abu Dhabi Bank Securities - Sole Proprietorship L.L.C	United Arab Emirates	Brokerage	100%	100%
Abu Dhabi National Leasing LLC	United Arab Emirates	Leasing	100%	100%
Abu Dhabi National Properties Pvt. JSC	United Arab Emirates	Property Management	100%	100%
FAB Private Bank (Suisse) SA	Switzerland	Banking	100%	100%
First Abu Dhabi Islamic Finance PJSC	United Arab Emirates	Islamic Finance	100%	100%
Abu Dhabi Securities Brokerage Egypt[1]	Egypt	Brokerage	96%	96%
NBAD Employee Share Options Limited	United Arab Emirates	Shares and Securities	100%	100%
National Bank of Abu Dhabi Representações Ltda	Brazil	Representative office	100%	100%
FAB Global Markets (Cayman) Limited	Cayman Islands	Financial Institution	100%	100%
Nawat Management Services - One Man Company LLC	United Arab Emirates	Services	100%	100%
Mismak Properties Co. LLC ("Mismak")	United Arab Emirates	Real estate investments	100%	100%
Shangri La Dubai Hotel LLC (Subsidiary of Mismak)	United Arab Emirates	Real estate investments	100%	100%
First Merchant International LLC ("FMI")	United Arab Emirates	Real estate investments	100%	100%
FAB Employment Services LLC (Subsidiary of FMI)	United Arab Emirates	Resourcing services	100%	100%
FAB Resourcing Services LLC (Subsidiary of FMI)	United Arab Emirates	Resourcing services	100%	100%
Horizon Gulf Electromechanical Services L.L.C. ("Horizon") (Subsidiary of FMI)	United Arab Emirates	Real estate related services	100%	100%
Horizon Gulf General Contracting LLC (Subsidiary of Horizon)	United Arab Emirates	Real estate related services	100%	100%
PDCS Engineering LLC (Subsidiary of Horizon)	United Arab Emirates	Real estate related services	100%	100%
Horizon Gulf Oil and Gas Services LLC (Subsidiary of Horizon)	United Arab Emirates	Real estate related services	100%	100%
FAB Sukuk Company Limited	Cayman Islands	Special purpose entity	100%	100%
First Gulf Libyan Bank[2]	Libya	Banking services	50%	50%
First Gulf Information Technology LLC ("FGIT")	United Arab Emirates	IT Services	100%	100%
FAB Global Business Services Limited (Subsidiary of FGIT)	India	IT Services	100%	100%
FAB Capital Financial Company (A Saudi Closed Joint Stock Company)	Kingdom of Saudi Arabia	Financial Institution	100%	100%
First Abu Dhabi Bank Misr S.A.E ("FAB Misr")	Egypt	Banking	100%	100%
FAB Invest SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968A SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968B SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%

[1] Under liquidation.
[2] Although the Bank owns 50% of the outstanding shares of First Gulf Libyan Bank, the investment has been classified as a subsidiary as the Bank exercises control over the investee because it casts the majority of the votes on the board of directors.

Notes to the condensed consolidated interim financial information

6 Interest Rate Benchmark Reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, replacing some Interbank offered rates ("IBORs") with alternative nearly risk-free rates ("ARRS"). The Group had significant exposure to certain IBORs on its financial instruments that are being reformed as part of these market-wide initiatives. IBORs, such as the London Interbank Offered Rate ("LIBOR"), played a critical role in global financial markets, serving as reference rates for derivatives, Loans, advances and Islamic financing, and as parameters in the valuation of financial instruments.

The Group is moving towards the later stages of the transition from IBORs to ARRS with no significant changes to the project or transition plan. The FAB IBOR Transition Project (or "the Project") continues to be on target and the Group continues to progress on its transition plan for the remaining IBOR exposure, which is indexed to US dollar LIBOR with, one month, three-month and six month LIBOR settings before 30 September 2024, the US dollar LIBOR cessation date for remaining tenors.

The FCA (Financial Conduct Authority) has requested IBA (ICE Benchmark Administration Limited) to continue publishing US dollar LIBOR for one, three, and six-month tenors until 30 September 2024. However, it is worth noting that, from 1 July 2023, the methodology for calculating the US dollar LIBOR became unrepresentative, using the relevant CME Term SOFR Reference Rate plus the respective ISDA fixed spread adjustment, referred to as 'synthetic US dollar LIBOR'. The synthetic US dollar LIBOR settings is applicable for all legacy contracts, except for cleared derivatives as they have already transitioned.

FAB's approach towards IBOR Transition

Loans, Bonds and other On Balance Sheet exposures

For contracts indexed to an IBOR that mature after the expected cessation of the IBOR rate, the Group has established policies to amend the contractual terms. These amendments include the addition of fallback clauses or replacement of the IBOR rate with an alternative benchmark rate. As at 30 June 2024, the IBOR reform in respect of currencies to which the Group has exposure has been completed except for US dollar indexed exposures. The table below sets out the IBOR rates that the Group had exposure to, the new benchmark rates to which these exposures have or are being transitioned, and the status of the transition.

Currency	Benchmark before Reform	Benchmark after Reform	30 Jun 2024	31 Dec 2023
USD	USD LIBOR	SOFR	In progress	In progress
GBP	GBP LIBOR	SONIA	Completed	Completed
EURO	EONIA	€STR	Completed	Completed
EURO	EURIBOR	EURIBOR reformed	Completed	Completed
JPY	JPY LIBOR	TONAR / TORF	Completed	Completed
CHF	CHF LIBOR	SARON	Completed	Completed

In line with the regulatory guidance, FAB took necessary steps and made significant progress in transitioning customer to alternative benchmarks. FAB has completed the customer outreach, giving all customers an opportunity to transition to alternative rates, prior to 30 June 2024. However, due to market conditions and various challenges, part of the FAB IBOR portfolio will use synthetic LIBOR where applicable and until they are transitioned.

Derivatives and hedge accounting

The Group holds derivatives for trading and risk management purposes. Derivatives held for risk management purposes are designated in hedging relationships. The interest rate and cross-currency swaps have floating legs that are indexed to various IBORs.

For derivative exposures, the Group has adhered to the adoption of the International Swaps and Derivatives Association ('ISDA') protocol as a fallback provision, which came into effect in January 2021, and the successful changes made by clearing houses to discount derivatives using the euro short-term rate ('€STR') and SOFR, to reduce the risk of a disorderly transition of the derivatives market.

Hedging relationships impacted by uncertainty about IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and the hedging instrument, which may lead to hedge ineffectiveness. The objective of the majority of these hedges and consistent with the overall interest rate risk management strategy of FAB is to reduce fluctuations of the fair value of bonds purchased by FAB or its own issuances which pay a fixed rate and also reduce fluctuations from foreign exchange risk if these are denominated in another currency that is not AED or USD.

Notes to the condensed consolidated interim financial information

7 Cash and balances with central banks

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Cash on hand	**2,091**	1,920
Central Bank of the UAE		
cash reserve deposits	**70,150**	34,173
other balances	**-**	28,000
Balances with other central banks	**148,066**	169,462
Gross cash and balances with central banks	**220,307**	233,555
Less: expected credit losses	**(165)**	(165)
Total cash and balances with central banks	**220,142**	233,390

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. Balances with other central banks includes mandatory reserves which are available for day-to-day operations under certain specified conditions.

8 Investments at fair value through profit or loss

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Investments in managed funds	**1**	9
Investment in private equities	**3,435**	3,136
Investments in equities	**1,984**	1,568
Debt securities	**40,010**	40,496
Total investments at fair value through profit or loss	**45,430**	45,209

9 Loans, advances and Islamic financing

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Gross loans, advances and Islamic financing	**534,321**	504,641
Less: interest suspended	**(7,580)**	(7,186)
Less: expected credit losses	**(13,587)**	(13,501)
Net loans, advances and Islamic financing	**513,154**	483,954

Notes to the condensed consolidated interim financial information

9 Loans, advances and Islamic financing (continued)

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
By counterparty:		
Government sector	66,910	61,310
Public sector	79,859	79,383
Banking sector	21,531	12,607
Corporate / private sector	285,268	269,854
Personal / retail sector	80,753	81,487
Gross loans, advances and Islamic financing	534,321	504,641

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
By product:		
Overdrafts	20,456	21,031
Term loans	431,786	414,882
Trade related loans	46,295	32,199
Personal loans	29,235	29,252
Credit cards	4,939	5,541
Vehicle financing loans	1,610	1,736
Gross loans, advances and Islamic financing	534,321	504,641

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Concentration by industry sector:		
Agriculture	3,714	3,562
Energy	36,741	36,218
Manufacturing	27,757	26,399
Construction	12,266	10,764
Real estate	88,779	85,806
Trading	23,751	22,177
Transport and communication	34,289	37,885
Banks	21,531	12,607
Other financial institutions	90,297	83,956
Services	47,533	42,470
Government	66,910	61,310
Personal – loans and credit cards	48,571	50,440
Personal - retail mortgage	32,182	31,047
Gross loans, advances and Islamic financing	534,321	504,641

Included in the above Loans, advances and Islamic financing are the following Islamic financing contracts:

Islamic financing contracts

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Ijara	13,597	12,683
Murabaha	24,871	25,429
Others	542	561
Gross Islamic financing contracts	39,010	38,673
Less: expected credit losses	(1,602)	(1,147)
Less: suspended profit	(202)	(208)
Total Islamic financing contracts	37,206	37,318

Notes to the condensed consolidated interim financial information

10 Non trading investment securities

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Fair value through other comprehensive income (FVOCI):		
- with recycle to profit or loss (Debt investments)	**173,460**	170,716
- without recycle to profit or loss (Equity investments)	**4,245**	4,553
Amortised cost	**4,150**	4,375
Gross non trading investment securities	**181,855**	179,644
Less: expected credit losses on amortised cost securities	**(1)**	(1)
Total non trading investment securities	**181,854**	179,643

Equity investments measured at FVOCI are strategic investments for long term purposes.

An analysis of non trading investments securities by type at the reporting date is shown below:

	(unaudited) 30 Jun 2024 AED million			(audited) 31 Dec 2023 AED million		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Equity investments	**1,457**	**2,788**	**4,245**	1,051	3,502	4,553
Debt investments	**176,679**	**931**	**177,610**	174,026	1,065	175,091
Gross non trading investment securities	**178,136**	**3,719**	**181,855**	175,077	4,567	179,644
Less: expected credit losses on amortised cost securities	**(1)**	**-**	**(1)**	(1)	-	(1)
Total non trading investment securities	**178,135**	**3,719**	**181,854**	175,076	4,567	179,643

Debt investments under repurchase agreements included in non trading investment securities as at 30 June 2024 amounted to AED 23,393 million (31 December 2023: AED 18,360 million).

As at 30 June 2024, the fair value of investment securities measured at amortised cost amounted to AED 3,930 million (31 December 2023: AED 4,154 million).

11 Investment in associates

The list of associates are as follows:

Legal Name	**Country of incorporation**	**Principal activities**	(unaudited) 30 Jun 2024	(audited) 31 Dec 2023
BCP Growth Holdings Limited	United Arab Emirates	Financial services	**40%**	40%
Midmak Properties LLC	United Arab Emirates	Real estate Investments	**16%**	16%
Emirates Digital Wallet LLC	United Arab Emirates	Financial services	**23%**	23%

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Investment in associates	**1,441**	1,501

Notes to the condensed consolidated interim financial information

12 Investment properties

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Beginning of the period	**8,162**	7,168
Additions	**5**	1,561
Disposals	**(2)**	(568)
Fair value adjustment	**-**	1
End of the period	**8,165**	8,162

The fair value of the investment properties is based on the valuations performed by third party valuers as at 31 December 2023 and all are level 3 under fair value hierarchy.

13 Intangibles

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Goodwill	**18,693**	18,693
Customer relationship	**1,778**	1,778
Core deposits	**704**	704
License	**369**	369
Brand	**22**	22
Gross Intangibles	**21,566**	21,566
Accumulated amortisation	**(1,528)**	(1,430)
Total Intangibles	**20,038**	20,136

14 Due to banks and financial institutions

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Banks and financial institutions	**33,949**	37,281
Central banks	**27,887**	34,247
Total due to banks and financial institutions	**61,836**	71,528

15 Commercial paper

The Bank has a Euro Commercial Paper programme with a limit of USD 3.5 billion and a US Dollar Commercial Paper programme with a limit of USD 10 billion.

The notes outstanding as at 30 June 2024 amounted to AED 20,930 million (31 December 2023: AED 19,659 million) and have maturity period of less than 12 months.

The Group has not had any defaults of principal, interest or other breaches with respect to its commercial paper programs during the six month period ended 30 June 2024 and year ended 31 December 2023.

16 Customer accounts and other deposits

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
By account:		
Current accounts	320,372	329,826
Savings accounts	34,691	30,874
Margin accounts	3,064	2,611
Notice and time deposits	376,920	362,481
	735,047	725,792
Certificates of deposit	30,655	34,071
Total customer accounts and other deposits	765,702	759,863

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
By counterparty:		
Government sector	210,655	203,000
Public sector	77,194	72,682
Corporate / private sector	324,941	337,100
Personal / retail sector	122,257	113,010
	735,047	725,792
Certificates of deposit	30,655	34,071
Total customer accounts and other deposits	765,702	759,863

Included in the above Customer accounts and other deposits are the following Islamic deposits:

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Current account deposits	2,527	2,026
Margin deposits	78	78
Mudaraba saving deposits	4,720	3,856
Mudaraba term deposits	56	72
Wakala deposits	5,967	6,558
Murabaha deposits	820	437
Total Islamic customer deposits	14,168	13,027

17 Term borrowings

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Amortised cost	65,680	63,426
Fair value through profit or loss	662	513
Total term borrowings	66,342	63,939

During the period, the Bank has issued various fixed and floating rate notes. The movement of term borrowings during the period is below:

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Beginning of the period	63,939	62,635
New issuances	9,817	8,140
Repayments	(6,038)	(8,397)
Fair valuations, exchange movements and other adjustments	(1,376)	1,561
End of the period	66,342	63,939

Notes to the condensed consolidated interim financial information

17 Term borrowings (continued)

		30 Jun 2024 (unaudited)						31 Dec 2023 (audited)					
Currency	**Interest (range)**	**Up to 3 months AED million**	**3 months to 1 year AED million**	**1 to 3 years AED million**	**3 to 5 years AED million**	**Over 5 years AED million**	**Total AED million**	Up to 3 months AED million	3 months to 1 year AED million	1 to 3 years AED million	3 to 5 years AED million	Over 5 years AED million	Total AED million
AED	Fixed rate of 4.00% to 6.00% p.a.	-	-	1,376	6	-	1,382	-	4	1,385	6	-	1,395
AUD	Fixed rate of 1.87% p.a.	-	-	147	-	-	147	-	-	150	-	-	150
AUD	3 month AUD BBSW + up to 4.445% p.a.	-	857	444	-	73	1,374	-	-	1,328	-	75	1,403
CHF	Fixed rate of 0.07% to 1.072% p.a.	-	1,422	3,218	580	-	5,220	-	1,500	2,330	1,683	-	5,513
CNH	Fixed rate of 2.79% to 4.12% p.a.	70	1,368	4,270	-	-	5,708	433	943	4,356	78	-	5,810
EUR	Fixed rate of 0.125% to 3.00% p.a.	97	-	4,989	-	152	5,238	-	98	3,222	1,911	164	5,395
GBP	Fixed rate of 0.875% to 2.205% p.a.	-	-	2,910	78	-	2,988	-	-	2,906	-	80	2,986
HKD	Fixed rate of 0.85% to 3.94% p.a.	-	479	571	177	-	1,227	-	138	1,042	180	-	1,360
JPY	Fixed rate of 0.235% to 2.60% p.a.	-	-	222	-	-	222	52	-	257	-	-	309
MXN	Fixed rate of 0.50% p.a.	-	-	-	11	-	11	-	-	-	11	-	11
PHP	Fixed rate of 3.80% p.a.	-	-	-	-	-	-	-	146	-	-	-	146
NZD	Fixed rate of 5.5% p.a.	-	-	-	78	-	78	-	-	-	83	-	83
USD	Fixed rate of till 7.84% p.a.	-	4,213	4,230	14,592	7,564	30,599	4,586	922	5,898	10,402	8,032	29,840
USD	3 Month LIBOR + till 5.677% p.a.	3,691	202	1,781	-	184	5,858	184	3,911	1,983	-	184	6,262
USD	USD SOFR QRT OB SHIFT - 5BD + 3.725 % to 5.367% p.a.	184	-	2,924	3,182	-	6,290	-	184	213	2,879	-	3,276
	Total term borrowings	4,042	8,541	27,082	18,704	7,973	66,342	5,255	7,846	25,070	17,233	8,535	63,939

Notes to the condensed consolidated interim financial information

18 Subordinated notes

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
10 December 2012 issue (4.75 percent fixed rate maturing on 9 December 2027) (Currency of issuance – MYR)	**370**	385
4 October 2023 issue (6.32 percent fixed rate until 4 April 2029 and if not called, then from 4 April 2029 to the maturity date, the prevailing 5-Year US Treasury rate + 1.70%, maturing on 4 April 2034) (Currency of issuance – USD)	**3,700**	3,806
Total subordinated notes	**4,070**	4,191

The Group has hedged the interest rate and foreign currency exposure on the subordinated notes. The Bank has not had any defaults of principal, interest, or other breaches with respect to its subordinated notes during the period ended 30 June 2024 and 31 December 2023.

19 Capital and reserves

Share capital

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Authorised share capital	**11,048**	11,048
Ordinary shares of AED 1 each	**11,048**	11,048
Treasury shares of AED 1 each	**7**	7

At the Annual General Meeting (AGM) held on 5 March 2024, the shareholders of the Bank approved a cash dividend of AED 0.71 per ordinary share amounting to AED 7,844 million (31 December 2022: cash dividend of AED 0.52 per ordinary share amounting to AED 5,745 million).

Other reserves

Other reserves include the following:

	Fair value reserve AED million	General reserve AED million	Foreign currency translation reserve AED million	IFRS 9 reserve - specific AED million	IFRS 9 reserve – collective AED million	Total AED million
As at 1 January 2024	**(1,185)**	**228**	**(2,925)**	**1,222**	**2,868**	**208**
Other comprehensive loss for the period	**(678)**	**-**	**(1,717)**	**-**	**-**	**(2,395)**
Realised gain on sale of FVOCI Investment	**(3)**	**-**	**-**	**-**	**-**	**(3)**
As at 30 June 2024	**(1,866)**	**228**	**(4,642)**	**1,222**	**2,868**	**(2,190)**
As at 1 January 2023	(2,270)	228	(2,176)	1,222	2,160	(836)
Other comprehensive loss for the period	(36)	-	(745)	-	-	(781)
Realised loss on sale of FVOCI investment	1	-	-	-	-	1
As at 30 June 2023	(2,305)	228	(2,921)	1,222	2,160	(1,616)

Notes to the condensed consolidated interim financial information

20 Tier 1 capital notes

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Government of Abu Dhabi Notes	**8,000**	8,000
(6 month EIBOR plus 2.3 percent per annum) (Currency of issuance – AED)		
USD 750 million Notes	**2,755**	2,755
(4.50 percent fixed rate per annum, thereafter, reset on the first date and every sixth anniversary thereafter on the basis of the aggregate of the margin and the relevant six year reset on the relevant U.S. Securities determination date) (Currency of issuance – USD)		
Total Tier 1 capital notes	**10,755**	10,755

Tier 1 capital notes are perpetual, subordinated, unsecured and carry coupons to be paid semi-annually in arrears. The Bank may elect not to pay a coupon at its own discretion. The note holder does not have a right to claim the coupon and an election by the Bank not to service coupon is not considered an event of default. In addition, there are certain circumstances under which the Bank is prohibited from making a coupon payment on a relevant coupon payment date.

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 notes except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until two consecutive coupon payments have been paid in full.

During the period, the coupon payment election was made by the Bank amounting to AED 381 million (30 June 2023: AED 297 million).

21 Share based payment

The Group had introduced in 2008 a share based payment scheme (the "Scheme") for selected employees which would vest over three years and can be exercised within the next three years after the vesting period. The key vesting condition is that the option holder is in continued employment with the Bank until the end of the vesting period. The options lapse six years after their date of grant irrespective of whether they are exercised or not.

The Group established a subsidiary to issue shares when the vested option is exercised by the employee. These shares are treated as treasury shares until exercised by the option holders.

During the period, no shares (30 June 2023: nil) have been awarded, therefore reallocated from treasury shares held to share capital by nil (30 June 2023: AED nil million) and share premium has been adjusted by nil (30 June 2023: AED nil) accordingly relating to this.

Notes to the condensed consolidated interim financial information

22 Net foreign exchange gain

	(unaudited) Six month period ended 30 Jun 2024 AED million	(unaudited) Six month period ended 30 Jun 2023 AED million	(unaudited) Three month period ended 30 Jun 2024 AED million	(unaudited) Three month period ended 30 Jun 2023 AED million
Trading and retranslation gain on foreign exchange and related derivatives[1]	**490**	838	**(198)**	87
Dealings with customers	**704**	599	**342**	293
Total net foreign exchange gain	**1,194**	1,437	**144**	380

[1] Due to effective hedging strategies, the offsetting impact of hedging instruments is reflected in the net gain on investments and derivatives.

23 Net gain on investments and derivatives

	(unaudited) Six month period ended 30 Jun 2024 AED million	(unaudited) Six month period ended 30 Jun 2023 AED million	(unaudited) Three month period ended 30 Jun 2024 AED million	(unaudited) Three month period ended 30 Jun 2023 AED million
Net realised and unrealised gain on investments at fair value through profit or loss and derivatives	**2,803**	1,675	**1,740**	1,130
Net (loss)/gain from sale of non trading investment securities	**(194)**	(113)	**(93)**	23
Dividend and other income	**99**	69	**57**	47
Total net gain on investments and derivatives	**2,708**	1,631	**1,704**	1,200

24 General, administration and other operating expenses

	(unaudited) Six month period ended 30 Jun 2024 AED million	(unaudited) Six month period ended 30 Jun 2023 AED million	(unaudited) Three month period ended 30 Jun 2024 AED million	(unaudited) Three month period ended 30 Jun 2023 AED million
Staff costs	**2,035**	1,762	**1,027**	882
Depreciation	**426**	466	**217**	228
Information technology expenses	**546**	372	**277**	196
Professional fees	**214**	281	**121**	167
Communication expenses	**109**	104	**55**	52
Amortisation of intangibles	**111**	116	**55**	67
Premises expenses	**98**	92	**48**	49
Publicity and advertisement	**62**	46	**31**	22
Sponsorships and donations	**39**	39	**20**	18
Other general and administration expenses	**202**	141	**75**	51
Total general, administration and other operating expenses	**3,842**	3,419	**1,926**	1,732

Notes to the condensed consolidated interim financial information

25 Net impairment charge

	(unaudited) Six month period ended 30 Jun 2024 AED million	(unaudited) Six month period ended 30 Jun 2023 AED million	(unaudited) Three month period ended 30 Jun 2024 AED million	(unaudited) Three month period ended 30 Jun 2023 AED million
Impairment charge on				
loans, advances and Islamic financing	**2,336**	1,341	**1,355**	679
other financial assets	**(25)**	67	**(70)**	(1)
unfunded exposures	**(35)**	132	**(57)**	15
other non-financial instruments	**-**	-	**-**	-
Recoveries	**(457)**	(166)	**(361)**	(95)
Write-off of impaired financial assets	**101**	100	**29**	78
Total net impairment charge	**1,920**	1,474	**896**	676

26 Earnings per share

Earnings per share is calculated by dividing the net profit for the period after deduction of Tier 1 capital notes payment by the weighted average number of ordinary shares outstanding during the period as set out below:

	(unaudited) Six month period ended 30 Jun 2024	(unaudited) Six month period ended 30 Jun 2023	(unaudited) Three month period ended 30 Jun 2024	(unaudited) Three month period ended 30 Jun 2023
Basic earnings per share:				
Net profit for the period (AED million)	**8,406**	8,140	**4,255**	4,211
Less: payment on Tier 1 capital notes (AED million)	**(381)**	(297)	**(62)**	(62)
Net profit after payment of Tier 1 capital notes (AED million)	**8,025**	7,843	**4,193**	4,149
Weighted average number of ordinary shares:				
Weighted average number of ordinary shares (million)	**11,041**	11,041	**11,041**	11,041
Basic earnings per share (AED)	**0.73**	0.71	**0.38**	0.38
Diluted earnings per share:				
Net profit for the period for calculating diluted earnings per share (AED million)	**8,025**	7,843	**4,193**	4,149
Weighted average number of ordinary shares in issue for diluted earnings per share (million)	**11,041**	11,041	**11,041**	11,041
Diluted earnings per share (AED)	**0.73**	0.71	**0.38**	0.38

Notes to the condensed consolidated interim financial information

27 Cash and cash equivalents

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Cash and balances with central banks	**220,307**	233,555
Due from banks and financial institutions	**23,499**	25,324
	243,806	258,879
Less: Balances with central banks maturing after three months of placement	**(121)**	(559)
Less: Due from banks and financial institutions maturing after three months of placement	**(901)**	(335)
Less: Restricted deposits with central banks for regulatory purposes	**(831)**	(787)
Total cash and cash equivalents	**241,953**	257,198

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of its acquisition.

28 Commitments and contingencies

The Group, in the ordinary course of business, enters into various types of transactions that involve undertaking certain commitments such as letters of credit, guarantees and undrawn loan commitments.

There were no other significant changes in contingent liabilities and commitments during the period other than those arising out of normal course of business.

	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Letter of credit	**41,111**	48,151
Letters of guarantees	**122,282**	115,894
Financial guarantees	**835**	1,224
Trade contingencies	**164,228**	165,269
Undrawn commitment to extend credit	**70,864**	77,843
Commitments for future private equity investments	**1,557**	1,807
	72,421	79,650
Total commitments and contingencies	**236,649**	244,919

29 Segmental information

The operating structure consists of six key Business segments across Geographic segments that are driving the business strategy, customer value propositions, products and channel development and customer relationships in addition to supporting the delivery of the Group's financial performance.

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

Business segments

Investment Banking ("IB")
IB offers banking and financing solutions, including corporate & Islamic finance, capital markets, transaction banking, trade, liquidity and cash management services along with a broad range of risk management solutions across credit, rates, FX and money market products. Focused on Institutional clients. The IB team enhances product delivery and specialization across various customer sectors which includes Government, Sovereign & Public Sector, Sovereign Wealth Fund & Financial Sponsors, Natural Resources, Global Diversified Industrials, Financial Institutions Group & Global Subsidiaries.

Corporate & Commercial Banking ("CCB")
CCB focuses on large corporates, medium and small entities with diversified products offering across sub segments which includes Corporate Banking, Contracting, Commercial Banking and Privileged Client Group.

Global Markets - trading ("GM-trading")
GM-trading encompasses trading, market-making, risk management and investment management activities across Linear products (FX, Rates, Credit and Securities financing), Structured Products, Commodities, and Investments. Global Markets Trading delivers best in class trading & risk management solutions, providing our clients access to a broad range of financial products. Global Markets sales income which are pertaining to customers are reflected in the respective underlying business segment managing the client relationship.

Consumer Banking ("CB")
The business targets consumer & elite segment across conventional and Islamic sector. The products' ranges offered include everyday banking products such as current accounts, deposits, credit cards, loans, wealth products etc. The business furnishes variety of distribution and sales channels, including mobile and internet banking, branches, direct sales agents and through its banking subsidiaries namely First Abu Dhabi Islamic Finance.

Global Private Banking ("GPB")
The business targets affluent and high net-worth customers across conventional and Islamic sector. The products' ranges offered include everyday banking products plus sophisticated investment solutions, brokerage and securities services. The business furnishes variety of distribution and sales channels, including mobile and internet banking, branches, relationship managers and through its banking subsidiaries namely FAB Securities.

Head office ("HO")
The Group provides centralized human resources, information technology, operations, finance, strategy, investor relations, risk management, credit management, corporate communications, legal & compliance, internal audit, procurement, treasury operations and administrative support to all of its business units. As part of the Group's diversified business model, HO also includes certain subsidiaries partially or fully owned by the Group, providing banking services and other complementary offerings across real estate and property management services. These include FAB Misr, First Gulf Libya, Mismak, FAB Properties, Abu Dhabi National Properties and certain other portfolios.

Geographic segments
The Group is managing its various business segments through a network of branches, subsidiaries and representative offices within the two defined geographic segments which are UAE and International. Balance sheet and income statement information presented within this section is principally the location from which a client relationship exists and is managed, which may differ from where it is financially booked.

29 Segmental information (continued)

	Business Segment							Geographic Segment		
	Investment Banking	Corporate and commercial Banking	Global Markets-trading	Global Private Banking	Consumer Banking	Head Office	Total	UAE	International	Total
	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million
For the six month period ended 30 June 2024 (unaudited)										
Net interest income and income from Islamic financing and investing products	3,930	2,663	220	502	1,645	803	9,763	7,979	1,784	9,763
Net non-interest income	1,392	816	1,588	167	544	1,456	5,963	4,257	1,706	5,963
Operating income	5,322	3,479	1,808	669	2,189	2,259	15,726	12,236	3,490	15,726
General administration and other operating expenses	826	473	202	258	1,210	873	3,842	2,830	1,012	3,842
Net impairment charge	(59)	948	(22)	(9)	357	705	1,920	1,914	6	1,920
Profit before taxation	4,555	2,058	1,628	420	622	681	9,964	7,492	2,472	9,964
Income tax expense	406	178	332	71	49	501	1,537	866	671	1,537
Net profit for the period	4,149	1,880	1,296	349	573	180	8,427	6,626	1,801	8,427
As at 30 June 2024 (unaudited)										
Segment total assets	289,985	169,098	227,130	31,606	65,159	521,198	1,304,176	962,090	311,779	1,273,869
Inter segment balances							(129,557)			(99,250)
Total assets							1,174,619			1,174,619
Segment total liabilities	412,390	167,529	211,072	38,554	73,322	278,098	1,180,965	879,015	271,643	1,150,658
Inter segment balances							(129,557)			(99,250)
Total liabilities							1,051,408			1,051,408

Notes to the condensed consolidated interim financial information

29 Segmental information (continued)

	Business Segment							Geographic Segment		
	Investment Banking	Corporate and commercial Banking	Global Markets-trading	Global Private Banking	Consumer Banking	Head Office	Total	UAE	International	Total
	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million
For the six month period ended 30 June 2023 (unaudited)										
Net interest income and income from Islamic financing and investing products	3,153	2,771	271	431	1,513	693	8,832	7,466	1,366	8,832
Net non-interest income	1,178	679	1,002	145	367	1,360	4,731	3,410	1,321	4,731
Operating income	4,331	3,450	1,273	576	1,880	2,053	13,563	10,876	2,687	13,563
General administration and other operating expenses	712	413	175	246	1,070	803	3,419	2,610	809	3,419
Net impairment charge	316	647	6	17	308	180	1,474	1,060	414	1,474
Profit before taxation	3,303	2,390	1,092	313	502	1,070	8,670	7,206	1,464	8,670
Income tax expense	56	23	111	32	-	294	516	149	367	516
Net profit for the period	3,247	2,367	981	281	502	776	8,154	7,057	1,097	8,154
As at 31 December 2023 (audited)										
Segment total assets	275,833	159,892	225,154	31,057	60,310	525,172	1,277,418	976,613	339,090	1,315,703
Inter segment balances							(108,785)			(147,070)
Total assets							1,168,633			1,168,633
Segment total liabilities	435,328	159,147	207,053	33,795	65,742	250,930	1,151,995	878,330	311,950	1,190,280
Inter segment balances							(108,785)			(147,070)
Total liabilities							1,043,210			1,043,210

30 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise major shareholders, directors and key management personnel of the Group. Key management personnel comprise those executive committee members "EXCO" of the Group who are involved in the strategic planning and decision making of the Group. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

The Group operates in a market dominated by entities directly or indirectly controlled by the Government of Abu Dhabi through its government authorities, agencies, affiliations and other organizations, collectively referred to as government-related entities. The Group has transactions with other government-related entities and these transactions are conducted in the ordinary course of its business on terms agreed by the Board.

Details of Board of Directors remuneration and key management personnel remuneration is as follows:

	(unaudited) 30 Jun 2024 AED million	(unaudited) 30 Jun 2023 AED million
BOD remuneration paid during the year	45	45
Short term benefits	50	42
Long term benefits	1	2

The balances with related parties are allocated to the ECL model. As at 30 June 2024, the ECL allowance held against related party balances amounted to AED 32 million (31 December 2023: AED 34 million).

Balances with related parties at the reporting date are shown below:

	Board of directors AED million	Major shareholders AED million	Senior Management AED million	Associates AED million	Total AED million
As of 30 June 2024 (unaudited)					
Financial assets					
Investments at fair value through profit or loss	-	133	-	-	133
Reverse purchase agreements	-	332	-	-	332
Derivative financial instruments	-	16	-	-	16
Loans, advances and Islamic financing	2,606	32,338	115	958	36,017
Non trading investment securities	-	3,763	-	-	3,763
Other assets	31	859	5	1	896
Financial liabilities					
Derivative financial instruments	-	222	-	3	225
Customer accounts and other deposits	10,183	13,797	68	474	24,522
Other liabilities	202	117	1	-	320
Contingent liabilities					
Derivatives	-	6,750	-	750	7,500
Letter of credits	1	323	-	-	324
Letter of guarantees	177	1,130	-	1	1,308
For the period ended 30 June 2024 (unaudited)					
Interest income	65	949	3	47	1,064
Interest expense	224	255	1	77	557
Fee and commission income	3	69	0	4	76
Fee and commission expense	-	-	-	58	58
Net gain on investments and derivatives	-	35	-	26	61

30 Related parties (Continued)

	Board of directors AED million	Major shareholders AED million	Senior Management AED million	Associates AED million	Total AED million
As of 31 December 2023 (audited)					
Financial assets					
Investments at fair value through profit or loss	-	61	-	-	61
Reverse purchase agreements	-	539	-	-	539
Derivative financial instruments	-	52	-	-	52
Loans, advances and Islamic financing	2,846	30,983	106	862	34,797
Non trading investment securities	-	3,788	-	-	3,788
Other assets	27	568	3	1	599
Financial liabilities					
Derivative financial instruments	-	224	-	-	224
Customer accounts and other deposits	13,038	8,649	47	825	22,559
Other liabilities	194	44	1	-	239
Contingent liabilities					
Derivatives	-	8,287	-	-	8,287
Letter of credits	-	352	-	-	352
Letter of guarantees	29	1,073	-	1	1,103
For the period ended 30 June 2023 (unaudited)					
Interest income	61	898	1	-	960
Interest expense	122	431	1	18	572
Fee and commission income	2	23	-	-	25
Fee and commission expense	-	-	-	57	57
Net gain on investments and derivatives	-	(38)	-	49	11

31 Financial risk management

Credit risk

Credit risk is the risk that a customer or counterparty to a financial asset fails to meet its contractual obligations and cause the Group to incur a financial loss. It arises principally from the Group's loans, advances and Islamic financing, due from banks and financial institutions, reverse repurchase agreements and non-trading debt investments, derivative financial instruments and certain other financial assets.

Credit quality analysis

The following tables set out information about the credit quality of financial assets measured at amortised cost, and fair value through other comprehensive income (FVOCI) debt investments without considering collateral or other credit enhancement. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Notes to the condensed consolidated interim financial information

31 Financial risk management (continued)

Credit risk (continued)

The Group measures its exposure to credit risk by reference to the gross carrying amount of financial assets less amounts offset, interest suspended and impairment losses, if any. The carrying amount of financial assets represents the maximum credit exposure.

As at 30 June 2024 (unaudited)	Stage 1		Stage 2		Stage 3		Purchased or originally credit impaired[4]		Total	
	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million
Balances with central banks	216,852	47	1,364	118	-	-	-	-	218,216	165
Due from banks and financial institutions	21,206	11	2,293	41	-	-	-	-	23,499	52
Reverse repurchase agreements	64,649	59	-	-	-	-	-	-	64,649	59
Loans, advances and Islamic financing[1]	496,109	2,239	11,163	2,297	23,114	8,595	3,935	456	534,321	13,587
Non trading investment securities										
Amortised cost	4,150	1	-	-	-	-	-	-	4,150	1
FVOCI Debt[2]	173,306	140	154	10	-	-	-	-	173,460	150
Other assets[3]	18,646	287	8	-	2	-	-	-	18,656	287
Unfunded exposure	229,119	338	4,401	161	1,571	485	1	1	235,092	985
	1,224,037	3,122	19,383	2,627	24,687	9,080	3,936	457	1,272,043	15,286

[1]The exposure represents gross loans, advances and Islamic financing, including suspended interest of AED 7,580 million primarily on Stage 3 and POCI assets.
[2]The provision against financial instruments classified as FVOCI is included in the fair value reserve.
[3]On certain assets included as part of other assets, ECL is computed based on simplified approach.
[4]The Group, from an internal credit quality point of view, considers AED 3,847 million as par to non-performing loans, advances and Islamic financing.

Notes to the condensed consolidated interim financial information

31 Financial risk management (continued)

Credit risk (continued)

As at 31 December 2023 (audited)	Stage 1		Stage 2		Stage 3		Purchased or originally credit impaired[4]		Total	
	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million
Balances with central banks	230,598	47	1,037	118	-	-	-	-	231,635	165
Due from banks and financial institutions	23,610	17	1,714	41	-	-	-	-	25,324	58
Reverse repurchase agreements	78,591	87	-	-	-	-	-	-	78,591	87
Loans, advances and Islamic financing[1]	464,787	1,626	12,938	1,919	22,924	9,423	3,992	533	504,641	13,501
Non trading investment securities										
Amortised cost	4,375	1	-	-	-	-	-	-	4,375	1
FVOCI Debt[2]	170,587	132	129	8	-	-	-	-	170,716	140
Other assets[3]	18,662	299	11	-	11	2	-	-	18,684	301
Unfunded exposure	237,130	362	4,313	164	1,664	498	5	3	243,112	1,027
	1,228,340	2,571	20,142	2,250	24,599	9,923	3,997	536	1,277,078	15,280

[1]The exposure represents gross loans, advances and Islamic financing including suspended interest of AED 7,186 million primarily on Stage 3 and POCI assets.
[2]The provision against financial instruments classified as FVOCI is included in the fair value reserve.
[3]On certain assets included as part of other assets, ECL is computed based on simplified approach.
[4]The Group, from an internal credit quality point of view, considers AED 3,885 million as par to non-performing loans, advances and Islamic financing.

Notes to the condensed consolidated interim financial information

31 Financial risk management (continued)

Credit risk (continued)

The movement of gross exposure is as follows:

Loans, advances and Islamic financing (unaudited)	**Stage 1 AED million**	**Stage 2 AED million**	**Stage 3 AED million**	**POCI AED million**	**Total AED million**
Balance as at 1 January 2024	**464,787**	**12,938**	**22,924**	**3,992**	**504,641**
Transfers:					
Transfer from Stage 1 to Stage 2	**(1,930)**	**1,930**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(1,075)**	**-**	**1,075**	**-**	**-**
Transfer from Stage 2 to Stage 1	**1,247**	**(1,247)**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(1,716)**	**1,716**	**-**	**-**
Transfer from Stage 3 to Stage 2	**-**	**455**	**(455)**	**-**	**-**
Transfer from Stage 3 to Stage 1	**86**	**-**	**(86)**	**-**	**-**
	(1,672)	**(578)**	**2,250**	**-**	**-**
Net amounts written-off	**(11)**	**(33)**	**(2,059)**	**(71)**	**(2,174)**
Net non-stage movements	**33,005**	**(1,164)**	**(1)**	**14**	**31,854**
Balance as at 30 June 2024	**496,109**	**11,163**	**23,114**	**3,935**	**534,321**
Unfunded exposure (unaudited)					
Balance as at 1 January 2024	**237,130**	**4,313**	**1,664**	**5**	**243,112**
Transfers:					
Transfer from Stage 1 to Stage 2	**(1,009)**	**1,009**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(10)**	**-**	**10**	**-**	**-**
Transfer from Stage 2 to Stage 1	**108**	**(108)**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(7)**	**7**	**-**	**-**
Transfer from Stage 3 to Stage 2	**-**	**7**	**(7)**	**-**	**-**
	(911)	**901**	**10**	**-**	**-**
Net non-stage movements	**(7,100)**	**(813)**	**(103)**	**(4)**	**(8,020)**
Balance as at 30 June 2024	**229,119**	**4,401**	**1,571**	**1**	**235,092**

Loans, advances and Islamic financing (unaudited)	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2023	441,558	13,262	20,898	4,007	479,725
Transfers:					
Transfer from Stage 1 to Stage 2	(4,113)	4,113	-	-	-
Transfer from Stage 1 to Stage 3	(739)	-	739	-	-
Transfer from Stage 2 to Stage 1	1,498	(1,498)	-	-	-
Transfer from Stage 2 to Stage 3	-	(1,162)	1,162	-	-
Transfer from Stage 3 to Stage 2	-	507	(507)	-	-
Transfer from Stage 3 to Stage 1	180	-	(180)	-	-
	(3,174)	1,960	1,214	-	-
Net amounts written-off	(37)	(22)	(648)	(4)	(711)
Net non-stage movements	25,571	(578)	140	83	25,216
Balance as at 30 June 2023	463,918	14,622	21,604	4,086	504,230

Notes to the condensed consolidated interim financial information

31 Financial risk management (continued)

Credit risk (continued)

Unfunded exposure (unaudited)	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2023	225,881	4,699	1,341	11	231,932
Transfers:					
Transfer from Stage 1 to Stage 2	(440)	440	-	-	-
Transfer from Stage 1 to Stage 3	(88)	-	88	-	-
Transfer from Stage 2 to Stage 1	209	(209)	-	-	-
Transfer from Stage 2 to Stage 3	-	(81)	81	-	-
Transfer from Stage 3 to Stage 1	4	-	(4)	-	-
	(315)	150	165	-	-
Net non-stage movements	(4,606)	(757)	(375)	(4)	(5,742)
Balance as at 30 June 2023	220,960	4,092	1,131	7	226,190

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. The basis for determining transfers due to changes in credit risk is set out in the Group's accounting policy; refer note 6(a)(vii) of the consolidated financial statements for the year ended 31 December 2023.

	Stage 1[1] AED million	**Stage 2 AED million**	**Stage 3 AED million**	**POCI AED million**	**Total AED million**
Balance as at 1 January 2024 (unaudited)	**2,571**	**2,250**	**9,923**	**536**	**15,280**
Transfers:					
Transfer from Stage 1 to Stage 2	**(68)**	**68**	**-**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(25)**	**-**	**25**	**-**	**-**
Transfer from Stage 2 to Stage 1	**89**	**(89)**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(153)**	**153**	**-**	**-**
Transfer from Stage 3 to Stage 2	**-**	**83**	**(83)**	**-**	**-**
Transfer from Stage 3 to Stage 1	**53**	**-**	**(53)**	**-**	**-**
	49	**(91)**	**42**	**-**	**-**
Impact of change in provision	**553**	**573**	**1,118**	**32**	**2,276**
Write-offs and other adjustments	**(51)**	**(105)**	**(2,003)**	**(111)**	**(2,270)**
Balance as at 30 June 2024	**3,122**	**2,627**	**9,080**	**457**	**15,286**

	Stage 1[1] AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2023	2,295	2,988	9,584	755	15,622
Transfers:					
Transfer from Stage 1 to Stage 2	(32)	32	-	-	-
Transfer from Stage 1 to Stage 3	(30)	-	30	-	-
Transfer from Stage 2 to Stage 1	65	(65)	-	-	-
Transfer from Stage 2 to Stage 3	-	(339)	339	-	-
Transfer from Stage 3 to Stage 2	-	63	(63)	-	-
Transfer from Stage 3 to Stage 1	21	-	(21)	-	-
	24	(309)	285	-	-
Impact of change in provision	273	508	819	(60)	1,540
Write-offs and other adjustments	(10)	(128)	(565)	(3)	(706)
Balance as at 30 June 2023	2,582	3,059	10,123	692	16,456

[1]On certain assets included as part of other assets, ECL is computed based on simplified approach.

Notes to the condensed consolidated interim financial information

31 Financial risk management (continued)

Credit risk (continued)

The Group's credit concentration by counterparty for Investments at fair value through profit or loss and non trading investment securities are disclosed below:

	Non trading investment securities		Investments at fair value through profit or loss	
	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
Government sector	118,176	122,786	33,984	36,557
Supranational	1,075	995	15	2
Public sector	12,487	13,494	743	678
Banking sector	25,255	26,685	3,165	1,632
Corporate / private sector	24,862	15,684	7,523	6,340
	181,855	179,644	45,430	45,209
Less: expected credit losses on amortised cost securities	(1)	(1)	-	-
	181,854	179,643	45,430	45,209

The external ratings for Investments at fair value through profit or loss and non trading investment securities are disclosed below:

	Non trading investment securities		Investments at fair value through profit or loss	
	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million	(unaudited) 30 Jun 2024 AED million	(audited) 31 Dec 2023 AED million
AAA	27,825	26,604	680	694
AA to A	122,512	117,559	19,469	24,035
BBB and below	25,850	28,885	18,883	14,783
CCC and below	629	658	-	-
Unrated	5,039	5,938	6,398	5,697
	181,855	179,644	45,430	45,209
Less: expected credit losses on amortised cost securities	(1)	(1)	-	-
	181,854	179,643	45,430	45,209

Investments at fair value through profit or loss includes investment in equity instruments and private equity funds which do not carry credit risk (refer note 8).

Notes to the condensed consolidated interim financial information

32 Financial assets and liabilities

Financial instruments measured at fair value - hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
As at 30 June 2024 (unaudited)				
Investment at fair value through profit or loss	**6,524**	**34,719**	**4,187**	**45,430**
FVOCI - with recycle to profit or loss	**149,771**	**22,220**	**1,469**	**173,460**
FVOCI - without recycle to profit or loss	**1,438**	**2,593**	**214**	**4,245**
Derivative financial instruments (assets)	**1,188**	**48,407**	**-**	**49,595**
	158,921	**107,939**	**5,870**	**272,730**
Derivative financial instruments (liabilities)	**583**	**53,334**	**84**	**54,001**
Term borrowings	**-**	**413**	**249**	**662**
	583	**53,747**	**333**	**54,663**

	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
As at 31 December 2023 (audited)				
Investment at fair value through profit or loss	6,708	35,357	3,144	45,209
FVOCI - with recycle to profit or loss	133,542	36,255	919	170,716
FVOCI - without recycle to profit or loss	1,025	3,321	207	4,553
Derivative financial instruments (assets)	634	45,776	11	46,421
	141,909	120,709	4,281	266,899
Derivative financial instruments (liabilities)	931	50,071	-	51,002
Term borrowings	-	260	253	513
	931	50,331	253	51,515

Notes to the condensed consolidated interim financial information

32 Financial assets and liabilities (continued)

Financial instruments measured at fair value - hierarchy (continued)

The following table shows the transfer between the hierarchies:

	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
As at 30 June 2024 (unaudited)				
Investment at fair value through profit or loss				
Transfer from 1 to 2	**(8)**	**8**	**-**	**-**
Transfer from 2 to 3	**-**	**(18)**	**18**	**-**
Non trading investment securities				
Transfer from 1 to 2	**(485)**	**485**	**-**	**-**
Transfer from 2 to 1	**2,115**	**(2,115)**	**-**	**-**
Transfer from 2 to 3	**-**	**(612)**	**612**	**-**
	1,622	**(2,252)**	**629**	**-**
As at 31 December 2023 (audited)				
Investment at fair value through profit or loss				
Transfer from 1 to 2	(95)	95	-	-
Transfer from 1 to 3	(91)	-	91	-
Transfer from 2 to 1	632	(632)	-	-
Non trading investment securities				-
Transfer from 1 to 2	(2,830)	2,830	-	-
Transfer from 1 to 3	(3)	-	3	-
Transfer from 2 to 1	8,179	(8,179)	-	-
Transfer from 2 to 3	-	(2)	2	-
Transfer from 3 to 1	384	(384)	-	-
Transfer from 3 to 2	-	3,630	(3,630)	-
	6,176	(2,642)	(3,534)	-

Management considers that the carrying amounts of financial assets and liabilities recognised in the condensed consolidated interim financial information do not materially differ from their fair values.

The valuation techniques and inputs used in these condensed consolidated interim financial information are same as those prescribed in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

33 Comparative figures

Interest income on fair value through profit or loss bonds (six month period ended 30 June 2023: AED 85 million) that was previously classified within 'Interest income' & 'Income from Islamic financing and Investing products' has now been reclassified to 'Net gain on investments and derivatives' in the condensed consolidated interim statement of profit or loss.

Interest income on certain financial instruments (six month period ended 30 June 2023: AED 109 million) that was previously classified within 'Income from Islamic financing and investing products' has now been reclassified to 'Interest income' in the condensed consolidated interim statement of profit or loss. Interest expense on certain financial instruments (six month period ended 30 June 2023: AED 608 million) that was previously classified within 'Distribution on Islamic deposits' has now been reclassified to 'Interest expense' in the condensed consolidated interim statement of profit or loss.

Notes to the condensed consolidated interim financial information

34 Proposed transaction

On 9 June 2023, FAB entered into an agreement with affiliates of Brookfield Asset Management, together with other co-investors, for the proposed acquisition by BCP VI Neptune Bidco Holdings Limited of Network International Holdings Plc for approximately AED 10.3 billion (GBP 2.2 billion), subject to the terms and conditions set out in the scheme document. Under the terms of the agreement, FAB and other parties will provide equity funding, interim and revolving financing facilities.

FAB has committed co-investment in the form of equity funding of up to AED 2.7 billion (GBP 576 million), which will be provided upon completion of the acquisition. FAB is also providing AED 1.4 billion (USD 370 million) interim term and revolving facility to finance the acquisition. Upon completion of the acquisition and subject to regulatory approvals, Network International Holdings Plc is intended to be combined with BCP Growth Holdings Limited.

Network International announced on 15 March 2024 that regulatory change of control clearances for the acquisition had been received from the Central Bank of Jordan, the Bank of Ghana, the Bank of Botswana and the Reserve Bank of Malawi and that it was working on the remaining regulatory clearances. In addition, it was announced that the long stop for the Scheme to become effective was changed to 9 October 2024. On 22 March 2024, Network International announced that regulatory change of control clearance was received from the Central Bank of the UAE and that it was continuing to engage positively with the relevant regulatory bodies in other jurisdictions where clearances remain outstanding.

35 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed consolidated interim financial information as at and for the six month period ended 30 June 2024.