

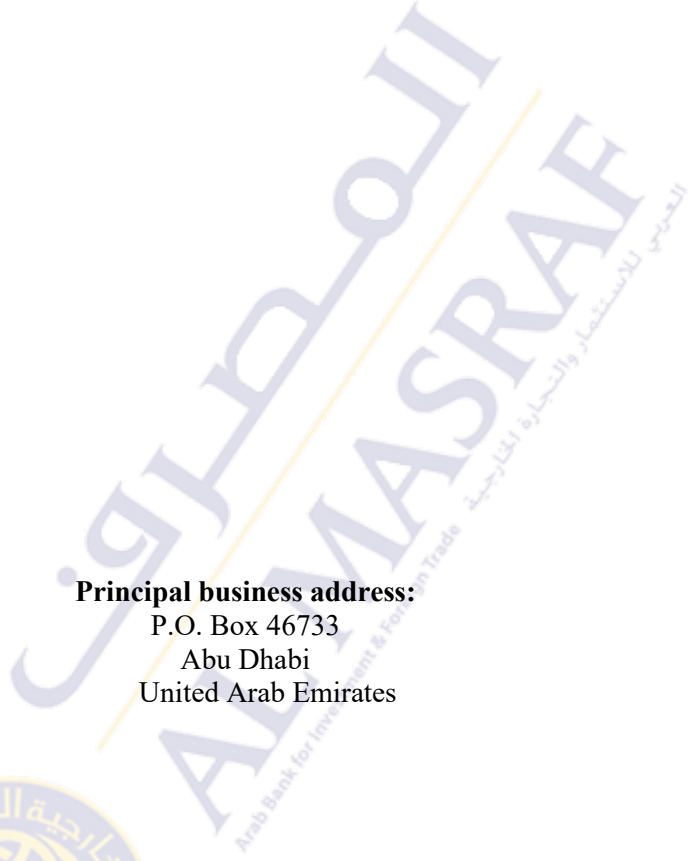
**Arab Bank for Investment and
Foreign Trade PJSC**

Condensed interim financial information

For the six-month period ended 30 June 2024

Principal business address:

P.O. Box 46733
Abu Dhabi
United Arab Emirates



Arab Bank for Investment and Foreign Trade PJSC

Review report and condensed interim financial information For the six-month period ended 30 June 2024

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بنك الاستثمار والتجارة الخارجية
ALMASRAFA
Arab Bank for Investment & Foreign Trade
البنك للاستثمار والتجارة الخارجية



Review report on condensed interim financial information to the Directors of Arab Bank for Investment and Foreign Trade PJSC

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Arab Bank for Investment and Foreign Trade PJSC (the “Bank”) as at 30 June 2024 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the three month and six month periods then ended and other explanatory notes. The Directors are responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this condensed 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 condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers Limited Partnership - Abu Dhabi
6 September 2024

Rami Sarhan
Registered Auditor Number 1152
Place: Abu Dhabi, United Arab Emirates

Arab Bank for Investment and Foreign Trade PJSC

Condensed interim statement of financial position

As at 30 June 2024

		(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Assets			
Cash and balances with the Central Bank of the UAE	7	2,192,791	2,532,001
Due from banks	8	508,629	1,317,798
Acceptances		333,308	477,267
Investments at fair value through other comprehensive income ("FVOCI")		4,828,475	3,075,277
Investments at fair value through profit or loss ("FVTPL")		625,674	355,638
Investments at amortised cost		216,373	405,376
Loans and advances	9	12,162,716	12,900,588
Investment properties	10	162,508	167,839
Other assets	11	293,706	227,753
Intangible assets	12.1	47,897	52,724
Property and equipment	12.2	221,381	241,563
		21,593,458	21,753,824
Asset held-for-sale		12,042	12,042
Total assets		21,605,500	21,765,866
Liabilities			
Due to banks	14	1,690,586	2,042,547
Customers' deposits	13	14,797,635	14,750,019
Acceptances		333,308	477,267
Other liabilities	15	818,146	552,680
Total liabilities		17,639,675	17,822,513
Equity			
Share capital	16	2,000,000	2,000,000
Statutory reserve	16	688,113	688,113
Special reserve	16	683,523	683,523
Cash flow hedge reserve	16	(2,503)	-
Revaluation reserve	16	138,173	138,522
Fair value reserve	16	(101,794)	(66,029)
Retained earnings		560,313	499,224
Total equity		3,965,825	3,943,353
Total liabilities and equity		21,605,500	21,765,866

This condensed interim financial information was authorised and approved for issue by the Board of Directors on 6 September 2024, and signed on their behalf by:


Farhat Omar ben Gdara
Chairman


Charles Doghlass
Acting Chief Executive Officer

The notes on pages 6 to 28 are an integral part of the condensed interim financial information. The independent auditor's report on review of the condensed interim financial information is set out on page 1.

Arab Bank for Investment and Foreign Trade PJSC

Condensed interim statement of comprehensive income

For the six-month period ended 30 June 2024 (Unaudited)

	Note	For the six-month period ended 30 June		For the three-month period ended 30 June	
		2024	2023	2024	2023
		AED'000	AED'000	AED'000	AED'000
Interest income	18	549,199	517,161	266,205	274,016
Interest expense	19	(230,925)	(204,940)	(117,212)	(111,460)
Net interest income		318,274	312,221	148,993	162,556
Income from islamic financing contracts	20	58,227	55,030	27,039	26,252
Depositors' share of profit	21	(40,917)	(27,552)	(17,507)	(15,060)
Net income from Islamic financing		17,310	27,478	9,532	11,192
Net interest and islamic financing income		335,584	339,699	158,525	173,748
Fee and commission income	22	53,284	65,002	26,657	33,211
Fee and commission expense	22	(7,767)	(8,473)	(3,758)	(5,074)
Net fee and commission income		45,517	56,529	22,899	28,137
Net investment income / (loss)		14,263	(2,366)	365	13,616
Net foreign exchange gain		15,573	25,668	8,773	4,624
Other operating income	23	10,863	8,823	7,726	(1,643)
		40,699	32,125	16,864	16,597
Operating income		421,800	428,353	198,288	218,482
General, administration and other operating expenses	24	(156,312)	(156,918)	(79,960)	(76,991)
Profit before net impairment charge		265,488	271,435	118,328	141,491
Net impairment charge on financial assets	25	(198,394)	(174,397)	(98,958)	(86,974)
Profit for the period before taxation		67,094	97,038	19,370	54,517
Taxation charge		(6,005)	-	(1,744)	-
Net Profit for the period		61,089	97,038	17,626	54,517
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Net change in fair value of debt investments at FVOCI		(35,765)	19,062	(18,627)	11,462
Other comprehensive (loss)/ income for the period		(35,765)	19,062	(18,627)	11,462
Total comprehensive (loss)/ income for the period attributable to shareholders		25,324	116,100	(1,001)	65,979
Basic and diluted earnings per share for net profit attributable to the ordinary equity holders of the Bank	28	0.61	0.97	0.18	0.55

The notes on pages 6 to 28 are an integral part of the condensed interim financial information.

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

Arab Bank for Investment and Foreign Trade PJSC

Condensed interim statement of changes in equity

For the six-month period ended 30 June 2024 (Unaudited)

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	Cash flow hedge reserve AED'000	General reserve AED'000	Revaluation reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total equity AED'000
Balance at 1 January 2023	1,500,000	669,172	664,582	-	380,000	128,972	(112,136)	531,565	3,762,155
Profit for the period	-	-	-	-	-	-	-	97,038	97,038
Other comprehensive income for the period	-	-	-	-	-	-	19,062	-	19,062
Total comprehensive income for the period	-	-	-	-	-	-	19,062	97,038	116,100
Issue of bonus shares (Note 16)	500,000	-	-	-	(380,000)	-	-	(120,000)	-
Dividends paid to equity holders (Note 16)	-	-	-	-	-	-	-	(60,000)	(60,000)
Zakat paid	-	-	-	-	-	-	-	(442)	(442)
Balance at 30 June 2023	2,000,000	669,172	664,582	-	-	128,972	(93,074)	448,161	3,817,813
Balance at 1 January 2024	2,000,000	688,113	683,523	-	-	138,522	(66,029)	499,224	3,943,353
Profit for the period	-	-	-	-	-	-	-	61,089	61,089
Other comprehensive loss for the period	-	-	-	(2,503)	-	(349)	(35,765)	-	(38,617)
Total comprehensive (loss)/ income for the period	-	-	-	(2,503)	-	(349)	(35,765)	61,089	22,472
Issue of bonus shares (Note 16)	-	-	-	-	-	-	-	-	-
Dividends paid to equity holders (Note 16)	-	-	-	-	-	-	-	-	-
Zakat paid	-	-	-	-	-	-	-	-	-
Balance at 30 June 2024	2,000,000	688,113	683,523	(2,503)	-	138,173	(101,794)	560,313	3,965,825

The notes on pages 6 to 28 are an integral part of the condensed interim financial information.

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

Arab Bank for Investment and Foreign Trade PJSC

Condensed interim statement of cash flows

For the six-month period ended 30 June 2024 (Unaudited)

		For the six-month period ended 30 June (Unaudited)	
	Note	2024 AED'000	2023 AED'000
Operating activities			
Profit before taxation for the period		67,094	97,038
<i>Adjustments for:</i>			
Depreciation	24	18,271	16,443
Net impairment charge on financial assets	25	198,394	174,397
Amortisation of premium on bonds		10,315	10,895
Change in fair value of investments at FVTPL		(16,599)	(893)
Gain on sale of investments at FVOCI		-	(290)
Gain on sale of investment properties		-	(1,926)
Gain on sale of property and equipment		(5,177)	-
Lease interest		269	520
Provision for employees' end of service benefits		2,812	5,417
Operating cash flows before changes in operating assets and liabilities and payment of employees' end of service benefits		275,379	301,601
Payment of employees' end of service benefits		(2,283)	(10,704)
<i>Changes in:</i>			
Loans and advances	9	528,992	396,293
Other assets	11	(65,952)	(31,175)
Acceptances – Assets		143,960	(316,317)
Acceptances – Liabilities		(143,960)	316,317
Customers' deposits	13	47,616	108,164
Due from banks		-	202,015
Due to banks	14	(351,961)	977,273
Other liabilities	15	266,370	(635)
Cash reserve with Central Bank of the UAE	7	(25,641)	(298,713)
Net cash inflow from operating activities		672,520	1,644,119
Investing activities			
Purchases of intangible assets	12.1	(2,422)	(13,523)
Purchases of property and equipment	12.2	(6,267)	(1,177)
Proceeds from sale of investment properties	10	-	119,411
Proceeds from sale of property and equipment		25,586	-
Proceeds from sale/redemption of investments at FVOCI		679,002	128,555
Proceeds from redemption of investments at amortised cost		185,283	260,344
Proceeds from sale of investments at FVTPL		-	17,577
Purchases of investments at FVOCI		(2,472,752)	(778,975)
Purchases of investments at FVTPL		(253,437)	(171,551)
Net cash outflow from investing activities		(1,845,007)	(439,339)
Financing activities			
Payment of lease liabilities		(2,012)	(1,356)
Payment of cash dividends		-	(60,000)
Payment of Zakat		-	(442)
Net cash outflow from financing activities		(2,012)	(61,798)
Net (decrease)/ increase in cash and cash equivalents		(1,174,499)	1,142,982
Cash and cash equivalents at 1 January	17	2,930,077	2,710,516
Cash and cash equivalents at 30 June	17	1,755,578	3,853,498

The notes on pages 6 to 28 are an integral part of the condensed interim financial information.

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

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (unaudited)

1 Legal status and principal activities

Arab Bank for Investment and Foreign Trade PJSC (the "Bank") was incorporated in the Emirate of Abu Dhabi by Union Decree No. 50 of 1976. It is registered as a Public Joint Stock Company in accordance with Federal Decree Law No. 32 of 2021 ("Companies Law"), which was issued and came into effect on 2 January 2022 and repealed the UAE Federal Law No. 2 of 2015. The address of the Bank's registered office is P.O. Box 46733 Abu Dhabi, United Arab Emirates.

The Bank is engaged in commercial and retail banking activities and carries out its operations solely in the United Arab Emirates through its five branches (31 December 2023: five branches).

The Bank's Islamic banking activities are conducted in accordance with Islamic Sharia'a laws issued by the Sharia'a Supervisory Board of the Bank.

The financial statements of the Bank as at and for the six month period ended 30 June 2024 and for the year ended 31 December 2023 are available upon request from the Bank's registered address at P. O. Box 46733, Abu Dhabi, United Arab Emirates.

2 Material accounting policy information

2.1 Basis of preparation

The condensed interim financial information has been prepared on a going concern basis and in accordance with IAS 34 "Interim Financial Reporting" and the requirements of the applicable laws in the UAE. They do not include all of the information required for full annual financial statements as required under IFRS Accounting Standards. This condensed interim financial information should be read in conjunction with the financial statements of the Bank as at and for the year ended 31 December 2023 which were prepared in accordance with IFRS Accounting Standards. The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period.

This condensed interim financial information is presented in United Arab Emirates Dirhams ("AED") which is the functional currency of the Bank, rounded to the nearest thousand.

The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (unaudited) (continued)

2 Material accounting policy information (continued)

Changes in accounting policies

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2023, except for the adoption of the new applicable standards and amendments to the published standards effective as of 1 January 2024.

New and revised IFRS Accounting Standards adopted in the condensed interim financial information

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

Amendments Effective from

- Amendments to IFRS 16 – Lease liability in a sale and leaseback 1 January 2024
- Amendment to IAS 1 – Non-current liabilities with covenants 1 January 2024
- Amendment to IAS 7 and IFRS 7 – Supplier finance arrangements 1 January 2024
- New IFRS sustainability disclosure standards effective after 1 January 2024
 - (a) IFRS S1, 'General requirements for disclosure of sustainability-related financial information
 - (b) IFRS S2, 'Climate-related disclosures'.

Standards, amendments and interpretations issued but not yet effective and not early adopted

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 Bank has not early adopted them in preparing this condensed interim financial information. The Bank is constantly assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these, if applicable, when they become effective.

The following amendments are effective for the period beginning 1 January 2025:

- Amendments to IAS 21 – Lack of Exchangeability 1 January 2025

3 Judgments and estimates

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

In preparing this condensed interim financial information, the significant judgments made by management in applying the Bank's accounting policies and the key sources of estimate uncertainty were the same as those described in the audited financial statements as at and for the year ended 31 December 2023.

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

4 Financial risk management

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2023.

Exposure to credit risk

The Bank 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 amounts of financial assets represent the maximum credit exposure.

Credit quality analysis

The following table sets out information about the credit quality of financial assets as at 30 June 2024 and 31 December 2023. 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.

	30 June 2024 (Unaudited) (AED'000)				31 December 2023 (Audited) (AED'000)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Due from banks								
Low-fair risk	510,028	-	-	510,028	1,319,675	-	-	1,319,675
Total gross carrying amount	510,028	-	-	510,028	1,319,675	-	-	1,319,675
Loss allowance	(1,399)	-	-	(1,399)	(1,877)	-	-	(1,877)
Carrying amount	508,629	-	-	508,629	1,317,798	-	-	1,317,798

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

4 Financial risk management (continued)

Credit quality analysis (continued)

	30 June 2024 (Unaudited) (AED'000)				31 December 2023 (Audited) (AED'000)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Debt Securities – Amortised cost								
Low-fair risk	216,376	-	-	216,376	405,414	-	-	405,414
Total gross carrying amount	216,376	-	-	216,376	405,414	-	-	405,414
Loss allowance	(3)	-	-	(3)	(38)	-	-	(38)
Carrying amount	216,373	-	-	216,373	405,376	-	-	405,376



Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

4 Financial risk management (continued)

Capital management

The Bank's regulatory capital positions on 30 June 2024 and 31 December 2023 were as follows:

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Tier 1 capital		
Share capital	2,000,000	2,000,000
Statutory reserve	688,113	688,113
Special reserve	683,523	683,523
Fair value reserve	(101,794)	(66,029)
Retained earnings	560,313	499,224
IFRS transitional arrangement: partial addback of ECL	4,175	59,353
Other deductions	(47,897)	(52,724)
Eligible Tier 1 capital (a)	<u>3,786,433</u>	<u>3,811,460</u>
Tier 2 capital		
Eligible general provisions	<u>229,404</u>	213,399
Eligible Tier 2 capital (b)	<u>229,404</u>	213,399
Total capital base (a+b)	<u>4,015,837</u>	<u>4,024,859</u>
<i>Risk weighted assets:</i>		
Credit risk	18,352,316	17,071,887
Market risk	26,234	31,743
Operational risk	1,500,101	1,500,101
Total risk weighted assets	<u>19,878,651</u>	<u>18,603,731</u>
CET 1 ratio	19.0%	20.5%
Tier 1 ratio	19.0%	20.5%
Capital adequacy ratio	<u>20.2%</u>	<u>21.6%</u>

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (unaudited) (continued)

4 Financial risk management (continued)

Forward Looking Information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Bank formulates three economic scenarios: a base case, which is the median scenario assigned a 40% probability of occurring (31 December 2023: 40%), and two less likely scenarios, one upside and one downside, each assigned a 30% probability of occurring (31 December 2023: 30%). The same information is used by the Bank for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities, and the International Monetary Fund, and selected private-sector and academic forecasters. Periodically, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. The Bank has applied the following macro economic variables for the corporate portfolio in conditional IFRS 9 analysis with forecast scenarios: equity (ADX Equity Index) and oil price. Had the weightage to the adverse scenario been increased by another 10% with a corresponding decrease of 10% in upside scenario, the impairment loss allowance would increase by AED 11 million at 30 June 2024.

5 Segmental analysis

The Bank operates in one geographical area, the United Arab Emirates, and its results arise largely from commercial and retail banking activities.

6 Valuation of financial instruments and other assets

Fair value hierarchy

Recurring and non-recurring fair value measurements

The Bank measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

6 Valuation of financial instruments and other assets (continued)

Fair value hierarchy (continued)

Recurring and non-recurring fair value measurements (continued)

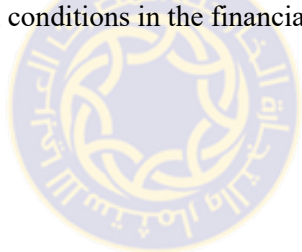
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

All financial assets and liabilities are measured at amortised cost except for financial assets at fair value through profit or loss and investments at FVOCI and other non-financial assets which are measured at fair value by reference to published price quotations in an active market or from prices quoted by counterparties or through use of valuation techniques.

Fair values of assets and liabilities that are traded in active markets are based on quoted market prices or dealer priced quotations. For all other assets and liabilities the Bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument and other assets at the reporting date that would have been determined by market participants acting at arm's length.

Observable prices and model inputs are usually available in the market for listed equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.



Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

6 Valuation of financial instruments and other assets (continued)

Fair value hierarchy (continued)

Recurring and non-recurring fair value measurements (continued)

The table below analyses recurring and non-recurring fair value measurement of assets at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 30 June 2024 (Unaudited)				
Investments at FVOCI	4,823,806	-	4,670	4,828,476
Investments at FVTPL	-	625,674	-	625,674
Investment properties (Note 10)	-	-	162,508	162,508
Property and equipment (Note 12)	-	-	171,130	171,130
Asset held for sale	-	-	12,042	12,042
	<u>4,823,806</u>	<u>625,674</u>	<u>350,350</u>	<u>5,799,830</u>
At 31 December 2023 (Audited)				
Investments at FVOCI	3,070,602	-	4,675	3,075,277
Investment at FVTPL	-	355,638	-	355,638
Investment properties (Note 10)	-	-	167,839	167,839
Property and equipment (Note 12)	-	-	192,002	192,002
Asset held for sale	-	-	12,042	12,042
	<u>3,070,602</u>	<u>355,638</u>	<u>376,558</u>	<u>3,802,798</u>

There have been no transfers of assets between Level 1 and Level 2 or any transfers into or out of Level 3 of the fair value hierarchy during the six-month period ended 30 June 2024 (Year ended 31 December 2023: Nil).

Although the Bank believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair values.

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

7 Cash and balances with the Central Bank of the UAE

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Cash in hand	103,585	115,224
Balances with the Central Bank of the UAE	1,141,966	1,495,178
Cash reserve with Central Bank of the UAE	947,246	921,605
Gross balance	<u>2,192,797</u>	<u>2,532,007</u>
Allowance for expected credit losses	<u>(6)</u>	<u>(6)</u>
	<u>2,192,791</u>	<u>2,532,001</u>

Cash reserve deposits are available for the Bank's day-to-day operations under certain specified conditions.

The movement in the allowance for expected credit losses during the period is shown below:

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Opening balance	6	1
Impairment charge for the period/year, net (Note 25)	-	5
	<u>6</u>	<u>6</u>

8 Due from banks

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Current, call and nostro balances	160,880	212,234
Fixed deposits	349,148	1,107,441
Gross balance	<u>510,028</u>	<u>1,319,675</u>
Allowance for expected credit losses	<u>(1,399)</u>	<u>(1,877)</u>
Net balance	<u>508,629</u>	<u>1,317,798</u>

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

8 Due from banks (continued)

The movement in the allowance for impairment during the period is shown below:

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Opening balance	1,877	1,405
Impairment (release) / charge for the period/year, net (Note 25)	(478)	472
	<u>1,399</u>	<u>1,877</u>

9 Loans and advances

Loans and advances are stated net of provision for expected credit losses.

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Loans and advances	13,640,847	14,114,418
Islamic financing	1,678,120	1,948,053
Gross loans and Islamic financing	<u>15,318,967</u>	<u>16,062,471</u>
Deferred profit	(24,168)	(31,846)
Interest suspended	(679,790)	(615,257)
Allowance for expected credit losses	(2,452,293)	(2,514,780)
Net loans and advances	<u>12,162,716</u>	<u>12,900,588</u>

An analysis of gross loans and advances by segment at the reporting date is shown below:

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Corporate segment	14,632,065	15,347,295
Consumer segment	686,902	715,176
Gross loans and Islamic financing	<u>15,318,967</u>	<u>16,062,471</u>

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

9 Loans and advances (continued)

The movements in the allowance for expected credit losses on loans and advances during the six-month period ended 30 June 2024 were as follows:

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Opening balance	2,514,780	2,703,840
Net charge during the period / year	207,701	360,564
Net amounts written off	(270,188)	(549,624)
	<u>2,452,293</u>	<u>2,514,780</u>

10 Investment properties

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Freehold land and building	251,699	257,030
Less: Allowance for impairment	(89,191)	(89,191)
	<u>162,508</u>	<u>167,839</u>

Towards the end of 2023, the Bank carried out an evaluation exercise of the investment properties through qualified, independent external valuers, the valuation methodologies used by the external valuers include:

- Direct Comparable method: This method seeks to determine the value of the property from transactions and asking prices of comparable properties within the same and comparable communities applying adjustments to reflect differences to the subject property.
- Investment method (Income Capitalization & DCF): The income capitalization method has been used to assess the value of the property by capitalising the net operating income of the property at an appropriate yield after allowing for appropriate maintenance and vacancies. A net yield range of 6% to 8.5% (2023: 6% to 8.5%) has been applied which reflects what an investor would expect for an investment of the duration of the interest being valued for the respective properties.

A further independent valuation has not been performed as of 30 June 2024 and management believes that the fair value on the reporting date is not materially different from carrying value.

The Bank has not disposed of any investment properties during the six-month period ended 30 June 2024 (30 June 2023: AED 119.4 million).

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

11 Other assets

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Interest receivable	252,855	214,670
Sundry debtors and other assets	40,851	13,083
	<u>293,706</u>	<u>227,753</u>

12.1 Intangible assets

During the six-month period ended 30 June 2024, the Bank acquired intangibles assets with a cost of AED 2.4 million (30 June 2023: AED 13.5 million). The amortisation charged during the six-month period ended 30 June 2024 is AED 7.2 million (30 June 2023: AED 6.5 million).

12.2 Property and equipment

During the six-month period ended 30 June 2024, the Bank acquired assets with a cost of AED 6.3 million (30 June 2023: AED AED 1.2 million). The depreciation charged during the six-month period ended 30 June 2024 is AED 5.7 million (30 June 2023: AED 4.6 million).



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Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

13 Customers' deposits

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
<i>By type:</i>		
Time deposits	6,951,634	4,927,417
Call accounts	882,631	848,295
Current accounts	4,539,419	4,533,598
Savings accounts	736,379	1,733,631
	<u>13,110,063</u>	<u>12,042,941</u>
<i>Islamic deposits</i>		
<i>By type:</i>		
Current accounts	652,526	615,972
Mudaraba term and savings deposits	7,853	12,984
Wakala deposits	1,027,193	2,078,122
	<u>1,687,572</u>	<u>2,707,078</u>
Total deposits	<u>14,797,635</u>	<u>14,750,019</u>
<i>By sector:</i>		
Private sector	8,622,813	8,334,470
Government sector	4,407,126	4,777,412
Individuals	1,767,696	1,638,137
	<u>14,797,635</u>	<u>14,750,019</u>

14 Due to banks

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Current, call and vostro balances	152,162	219,415
Fixed deposits	1,538,424	1,823,132
	<u>1,690,586</u>	<u>2,042,547</u>
<i>By location:</i>		
Within the UAE	557,633	842,441
Outside the UAE	1,132,953	1,200,106
	<u>1,690,586</u>	<u>2,042,547</u>

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

15 Other liabilities

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Allowance for ECL on contingent assets	265,801	274,001
Interest payable	118,483	84,254
Provision for employees' end of service benefits	19,198	18,668
Negative fair value of derivatives	2,503	-
Others	412,161	175,757
	<u>818,146</u>	<u>552,680</u>

16 Capital and reserves

a) Share capital

The authorised, issued and paid-up share capital as at 30 June 2024 is comprised of 100,000 ordinary shares of AED 20,000 each (31 December 2023: 100,000 ordinary shares of AED 20,000 each).

b) Statutory reserve

As required by Article 241 of the UAE Federal Decree Law No (32) of 2021 on Commercial Companies, and the Bank's Articles of Association, 10% of the net profit for each year is transferred to a statutory reserve until this reserve equals 50% of the share capital. The statutory reserve is not available for distribution. Transfers to the statutory reserve are made at year-end, if at all.

c) Special reserve

In accordance with UAE Federal Law No. (14) of 2018 Regarding the Central Bank & Organisation of Financial Institutions and Activities, 10% of the net profit for each year is transferred to a special reserve until this reserve equals 50% of the share capital. Transfers to the special reserve are made at year-end, if at all.

d) General reserve

The general reserve has been established to enhance the equity base of the Bank. Transfers to the general reserve are made upon the recommendation of the Board of Directors. This reserve may only be used for the purposes recommended by the Board of Directors and approved by the Shareholders.

e) Revaluation reserve

The revaluation reserve includes cumulative gains on revaluation of freehold land and buildings, amounting to AED 138.2 million (31 December 2023: AED 138.5 million).

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

16 Capital and reserves (continued)

f) Fair value reserve

The fair value reserve includes the cumulative net change in the FVOCI investments, until the investments are derecognised or impaired.

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Fair value reserve – Investments designated at FVOCI		
At 1 January	(66,029)	(112,136)
Fair value changes – net	(35,765)	46,107
	<u>(101,794)</u>	<u>(66,029)</u>

g) Dividends

For the year ended 31 December 2023, the Board of Directors has proposed to pay a cash dividend of AED nil per ordinary share (2022: AED 800 per ordinary share). This has been approved by the shareholders in the Annual General Meeting held on 18 April 2024.

17 Cash and cash equivalents

Cash and cash equivalents included in this condensed interim statement of cash flows comprise of the following balances maturing within six months of the date of the acquisition / placement.

	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Cash and balances with the Central Bank of the UAE	2,192,797	2,606,845
Due from banks	510,028	1,983,616
	<u>2,702,825</u>	<u>4,590,461</u>
Less: cash reserve with Central Bank of the UAE	(947,246)	(736,963)
Cash and cash equivalents	<u>1,755,579</u>	<u>3,853,498</u>

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (unaudited) (continued)

18 Interest income

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Loans and advances to customers	383,477	394,573	181,765	204,648
Investment securities	108,378	55,884	56,630	30,866
Due to banks	57,344	66,704	27,810	38,502
	549,199	517,161	266,205	274,016

19 Interest expense

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Customers' deposits	182,295	160,903	92,366	85,715
Due to banks	48,630	44,037	24,846	25,745
	230,925	204,940	117,212	111,460

20 Income from Islamic financing contracts

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Ijarah	36,427	38,924	17,627	19,174
Murabaha	21,800	16,106	9,412	7,078
	58,227	55,030	27,039	26,252

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

21 Depositors' share of profits

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Wakala	40,844	27,524	17,434	15,032
Mudaraba	73	28	73	28
	<u>40,917</u>	<u>27,552</u>	<u>17,507</u>	<u>15,060</u>

22 Net fee and commission income

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Fee and commission income				
Letters of credit	21,051	26,273	11,205	13,258
Letters of guarantee	9,601	8,845	4,630	4,452
Retail and corporate lending fees	4,701	9,706	2,432	5,862
Transfers and other fees	5,476	6,846	2,696	3,530
Others	12,455	13,332	5,694	6,109
Total fee and commission income	<u>53,284</u>	<u>65,002</u>	<u>26,657</u>	<u>33,211</u>
Fee and commission expense				
Brokerage commission	(525)	(2,842)	(211)	(1,882)
Handling charges	(728)	(615)	(353)	(233)
Other commission	(6,514)	(5,016)	(3,194)	(2,959)
Total fee and commission expense	<u>(7,767)</u>	<u>(8,473)</u>	<u>(3,758)</u>	<u>(5,074)</u>
Net fee and commission income	<u>45,517</u>	<u>56,529</u>	<u>22,899</u>	<u>28,137</u>

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

23 Other operating income

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Rental income, net	5,686	6,877	2,560	3,094
Others	5,177	1,946	5,166	1,530
	10,863	8,823	7,726	4,624

24 General, administrative and other operating expenses

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Staff costs	99,634	101,763	49,466	52,017
Depreciation	18,271	16,443	9,183	8,613
Board of Directors' expenses	8,455	8,391	4,218	4,229
Others	29,952	30,321	17,093	12,132
	156,312	156,918	79,960	76,991



Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

25 Net impairment charge on financial assets

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Net impairment charge on loans and advances	207,701	136,666	86,810	52,564
Net impairment (reversal) / charge on unfunded exposures	(8,199)	35,035	11,582	31,439
Net impairment (reversal) / charge on due from banks	(478)	(64)	159	(2,427)
Net impairment charge / (reversal) on balances with the Central Bank of UAE	-	3	-	(787)
Net impairment (reversal) / charge on investment securities	(1,808)	384	427	5,114
Write-off of impaired financial assets	1,988	4,238	-	2,223
Recovery of loans previously written - off	(810)	(1,865)	(20)	(1,152)
	198,394	174,397	98,958	86,974

26 Commitments and contingent liabilities

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

	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Letters of credit	1,574,449	1,610,164
Letters of guarantee	2,912,830	2,990,986
	4,487,279	4,601,150
Un-drawn commitments to extend credit	6,677,068	5,105,853
Commitment for future capital expenditure	20,931	13,726
	6,697,999	5,119,579
Total commitments and contingencies	11,185,278	9,720,729

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

27 Related party

Identity of related parties

The 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 and operational decisions. The Bank's shareholding pattern is as follows:

	Shareholding percentage %	
	2024	2023
Emirates Investment Authority	42.28	42.28
Libyan Foreign Bank	42.28	42.28
Banque Exteriure d'Algerie	15.44	15.44

In the normal course of business, the Bank enters into various transactions with its related parties. Banking transactions are entered into with related parties on terms and conditions approved by either the Bank's management or the Board of Directors. The volume of related party transactions, outstanding balances and related expenses and income for the period were as follows:

Balances:	Key management personnel		Others	
	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Audited) 31 December 2023 AED'000
Loans and advances	2,156	5,884	1,425,466	385,759
Due from banks	-	-	16,378	19,241
Deposits	26,518	25,204	3,526,845	4,500,437
Due to Banks	-	-	849,551	915,762
Commitments and contingencies	-	-	597,364	1,005,194
Transactions:	Key management personnel		Others	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Board of Directors' remuneration	8,455	8,391	-	-
Salaries and benefits	5,900	7,876	-	-
Post-employment benefits	654	988	-	-
Interest income	111	442	50,886	10,223
Interest expense	289	180	99,078	82,582
Dividends paid	-	-	-	60,000
Fee and commission	8	-	3,842	2,705

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

27 Related party transactions (continued)

Included within others above are balances and transactions with the Bank's shareholders and parties related to them.

Loans and advances issued to related parties bear interest rates ranging between 4% and 17% (30 June 2023: 4% and 11%). There were no loans and advances to related parties that were classified as stage 3 as of 30 June 2024 (31 December 2023: Nil).

Due to banks from other related parties include term deposits under lien amounting to AED 845 million (31 December 2023: AED 845 million).

The Bank has received a corporate guarantee from a related party as a collateral for loans and advances amounting to AED 1,073 million (31 December 2023: AED 1,039 million).

28 Basic and diluted earnings per share

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000	(Unaudited) 30 June 2024 AED'000	(Unaudited) 30 June 2023 AED'000
Profit for the period	61,089	97,038	17,626	54,517
Weighted average number of ordinary shares	100,000	100,000	100,00	100,000
Earnings per share (AED)	0.61	0.97	0.18	0.55

There were no potentially dilutive securities as at 30 June 2024 or 30 June 2023, and accordingly, diluted earnings per share are the same as basic earnings per share.

29 Fiduciary activities

The Bank holds assets in a fiduciary capacity for its customers without recourse. At 30 June 2024, the market value of such assets amounted to AED 305.6 million (31 December 2023: AED 312.3 million) and are excluded from this condensed interim financial information of the Bank.

Arab Bank for Investment and Foreign Trade PJSC

Notes to the condensed interim financial information for the six-month period ended 30 June 2024 (Unaudited) (continued)

30 Implementation of corporate tax law & application of IAS 12 income taxes

On 9 December 2022, UAE Federal Decree Law No. 47 of 2022 was published setting in place a general corporate income tax for the first time. The taxable income threshold, of upto AED 375,000 will be taxed at 0% and beyond AED 375,000 will be taxed at 9%, will apply as clarified via Cabinet Decision No. 116 of 2022 published on 16 January 2023; and at this point the tax law was considered enacted and substantively enacted for accounting purposes. The UAE Tax Law has confirmed the application of the Corporate Tax ('CT') to tax periods commencing on or after 1 June 2023. Therefore, the Bank's effective date of applying the CT regime is the current financial year commencing from 1 January 2024. The Bank has considered the timelines of Corporate Tax registration in accordance with the FTA decision No. 3 of 2024 and has started its registration process. Current taxes are now payable for the year starting 1 January 2024 potentially leading to a corresponding impact on deferred tax liabilities and assets; where the carrying amount differs from the tax base.

Whilst a number of Tax Guides have been issued by the Federal Tax Authority to help taxable persons understand the provisions of the CT law, it is expected that further guides would be issued in the coming periods to provide further clarity on the application and interpretation of the UAE Tax Law. This will be monitored closely by the management to assess any relevant impact on the Bank's tax position.

Based on the review and assessment, the current tax impact has been calculated considering the potential adjustments which has resulted in an effective tax rate of 9%.

The following table provides an analysis of the Bank's tax expense related to current tax:

	For the six-month period ended 30 June
	(Unaudited) 2024 AED'000
Current tax on profit for the period	67,094
Tax expense	6,005

31 Subsequent events

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