

Condensed consolidated interim financial statements

30 June 2015



بنك أبوظبي الوطني
NBAD

Condensed consolidated interim financial statements

<i>Contents</i>	<i>Page</i>
Independent auditor's report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 - 23



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Independent auditor's report on review of condensed consolidated interim financial information

The Shareholders
National Bank of Abu Dhabi PJSC

Introduction

We have reviewed the accompanying 30 June 2015 condensed consolidated interim financial information of the National Bank of Abu Dhabi PJSC ("the Bank"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2015;
- the condensed consolidated interim statement of profit or loss for the three-month and six-month period ended 30 June 2015;
- the condensed consolidated interim statement of comprehensive income for three-month and six-month period ended 30 June 2015;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2015;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2015; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. 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 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 30 June 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG

KPMG Lower Gulf Limited
Austin Alan Henry Rudman
Registration No. 844

29 July 2015

Condensed consolidated interim statement of financial position

As at

	Note	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
Assets			
Cash and balances with central banks	7	61,913,425	55,452,341
Investments at fair value through profit or loss		13,089,228	15,425,662
Due from banks and financial institutions		10,083,805	11,134,262
Reverse repurchase agreements		12,336,524	15,844,377
Derivative financial instruments		8,072,955	7,422,828
Loans and advances	8	217,852,287	194,279,352
Non-trading investments	9	57,792,329	67,493,122
Other assets		8,694,906	6,370,981
Investment properties	10	176,903	177,533
Property and equipment		2,593,405	2,498,254
Total assets		392,605,767	376,098,712
Liabilities			
Due to banks and financial institutions	11	47,495,623	36,679,504
Repurchase agreements		25,716,072	13,875,917
Euro commercial paper	12	7,226,926	5,484,176
Derivative financial instruments		10,786,616	10,953,124
Customers' deposits	13	230,121,261	243,184,652
Term borrowings	14	15,633,307	14,998,716
Other liabilities		12,677,849	11,442,600
		349,657,654	336,618,689
Subordinated notes	15	1,348,469	1,516,641
Total liabilities		351,006,123	338,135,330
Equity			
Share capital	16	5,198,415	4,723,172
Share premium		263,846	245,473
Statutory and special reserves		4,736,112	4,736,112
Other reserves		19,248,595	17,387,121
Tier 1 capital notes	17	6,754,750	4,000,000
Share option scheme	18	171,923	151,427
Convertible notes - equity component		108,265	108,265
Retained earnings		5,117,738	6,611,812
Total equity		41,599,644	37,963,382
Total liabilities and equity		392,605,767	376,098,712

Dr. Al Taher Al Kindi Al Marar
Deputy Chairman

Alex Thursby
Group Chief Executive

James Burdett
Group Chief Financial Officer

The notes 1 to 25 are an integral part of these condensed consolidated interim financial statements.

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

Condensed consolidated interim statement of profit or loss

For the period ended (Unaudited)

	Note	Six Month Period Ended		Three Month Period Ended	
		30 Jun '2015 AED'000	30 Jun '2014 AED'000	30 Jun '2015 AED'000	30 Jun '2014 AED'000
Interest income		4,422,625	4,136,209	2,229,785	2,151,262
Interest expense		(964,671)	(959,392)	(475,853)	(479,001)
Net interest income		3,457,954	3,176,817	1,753,932	1,672,261
Income from Islamic financing contracts		183,156	157,449	91,511	81,004
Depositors' share of profits		(11,769)	(6,670)	(5,478)	(4,073)
Net income from Islamic financing contracts		171,387	150,779	86,033	76,931
Net interest and Islamic financing income		3,629,341	3,327,596	1,839,965	1,749,192
Fee and commission income		1,487,301	1,442,925	766,962	761,399
Fee and commission expense		(409,949)	(314,493)	(206,891)	(164,972)
Net fee and commission income		1,077,352	1,128,432	560,071	596,427
Net foreign exchange gain		312,487	204,846	99,847	112,151
Net gain on investments and derivatives		321,735	328,322	182,890	100,550
Other operating income		61,003	99,325	35,429	21,243
		695,225	632,493	318,166	233,944
Operating income		5,401,918	5,088,521	2,718,202	2,579,563
General administration and other operating expenses		(2,026,245)	(1,655,973)	(1,012,295)	(867,058)
Profit before net impairment charge and taxation		3,375,673	3,432,548	1,705,907	1,712,505
Net impairment charge	21	(336,395)	(465,371)	(166,234)	(214,686)
Profit before taxation		3,039,278	2,967,177	1,539,673	1,497,819
Overseas income tax expense		(169,894)	(130,044)	(93,441)	(70,254)
Net profit for the period		2,869,384	2,837,133	1,446,232	1,427,565
Basic earnings per share (AED)	22	0.54	0.52	0.28	0.28
Diluted earnings per share (AED)	22	0.53	0.52	0.27	0.27

The notes 1 to 25 are an integral part of these condensed consolidated interim financial statements.

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Condensed consolidated interim statement of comprehensive income
For the period ended (Unaudited)

		Six Month Period Ended		Three Month Period Ended	
	Note	30 Jun '2015 AED'000	30 Jun '2014 AED'000	30 Jun '2015 AED'000	30 Jun '2014 AED'000
Net profit for the period		2,869,384	2,837,133	1,446,232	1,427,565
Other comprehensive income					
<u>Items that are or may subsequently be reclassified to condensed consolidated interim statement of profit or loss</u>					
Exchange difference on translation of foreign operations		(8,026)	18,559	6,059	5,036
Net change in the fair value reserve during the period	19	(49,210)	183,891	(161,758)	(98,664)
<u>Items that will not subsequently be reclassified to condensed consolidated interim statement of profit or loss</u>					
Re-measurement of defined benefit obligations		(54)	-	(393)	-
Other comprehensive income for the period		(57,290)	202,450	(156,092)	(93,628)
Total comprehensive income for the period		2,812,094	3,039,583	1,290,140	1,333,937

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Condensed consolidated interim statement of changes in equity

For the six month period ended (Unaudited)

	Share capital AED'000	Share Premium AED'000	Statutory reserve AED'000	Special reserve AED'000	General reserve AED'000	Tier 1 capital notes AED'000	Share option scheme AED'000	Fair value reserve AED'000	Foreign currency translation reserve AED'000	Convertible notes - equity component AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2014	4,280,470	143,608	2,152,778	2,152,778	15,202,544	4,000,000	107,682	823,053	(89,413)	108,265	5,789,626	34,671,391
Total comprehensive income for the period	-	-	-	-	-	-	-	183,891	18,559	-	2,837,133	3,039,583
Transactions with owners of the Group												
Zakat	-	-	-	-	-	-	-	-	-	-	(7,665)	(7,665)
Share options exercised (note 18)	12,951	91,184	-	-	-	-	-	-	-	-	-	104,135
Treasury shares adjustment (note 18)	(2,344)	-	-	-	2,344	-	-	-	-	-	-	-
Bonus shares issued (note 16)	430,556	-	-	-	(430,556)	-	-	-	-	-	-	-
Dividends for 2013 (note 16)	-	-	-	-	-	-	-	-	-	-	(1,712,848)	(1,712,848)
Transfer to general reserve (note 16)	-	-	-	-	2,400,000	-	-	-	-	-	(2,400,000)	-
Options granted to staff	-	-	-	-	-	-	30,213	-	-	-	-	30,213
Payment on Tier 1 capital notes (note 17)	-	-	-	-	-	-	-	-	-	-	(120,000)	(120,000)
Balance at 30 June 2014	4,721,633	234,792	2,152,778	2,152,778	17,174,332	4,000,000	137,895	1,006,944	(70,854)	108,265	4,386,246	36,004,809
Balance at 1 January 2015	4,723,172	245,473	2,368,056	2,368,056	17,174,332	4,000,000	151,427	324,932	(112,143)	108,265	6,611,812	37,963,382
Total comprehensive income for the period	-	-	-	-	-	-	-	(49,210)	(8,026)	-	2,869,330	2,812,094
Transactions with owners of the Group												
Zakat	-	-	-	-	-	-	-	-	-	-	(9,221)	(9,221)
Share options exercised (note 18)	2,751	18,373	-	-	-	-	-	-	-	-	-	21,124
Treasury shares adjustment (note 18)	(1,119)	-	-	-	1,119	-	-	-	-	-	-	-
Bonus shares issued (note 16)	473,611	-	-	-	(473,611)	-	-	-	-	-	-	-
Dividends for 2014 (note 16)	-	-	-	-	-	-	-	-	-	-	(1,889,971)	(1,889,971)
Transfer to general reserve (note 16)	-	-	-	-	2,400,000	-	-	-	-	-	(2,400,000)	-
Options granted to staff	-	-	-	-	-	-	20,496	-	-	-	-	20,496
Issuance of Tier 1 capital notes (note 17)	-	-	-	-	-	2,754,750	-	-	-	-	-	2,754,750
Costs on issue of Tier 1 capital notes	-	-	-	-	(8,798)	-	-	-	-	-	-	(8,798)
Payment on Tier 1 capital notes (note 17)	-	-	-	-	-	-	-	-	-	-	(64,212)	(64,212)
Balance at 30 June 2015	5,198,415	263,846	2,368,056	2,368,056	19,093,042	6,754,750	171,923	275,722	(120,169)	108,265	5,117,738	41,599,644

The notes 1 to 25 are an integral part of these condensed consolidated interim financial statements.

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

Condensed consolidated interim statement of cash flows

For the six month period ended (Unaudited)

	30 Jun'2015 AED'000	30 Jun'2014 AED'000
Cash flows from operating activities		
Profit before taxation	3,039,278	2,967,177
Adjustments for:		
Depreciation	108,690	109,416
Accreted interest	28,907	20,107
Gain on sale of investment properties	-	(56,353)
Loss on buy back of subordinated notes	148	-
Net impairment charges	463,731	611,917
Foreign currency translation adjustment	(220,742)	156,223
Share option scheme	20,496	30,213
	<u>3,440,508</u>	<u>3,838,700</u>
Change in investments at fair value through profit or loss	2,336,434	(6,559,699)
Change in due from central banks, banks and financial institutions	2,514,270	(2,127,830)
Change in reverse repurchase agreements	3,507,853	(1,987,272)
Change in loans and advances	(24,045,107)	1,450,034
Change in other assets	(2,323,925)	(659,132)
Change in due to banks and financial institutions	10,816,119	(5,895,042)
Change in repurchase agreements	11,840,155	2,238,537
Change in customers' deposits	(13,066,844)	26,339,371
Change in derivative financial instruments	(816,455)	1,074,827
Change in other liabilities	1,191,910	1,268,541
	<u>(4,605,082)</u>	<u>18,981,035</u>
Overseas income tax paid, net of recoveries	(135,830)	(125,658)
Net cash (used in) / from operating activities	<u>(4,740,912)</u>	<u>18,855,377</u>
Cash flows from investing activities		
Net proceeds / (purchase) of non-trading investments	9,663,293	(20,082,829)
Proceeds from sale of investment properties	-	39,085
Purchase of property and equipment, net of disposals	(203,211)	(92,365)
Net cash from / (used in) investing activities	<u>9,460,082</u>	<u>(20,136,109)</u>
Cash flows from financing activities		
Proceeds from issue of shares under share option scheme	21,124	104,135
Net movement of euro commercial paper	1,742,750	(2,018,062)
Issue of term borrowings	4,054,486	1,330,441
Repayment of term borrowings	(3,279,464)	(1,469,200)
Net proceeds from issue of Tier 1 Capital Notes	2,745,952	-
Buy back of subordinated notes	(124,938)	-
Dividends paid	(1,889,971)	(1,712,848)
Payment on Tier 1 Capital Notes	(64,212)	(120,000)
Net cash from / (used in) financing activities	<u>3,205,727</u>	<u>(3,885,534)</u>
Net increase / (decrease) in cash and cash equivalents	<u>7,924,897</u>	<u>(5,166,266)</u>
Cash and cash equivalents at 1 January	54,126,926	36,486,123
Cash and cash equivalents at 30 June	<u>62,051,823</u>	<u>31,319,857</u>
Cash and cash equivalents comprise:		
Contractual maturity within three months:		
Cash and balances with central banks	58,196,898	21,822,730
Due from banks and financial institutions	3,854,925	9,497,127
	<u>62,051,823</u>	<u>31,319,857</u>

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Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

National Bank of Abu Dhabi PJSC (the “Bank”) was established in Abu Dhabi in 1968 with limited liability and is registered as a Public Joint Stock Company in accordance with the United Arab Emirates Federal Law No. 8 of 1984 (as amended) relating to Commercial Companies.

Its registered office address is P. O. Box 4, Abu Dhabi, United Arab Emirates. These condensed consolidated interim financial statements as at and for the period ended 30 June 2015 comprise the Bank and its subsidiaries (together referred to as the “Group”). The Group is primarily engaged in corporate, retail, private and investment banking activities, management services, Islamic banking activities; and carries out its operations through its local and overseas branches, subsidiaries and representative offices located in the United Arab Emirates, Bahrain, Egypt, France, Oman, Kuwait, Brazil, Cayman Islands, Sudan, Libya, the United Kingdom, Switzerland, Hong Kong, Jordan, Lebanon, Malaysia, China and the United States of America.

The Group’s Islamic banking activities are conducted in accordance with Islamic Sharia’a laws issued by the Sharia’a Supervisory Board.

The Bank is listed on the Abu Dhabi Securities Exchange (Ticker: NBAD).

The parent company of the Bank is the Abu Dhabi Investment Council, an entity owned by the Government of the Emirate of Abu Dhabi.

The consolidated financial statements of the Group as at and for the year ended 31 December 2014 are available upon request from the Bank’s registered office or at <http://www.nbad.ae>.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared on an ongoing basis in accordance with IAS 34 Interim Financial Reporting and the requirements of applicable laws in the UAE. They do not include all of the information required for full annual consolidated financial statements as required under IFRS. These condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 29 July 2015.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2014 except for the adoption of Annual Improvements to IFRSs Cycles (2010-2012 and 2011-2013) and amendments to IAS 19 Defined Benefit Plans: Employee Contributions. These annual improvements and amendments to standards have no significant impact on the Group’s condensed consolidated interim financial statements.

4 Use of estimates and judgements

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. 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. In preparing these condensed consolidated interim financial statements, 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 2014.

Notes to the condensed consolidated interim financial statements

5 Financial risk management

Credit risk

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.

	Due from banks and financial institutions		Loans and advances		Non-trading investments	
	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
Individually impaired						
Substandard	-	-	2,687,915	2,271,333	-	-
Doubtful	718	718	1,364,743	1,649,271	3,342	3,342
Loss	-	-	2,920,079	3,364,751	-	-
	<u>718</u>	<u>718</u>	<u>6,972,737</u>	<u>7,285,355</u>	<u>3,342</u>	<u>3,342</u>
Gross amount	718	718	6,972,737	7,285,355	3,342	3,342
Interest suspended	-	-	(1,128,228)	(1,124,889)	-	-
Specific allowance for impairment	(718)	(718)	(2,850,741)	(3,122,770)	-	-
	<u>-</u>	<u>-</u>	<u>2,993,768</u>	<u>3,037,696</u>	<u>3,342</u>	<u>3,342</u>
Carrying amount	-	-	2,993,768	3,037,696	3,342	3,342
Past due but not impaired						
<i>Past due comprises:</i>						
Less than 30 days	-	-	163,029	153,436	-	-
31 – 60 days	-	-	133,077	151,313	-	-
61 – 90 days	-	-	279,498	177,448	-	-
More than 90 days	-	-	1,366,110	1,161,766	-	-
	<u>-</u>	<u>-</u>	<u>1,941,714</u>	<u>1,643,963</u>	<u>-</u>	<u>-</u>
Carrying amount	-	-	1,941,714	1,643,963	-	-
Neither past due nor impaired	10,083,805	11,134,262	216,618,374	193,143,007	57,788,987	67,489,780
Collective allowance for impairment	-	-	(3,701,569)	(3,545,314)	-	-
	<u>-</u>	<u>-</u>	<u>(3,701,569)</u>	<u>(3,545,314)</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>10,083,805</u>	<u>11,134,262</u>	<u>217,852,287</u>	<u>194,279,352</u>	<u>57,792,329</u>	<u>67,493,122</u>

During the period, no material allowance for impairment has been recognised against any financial asset other than those mentioned above (31 December 2014: AED Nil).

The category of neither past due nor impaired includes renegotiated loans amounting to AED 1,682 million (31 December 2014: AED 1,302 million).

Notes to the condensed consolidated interim financial statements

5 Financial risk management (continued)

Credit risk (continued)

The concentration by counterparty for trading securities and non-trading investments are disclosed below:

	Investments at fair value through profit or loss		Non-trading investments	
	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
Government sector	1,262,564	1,377,415	18,469,750	26,255,217
Supranational	1,104,346	1,840,510	257,883	237,073
Public Sector	1,797,831	2,015,112	16,407,999	18,833,102
Banking sector	6,852,265	7,988,997	19,149,113	18,303,585
Corporate / private sector	2,072,222	2,203,628	3,507,584	3,864,145
	<u>13,089,228</u>	<u>15,425,662</u>	<u>57,792,329</u>	<u>67,493,122</u>

Classification of trading securities and non-trading investments as per their external ratings:

	Investments at fair value through profit or loss		Non-trading investments	
	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
AAA	163,024	43,645	5,951,999	16,882,953
AA to A	8,003,280	11,067,470	42,160,739	41,206,783
BBB to B	3,080,043	2,202,910	8,120,539	6,669,819
Unrated	1,842,881	2,111,637	1,559,052	2,733,567
	<u>13,089,228</u>	<u>15,425,662</u>	<u>57,792,329</u>	<u>67,493,122</u>

Non-trading investment includes investment in equity instruments which do not carry credit risk.

Notes to the condensed consolidated interim financial statements

6 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'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
As at 30 June 2015 (Unaudited)				
Financial assets held for trading	10,039,891	3,034,548	-	13,074,439
Designated at fair value through profit and loss	14,789	-	-	14,789
Available-for-sale financial assets	45,969,944	4,080,347	13,850	50,064,141
Derivative financial instruments (Assets)	19,482	8,053,473	-	8,072,955
Derivative financial instruments (Liabilities)	(15,806)	(10,770,810)	-	(10,786,616)
	<u>56,028,300</u>	<u>4,397,558</u>	<u>13,850</u>	<u>60,439,708</u>

As at 31 December 2014 (Audited)				
Financial assets held for trading	12,506,693	2,902,339	-	15,409,032
Designated at fair value through profit and loss	-	16,630	-	16,630
Available-for-sale financial assets	57,290,896	4,652,747	13,871	61,957,514
Derivative financial instruments (Assets)	1,785	7,421,043	-	7,422,828
Derivative financial instruments (Liabilities)	(6,520)	(10,946,604)	-	(10,953,124)
	<u>69,792,854</u>	<u>4,046,155</u>	<u>13,871</u>	<u>73,852,880</u>

Certain available-for-sale investment securities have been disclosed under Level 3 of the fair value hierarchy as management has recorded these at cost in the absence of observable market data. Management has deemed cost to be a close approximation of their fair value.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3:

	(Unaudited) 30 Jun'2015 AED'000
Available-for-sale financial assets	
Balance as at 1 January	13,871
Purchases	-
Settlements and other adjustments	(21)
Balance as at 30 June	<u>13,850</u>

Notes to the condensed consolidated interim financial statements

7 Cash and balances with central banks

Cash and balances with central banks include Certificates of Deposit with the Central Bank of UAE amounting to AED 3,000 million (31 December 2014: AED 3,500 million).

8 Loans and advances

	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
Gross loans and advances	225,532,825	202,072,325
Less: interest suspended	(1,128,228)	(1,124,889)
Less: allowance for impairment	(6,552,310)	(6,668,084)
Net loans and advances	<u>217,852,287</u>	<u>194,279,352</u>

	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
By counterparty:		
Government sector	22,778,192	23,435,215
Public sector	48,210,720	41,284,684
Banking sector	32,458,543	24,108,739
Corporate / private sector	87,509,631	81,019,004
Personal / retail sector	34,575,739	32,224,683
Gross loans and advances	<u>225,532,825</u>	<u>202,072,325</u>

	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
By product:		
Overdrafts	13,670,886	14,101,326
Term loans	124,948,559	117,015,766
Trade related loans	39,550,011	24,455,002
Real estate and mortgage loans	31,193,617	30,957,049
Personal loans	12,909,343	12,165,978
Credit cards	1,674,711	1,811,662
Vehicle financing loans	1,585,698	1,565,542
Gross loans and advances	<u>225,532,825</u>	<u>202,072,325</u>

Notes to the condensed consolidated interim financial statements

8 Loans and advances (continued)

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

	(Unaudited) Six month period ended 30 Jun '2015 AED'000	(Unaudited) Six month period ended 30 Jun '2014 AED'000	(Unaudited) Three month period ended 30 Jun '2015 AED'000	(Unaudited) Three month period ended 30 Jun '2014 AED'000
Beginning of the period	6,668,084	6,327,026	6,638,901	6,404,394
Charge for the period				
Collective provision	163,362	344,525	63,994	97,039
Specific provision	598,123	458,243	261,669	303,383
Recoveries	(97,202)	(144,158)	(53,186)	(91,529)
Write-backs during the period	(331,661)	(216,069)	(132,940)	(112,278)
Amounts written off	(448,396)	(202,905)	(226,128)	(34,347)
End of the period	6,552,310	6,566,662	6,552,310	6,566,662

Islamic financing

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

	(Unaudited) 30 Jun'2015 AED'000	(Audited) 31 Dec '2014 AED'000
Ijara	5,798,710	5,807,880
Murabaha	3,826,845	2,880,632
Mudaraba	10,946	3,984
Others	9,233	8,591
Total Islamic financing contracts	9,645,734	8,701,087
Less: allowance for impairment	(55,418)	(56,664)
Less: suspended profit	(714)	(720)
	9,589,602	8,643,703

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

	(Unaudited) Six month period ended 30 Jun '2015 AED'000	(Unaudited) Six month period ended 30 Jun '2014 AED'000	(Unaudited) Three month period ended 30 Jun '2015 AED'000	(Unaudited) Three month period ended 30 Jun '2014 AED'000
Beginning of the period	56,664	48,390	59,172	49,634
Collective provision	(6,535)	-	(6,535)	6,592
Specific provision	19,685	3,697	15,439	(4,158)
Write-backs and recoveries during the period	(12,428)	(1,009)	(10,858)	(785)
Amounts written off and other adjustments	(1,968)	(834)	(1,800)	(1,039)
End of the period	55,418	50,244	55,418	50,244

Notes to the condensed consolidated interim financial statements

9 Non-trading investments

	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
Available-for-sale investments	50,064,141	61,957,514
Held-to-maturity investments	7,728,188	5,535,608
	<u>57,792,329</u>	<u>67,493,122</u>

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

	(Unaudited) 30 June 2015 AED'000			(Audited) 31 December 2014 AED'000		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity investments	21,244	13,823	35,067	22,188	13,687	35,875
Debt investments	57,426,013	138,956	57,564,969	66,643,904	226,277	66,870,181
Funds	192,266	27	192,293	586,882	184	587,066
	<u>57,639,523</u>	<u>152,806</u>	<u>57,792,329</u>	<u>67,252,974</u>	<u>240,148</u>	<u>67,493,122</u>

Debt instruments under repurchase agreements included in non-trading investments at 30 June 2015 amounted to AED 18,636 million (31 December 2014: AED 10,126 million).

10 Investment properties

The Group has certain properties that are on operating leases. As at the reporting date, the carrying value of these investment properties reclassified from property and equipment amounts to AED 32 million (31 December 2014: AED 32 million).

11 Due to banks and financial institutions

Due to banks and financial institutions include balances due to central banks amounting to AED 19,444 million (31 December 2014: AED 13,385 million).

12 Euro commercial paper

The Bank established a USD 2,000,000 thousand Euro commercial paper programme (the "ECP Programme") for the issuance of Euro commercial paper under an agreement dated 13 September 2006 with Citibank, N.A.

These notes are denominated in various currencies and have maturity periods of less than 12 months.

Notes to the condensed consolidated interim financial statements

13 Customers' deposits

By account:

	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
Current accounts	59,222,407	56,575,565
Savings accounts	12,276,800	11,709,702
Margin accounts	1,464,109	1,088,714
Notice and time deposits	139,105,052	160,099,600
Certificates of deposit	18,052,893	13,711,071
	<u>230,121,261</u>	<u>243,184,652</u>

By counterparty:

	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
Government sector	32,089,175	69,576,013
Public sector	50,859,340	38,591,210
Corporate / private sector	78,452,496	72,003,241
Personal / retail sector	68,720,250	63,014,188
	<u>230,121,261</u>	<u>243,184,652</u>

Islamic customers' deposits

Included in the above customers' deposits are the following Islamic customer deposits:

	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
Wakala deposits	2,209,516	3,320,410
Mudaraba deposits	324,467	360,627
	<u>2,533,983</u>	<u>3,681,037</u>

Notes to the condensed consolidated interim financial statements

14 Term borrowings

During the period, the Bank has issued several notes. These notes mature from 2017 up to 2045. The following term notes are outstanding as at:

Currency	Interest	Maturity	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
USD	4.25 per cent Fixed Rate	Mar 2015	-	2,768,851
MYR	4.75 per cent Fixed Rate	Jun 2015	-	502,628
USD	3.25 per cent Fixed Rate	Mar 2017	2,782,976	2,778,700
USD*	3 Month LIBOR + 37bps	Jun 2017	183,636	-
HKD	3.40 per cent Fixed Rate	Sep 2017	152,106	151,281
USD	3.71 per cent Fixed Rate	Sep 2017	112,599	112,604
HKD	4.32 per cent Fixed Rate	Sep 2017	149,464	149,422
AUD	5.00 per cent Fixed Rate	Mar 2018	860,122	918,622
USD	1.00 per cent Fixed Rate	Mar 2018	1,753,371	1,728,180
AUD	4.75 per cent Fixed Rate	Mar 2019	1,166,609	1,248,555
USD	3.00 per cent Fixed Rate	Aug 2019	2,710,501	2,691,018
HKD	4.45 per cent Fixed Rate	Sep 2019	160,507	159,375
USD*	2.25 per cent Fixed Rate	Feb 2020	2,714,792	-
CNH*	4.79 per cent Fixed Rate	Mar 2020	123,632	-
EUR*	0.57 per cent Fixed Rate	Apr 2020	101,441	-
USD*	3 Month LIBOR + 68bps	Apr 2020	183,223	-
AUD*	3.37 per cent Fixed Rate	May 2020	83,908	-
MYR	4.90 per cent Fixed Rate	Dec 2020	477,246	492,505
HKD	3.95 per cent Fixed Rate	Apr 2022	158,200	156,233
HKD*	2.35 per cent Fixed Rate	May 2022	74,309	-
JPY	2.60 per cent Fixed Rate	Jul 2026	304,702	369,707
HKD	3.94 per cent Fixed Rate	Jul 2027	182,515	180,995
MXN	0.50 per cent Fixed Rate	Mar 2028	35,354	32,261
USD*	3.77 per cent Fixed Rate	Apr 2030	185,713	-
USD	4.37 per cent Fixed Rate	Aug 2032	270,514	279,248
USD	4.10 per cent Fixed Rate	Sep 2032	104,878	108,290
USD*	5.12 per cent Fixed Rate	Apr 2035	86,671	-
USD	4.80 per cent Fixed Rate	Sep 2036	73,960	76,843
USD	5.01 per cent Fixed Rate	May 2042	89,121	93,398
USD*	4.70 per cent Fixed Rate	Apr 2045	133,596	-
USD*	4.65 per cent Fixed Rate	May 2045	217,641	-
			15,633,307	14,998,716

* Notes issued during the period.

The Bank has hedged the interest rate and foreign currency exposure on term borrowings. The Group has not had any defaults of principal, interests, or other breaches with respect to its term borrowings during the six month period ended 30 June 2015 (30 June 2014: Nil).

15 Subordinated notes

During the period, the Bank purchased back AED 125,000 thousand (30 June 2014: AED Nil) of 15 March 2006 issue from the market for AED 124,937 thousand (30 June 2014: AED Nil). As a result, the total outstanding liability decreased by AED 124,789 thousand (30 June 2014: AED Nil). Further, a loss on the extinguishment in the amount of AED 148 thousand (30 June 2014: AED Nil) was recognised in the condensed consolidated interim statement of profit or loss.

Notes to the condensed consolidated interim financial statements

15 Subordinated notes (continued)

	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
15 March 2006 issue	913,273	1,037,047
10 December 2012 issue	435,196	479,594
	<u>1,348,469</u>	<u>1,516,641</u>

The Bank has hedged the interest rate and foreign currency exposure on certain subordinated notes. The Group has not had any defaults of principal, interests, or other breaches with respect to its subordinated notes during the six month period ended 30 June 2015 (30 June 2014: Nil).

16 Capital and reserves

Share capital

At the Annual General Meeting (AGM) held on 10 March 2015, the shareholders of the Bank approved a cash dividend of AED 0.40 per ordinary share (31 December 2014: AED 0.40 per ordinary share) and an increase in the share capital through a 10% bonus shares issue of 473,611 thousand ordinary shares of AED 1 each (31 December 2014: 10% bonus shares issue of 430,556 thousand ordinary shares of AED 1 each) amounting to AED 473,611 thousand (31 December 2014: AED 430,556 thousand). Accordingly, the issued and paid up share capital as at 30 June 2015 is comprised of 5,209,723 thousand ordinary shares of AED 1 each, including shares under the staff share option scheme (note 18) (31 December 2014: 4,736,112 thousand ordinary shares of AED 1 each).

Reconciliation of Share capital

	(Unaudited) 30 Jun '2015 AED'000	(Unaudited) 30 Jun '2014 AED'000
As at 1 January	4,736,112	4,305,556
Bonus shares issued during the period	473,611	430,556
	<u>5,209,723</u>	<u>4,736,112</u>
Treasury shares held (note 18)	(11,308)	(14,479)
	<u>5,198,415</u>	<u>4,721,633</u>

The general reserve is available for distribution to the shareholders at the recommendation of the Board of Directors. On 10 March 2015 the AGM approved the transfer of AED 2.4 billion (31 December 2014: AED 2.4 billion) to general reserve.

17 Tier 1 capital notes

On 17 June 2015, USD 750 million Tier 1 capital notes were issued by the Bank. These notes are perpetual and carry an interest rate of 5.25 percent (calculated based on the relevant 5 year mid swap rate plus 3.35 percent per annum) during the "initial period". After the initial period, at every reset date, interest would be calculated for the next reset period at the relevant Five-Year Mid Swap Rate plus a margin of 3.35 percent per annum. Interest is payable semi-annually in arrears on these notes. The "Initial Period" is the period (from and including) the Issue Date to (but excluding) the First Call Date. The "Reset Date" is the First Call Date and every fifth anniversary thereafter. These notes are callable by the Bank beginning from 17 June 2020 "First Call date" and every interest payment date thereafter.

Notes to the condensed consolidated interim financial statements

17 Tier 1 capital notes (continued)

	Currency	(Unaudited) 30 Jun '2015 AED'000	(Audited) 31 Dec '2014 AED'000
Government of Abu Dhabi Notes (6 month EIBOR plus 2.3 percent per annum)	AED	4,000,000	4,000,000
USD 750 million Notes (5 year mid swap rate plus 3.35 percent per annum)	USD	2,754,750	-
		<u>6,754,750</u>	<u>4,000,000</u>

Tier 1 capital notes are perpetual, subordinated, unsecured and carry a fixed coupon during the initial period and are 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, a coupon payment election was made by the Bank in the amount of AED 64.2 million (30 June 2014: AED 120 million).

18 Share option scheme

The Bank 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 vesting period. The options lapse six years after their date of grant irrespective of whether they are exercised or not.

The Group has 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.

In continuation with the existing staff share option scheme, the Bank during the period has granted new tranche of 18,500 thousand options (30 June 2014: 23,686 thousand options) to its eligible employees.

As at the reporting date 2,751 thousand options (30 June 2014: 12,951 thousand option) were exercised by the option holders resulting in an increase in the total share capital by AED 2,751 thousand (30 June 2014: AED 12,951 thousand) and share premium by AED 18,373 thousand (30 June 2014: AED 91,184 thousand).

Reconciliation of treasury shares held under the Scheme

	(Unaudited) 30 Jun '2015 AED'000	(Unaudited) 30 Jun '2014 AED'000
As at 1 January	12,940	25,086
Options exercised by staff during the period	(2,751)	(12,951)
	<u>10,189</u>	<u>12,135</u>
Bonus shares issued during the period	1,119	2,344
	<u>11,308</u>	<u>14,479</u>
As at 30 June	<u>11,308</u>	<u>14,479</u>

Notes to the condensed consolidated interim financial statements

19 Fair value reserve

	(Unaudited) 30 Jun '2015 AED'000	(Unaudited) 30 Jun '2014 AED'000
<i>Revaluation reserve – available-for-sale investments</i>		
At 1 January	331,620	787,157
Net changes in fair value	(37,500)	215,214
At 30 June	294,120	1,002,371
<i>Hedging reserve – cash flow hedge</i>		
At 1 January	(6,688)	35,896
Net changes in fair value	(11,710)	(31,323)
At 30 June	(18,398)	4,573
Total at 30 June	275,722	1,006,944

20 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.

Undrawn commitments to extend credit amounted to AED 25,661 million (31 December 2014: AED 22,100 million).

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

21 Net impairment charge

	(Unaudited) Six month period ended 30 Jun '2015 AED'000	(Unaudited) Six month period ended 30 Jun '2014 AED'000	(Unaudited) Three month period ended 30 Jun '2015 AED'000	(Unaudited) Three month period ended 30 Jun '2014 AED'000
Collective provision for loans and advances	163,362	344,525	63,994	97,039
Specific provision for loans and advances	598,123	458,243	261,669	303,383
Write back of provisions for loans and advances	(331,661)	(216,069)	(132,940)	(112,278)
Recovery of loan loss provisions	(97,202)	(144,158)	(53,186)	(91,529)
Recovery of loans previously written off	(30,134)	(2,388)	(818)	(1,348)
Write-off of impaired financial assets	33,907	39,560	27,515	19,419
Write back of impaired non-financial assets	-	(14,342)	-	-
	336,395	465,371	166,234	214,686

Notes to the condensed consolidated interim financial statements

22 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 in issue during the period as set out below:

	Six Month Period Ended		Three Month Period Ended	
	(Unaudited) 30 Jun '2015	(Unaudited) 30 Jun '2014	(Unaudited) 30 Jun '2015	(Unaudited) 30 Jun '2014
Basic earnings per share:				
Net profit for the period (AED'000)	2,869,384	2,837,133	1,446,232	1,427,565
Less: payment on Tier 1 capital notes (AED'000)	(64,212)	(120,000)	-	-
Net profit after payment of Tier 1 capital notes (AED'000)	2,805,172	2,717,133	1,446,232	1,427,565
Weighted average number of ordinary shares:				
Ordinary shares as at 1 January ('000)	4,723,172	4,280,470	4,723,172	4,280,470
Effect of bonus shares issued during 2015 ('000)	472,492	472,492	472,492	472,492
Effect of bonus shares issued during 2014 ('000)	-	428,212	-	428,212
Weighted average number of shares exercised under the share options scheme ('000)	1,415	2,355	1,415	2,355
Weighted average number of ordinary shares ('000)	5,197,079	5,183,529	5,197,079	5,183,529
Basic earnings per share (AED)	0.54	0.52	0.28	0.28
Diluted earnings per share:				
Net profit after payment of Tier 1 capital notes (AED'000)	2,805,172	2,717,133	1,446,232	1,427,565
Add: interest on convertible notes (AED'000)	22,428	22,011	11,207	11,023
Net profit for the period for calculating diluted earnings per share (AED'000)	2,827,600	2,739,144	1,457,439	1,438,588
Weighted average number of ordinary shares ('000)	5,197,079	5,183,529	5,197,079	5,183,529
Effect of dilutive potential ordinary shares issued ('000)	117,655	117,655	117,655	117,655
Weighted average number of dilutive shares under share options scheme ('000)	6,307	11,341	6,307	11,341
Weighted average number of ordinary shares in issue for diluted earnings per share ('000)	5,321,041	5,312,525	5,321,041	5,312,525
Diluted earnings per share (AED)	0.53	0.52	0.27	0.27

Notes to the condensed consolidated interim financial statements

23 Segmental information

	Business Segment					Geographic Segment			
	Global Wholesale AED'000	Global Wealth AED'000	Global Retail and Commercial AED'000	Head Office AED'000	Total AED'000	UAE AED'000	Gulf AED'000	International AED'000	Total AED'000
<i>For the six month period ended 30 June 2015 (Unaudited)</i>									
Net Interest income	1,573,300	374,471	1,309,247	372,323	3,629,341	2,948,034	110,757	570,550	3,629,341
Net Non-interest income	838,980	155,602	492,754	285,241	1,772,577	1,412,863	43,818	315,896	1,772,577
Operating income	<u>2,412,280</u>	<u>530,073</u>	<u>1,802,001</u>	<u>657,564</u>	<u>5,401,918</u>	<u>4,360,897</u>	<u>154,575</u>	<u>886,446</u>	<u>5,401,918</u>
General administration and other operating expenses	632,905	200,048	1,039,063	154,229	2,026,245	1,645,402	79,453	301,390	2,026,245
Net impairment charge	<u>336,868</u>	<u>10,423</u>	<u>142,891</u>	<u>(153,787)</u>	<u>336,395</u>	<u>288,867</u>	<u>11,799</u>	<u>35,729</u>	<u>336,395</u>
Profit before taxation	<u>1,442,507</u>	<u>319,602</u>	<u>620,047</u>	<u>657,122</u>	<u>3,039,278</u>	<u>2,426,628</u>	<u>63,323</u>	<u>549,327</u>	<u>3,039,278</u>
Overseas taxation	<u>90,870</u>	<u>40,960</u>	<u>38,154</u>	<u>(90)</u>	<u>169,894</u>	<u>(6,267)</u>	<u>7,887</u>	<u>168,274</u>	<u>169,894</u>
Net profit for the period	<u>1,351,637</u>	<u>278,642</u>	<u>581,893</u>	<u>657,212</u>	<u>2,869,384</u>	<u>2,432,895</u>	<u>55,436</u>	<u>381,053</u>	<u>2,869,384</u>
<i>As at 30 June 2015 (Unaudited)</i>									
Segment total assets	<u>274,997,775</u>	<u>32,700,008</u>	<u>89,314,833</u>	<u>55,004,554</u>	<u>452,017,170</u>	<u>306,024,371</u>	<u>10,294,149</u>	<u>103,283,611</u>	<u>419,602,131</u>
Inter segment balances					<u>(59,411,403)</u>				<u>(26,996,364)</u>
Total assets					<u>392,605,767</u>				<u>392,605,767</u>
Segment total liabilities	<u>272,249,942</u>	<u>31,115,992</u>	<u>86,861,472</u>	<u>20,190,120</u>	<u>410,417,526</u>	<u>268,527,329</u>	<u>8,928,829</u>	<u>100,546,329</u>	<u>378,002,487</u>
Inter segment balances					<u>(59,411,403)</u>				<u>(26,996,364)</u>
Total liabilities					<u>351,006,123</u>				<u>351,006,123</u>

Notes to the condensed consolidated interim financial statements

23 Segmental information (continued)

	Business Segment					Geographic Segment			
	Global Wholesale AED'000	Global Wealth AED'000	Global Retail and Commercial AED'000	Head Office AED'000	Total AED'000	UAE AED'000	Gulf AED'000	International AED'000	Total AED'000
<i>For the six month period ended 30 June 2014 (Unaudited)</i>									
Net Interest income	1,612,794	314,168	1,025,094	375,540	3,327,596	2,732,777	92,514	502,305	3,327,596
Net Non-interest income	839,258	196,332	608,033	117,302	1,760,925	1,468,232	38,857	253,836	1,760,925
Operating income	<u>2,452,052</u>	<u>510,500</u>	<u>1,633,127</u>	<u>492,842</u>	5,088,521	<u>4,201,009</u>	<u>131,371</u>	<u>756,141</u>	5,088,521
General administration and other operating expenses	489,404	157,189	854,660	154,720	1,655,973	1,343,324	65,508	247,141	1,655,973
Net impairment charge	<u>269,436</u>	<u>18,929</u>	<u>123,881</u>	<u>53,125</u>	465,371	<u>356,696</u>	<u>21,635</u>	<u>87,040</u>	465,371
Profit before taxation	<u>1,693,212</u>	<u>334,382</u>	<u>654,586</u>	<u>284,997</u>	2,967,177	<u>2,500,989</u>	<u>44,228</u>	<u>421,960</u>	2,967,177
Overseas taxation	<u>71,943</u>	<u>37,100</u>	<u>21,001</u>	<u>-</u>	130,044	<u>(2,602)</u>	<u>5,466</u>	<u>127,180</u>	130,044
Net profit for the period	<u>1,621,269</u>	<u>297,282</u>	<u>633,585</u>	<u>284,997</u>	2,837,133	<u>2,503,591</u>	<u>38,762</u>	<u>294,780</u>	2,837,133
<i>As at 31 December 2014 (Audited)</i>									
Segment total assets	<u>261,296,810</u>	<u>32,970,181</u>	<u>89,274,399</u>	<u>47,425,533</u>	430,966,923	<u>306,428,311</u>	<u>9,557,187</u>	<u>80,198,525</u>	396,184,023
Inter segment balances					(54,868,211)				(20,085,311)
Total assets					<u>376,098,712</u>				<u>376,098,712</u>
Segment total liabilities	<u>255,606,075</u>	<u>31,809,342</u>	<u>85,680,449</u>	<u>19,907,675</u>	393,003,541	<u>272,185,956</u>	<u>8,239,621</u>	<u>77,795,064</u>	358,220,641
Inter segment balances					(54,868,211)				(20,085,311)
Total liabilities					<u>338,135,330</u>				<u>338,135,330</u>

Notes to the condensed consolidated interim financial statements

24 Related parties

Identity of 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 shareholder, directors and key management personnel of the Group. Key management personnel comprise of 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.

Parent and ultimate controlling party

Pursuant to the provisions of Law No. 16 of 2006, Abu Dhabi Investment Council (the "Council") was established which holds 69.92% (31 December 2014: 69.96%) of the issued share capital of the Bank.

Compensation of directors and key management personnel

	(Unaudited) 30 Jun '2015 AED'000	(Unaudited) 30 Jun '2014 AED'000
Key management compensation		
Short term employment benefits	69,202	60,610
Post employment benefits	1,029	1,010
Termination benefits	782	762
Share based payments	6,565	4,511
	<u> </u>	<u> </u>
Directors' remuneration	3,395	3,977
	<u> </u>	<u> </u>

During the period, a coupon payment election of AED 64.2 million (30 June 2014: AED 120 million) was made by the Bank in relation to the AED 4,000 million (31 December 2014: AED 4,000 million) Government of Abu Dhabi Tier 1 capital notes.

Terms and conditions

Financial assets and liabilities are granted and accepted in various currency denominations and for various time periods. Interest rates earned on such financial assets extended to related parties in various currencies during the period range from negative 0.05% to 8.25% per annum (30 June 2014: 0.05% to 10.75% per annum) and interest rates incurred on financial liabilities placed by related parties in various currencies during the period range from nil to 3.70% per annum (30 June 2014: nil to 3.80% per annum).

Fees and commissions earned on transactions with related parties during the period range from 0.13% to 2.00% (30 June 2014: 0.25% to 1.00%).

Collaterals against lending to related parties range from being nil to fully secure.

Notes to the condensed consolidated interim financial statements

24 Related parties (continued)

Directors and key management AED'000	Major shareholder AED'000	Others AED'000	(Unaudited) 30 Jun '2015 Total AED'000	(Audited) 31 Dec '2014 Total AED'000
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Balances with related parties at the reporting date are shown below:

Financial assets	962,027	6,951,703	64,305,122	72,218,852	72,679,876
Financial liabilities	429,634	3,007,576	49,201,744	52,638,954	90,133,577
Contingent liabilities	382,485	4,599,610	17,657,543	22,639,638	43,540,431

Transactions carried out during the six month period with related parties are shown below:

				(Unaudited) 30 Jun '2014
Interest income	13,034	229,100	887,762	1,129,896
Interest expense	107	130,368	97,840	228,315
Fee and commission income	1,124	1,082	45,871	48,077

Others comprise Government of Abu Dhabi entities.

No allowances for impairment have been recognised against loans and advances extended to related parties or contingent liabilities issued in favour of related parties during the period (30 June 2014: AED nil).

25 Comparative figures

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

In 2014, the Group changed its accounting policy for Zakat and Directors' remuneration. Zakat was initially charged to the consolidated statement of profit or loss as an expense which as per the new accounting policy is now a part of the consolidated statement of changes in equity under transactions with the owners of the Group. As a result, net profit of the previous period increased by AED 7.7 million to AED 2.84 billion. There is no other impact of this change on these condensed consolidated interim financial statements.

Directors' remuneration was initially part of consolidated statement of other comprehensive income which as per the new accounting policy is charged to the consolidated statement of profit or loss as an expense. There is no impact on the net profit of the previous period. However, the opening retained earnings balance of 2014 have been restated as shown in the condensed consolidated interim statement of changes in equity.