Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30 June 2016

EY
Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE OWNER OF INVESTMENT CORPORATION OF DUBAI

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Investment Corporation of Dubai ("ICD") and its subsidiaries (collectively referred to as the "Group"), which comprise the interim consolidated statement of financial position as at 30 June 2016 and the related interim consolidated income statement and interim consolidated statement of comprehensive income, cash flows and changes in equity for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Ernst + Young

Signed by:
Anthony O'Sullivan
Partner
Registration No. 687

24 October 2016

Dubai, United Arab Emirates

INTERIM CONSOLIDATED INCOME STATEMENT
For the six-month period ended 30 June 2016

	Notes	*Six-month period ended 30 June* **2016** *AED'000 (Unaudited)*	2015 *AED'000 (Unaudited)*
Continuing operations			
Revenues	20	**82,478,905**	89,474,801
Cost of revenues		**(62,745,674)**	(68,897,309)
		19,733,231	20,577,492
Other income		**3,242,642**	3,239,151
Net loss from derivative instruments		**(522,716)**	(132,705)
General, administrative and other expenses		**(10,832,772)**	(9,925,795)
Net impairment losses on financial assets and equity accounted investees	3	**(1,888,022)**	(1,962,234)
Other finance income		**660,429**	507,485
Other finance costs		**(1,759,342)**	(1,781,617)
Share of results of associates and joint ventures for the period - net	8	**1,864,892**	2,399,654
PROFIT FOR THE PERIOD BEFORE INCOME TAX FROM CONTINUING OPERATIONS		**10,498,342**	12,921,431
Income tax expense - net		**(325,301)**	(327,306)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**10,173,041**	12,594,125
Discontinued operations			
Profit for the period from discontinued operations	13	**151,350**	215,788
PROFIT FOR THE PERIOD		**10,324,391**	12,809,913
Attributable to:			
The equity holder of ICD		**8,210,920**	10,687,827
Non-controlling interests		**2,113,471**	2,122,086
		10,324,391	12,809,913

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2016

	Six-month period ended 30 June	
	2016	*2015*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
PROFIT FOR THE PERIOD	**10,324,391**	12,809,913
Other comprehensive income		
Other comprehensive income that are / to be reclassified to consolidated income statement in subsequent periods:		
Net movement in fair value of available-for-sale investments	**(578,402)**	(89,339)
Net movement in fair value of cash flow hedges	**581,343**	94,898
Foreign currency translation differences (net)	**(271,466)**	(192,122)
Group's share in other comprehensive income / (loss) of equity accounted investees	**174,573**	(168,577)
Net other comprehensive income that are / to be reclassified to consolidated income statement in subsequent periods	**(93,952)**	(355,140)
Other comprehensive income not to be reclassified to consolidated income statement in subsequent periods:		
Actuarial loss on defined benefit plans	**(131,969)**	(104,136)
Group's share in actuarial loss on defined benefit plans of equity accounted investees	**(21,571)**	(75,790)
Net other comprehensive income not to be reclassified to consolidated income statement in subsequent periods	**(153,540)**	(179,926)
Other comprehensive income for the period	**(247,492)**	(535,066)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**10,076,899**	12,274,847
Attributable to:		
The equity holder of ICD	**8,164,885**	10,283,051
Non-controlling interests	**1,912,014**	1,991,796
	10,076,899	12,274,847

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Notes	*30 June 2016 AED'000 (Unaudited)*	*31 December 2015 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	5	**132,619,953**	134,112,103
Intangible assets	6	**25,728,020**	25,122,198
Investment properties	7	**15,291,774**	8,590,214
Development properties		**483,401**	326,194
Investments in associates and joint ventures	8	**41,355,425**	39,567,547
Investments in marketable securities	9	**21,496,200**	20,652,573
Other non-current assets		**21,505,369**	23,203,530
Islamic financing and investment products	10	**32,891,903**	31,531,485
Loans and receivables	11	**83,450,621**	78,315,082
Cash and deposits with banks	12	**2,671,967**	3,176,279
Positive fair value of derivatives		**2,319,250**	2,410,954
Deferred tax assets		**160,894**	125,487
		379,974,777	367,133,646
Current assets			
Investments in marketable securities	9	**6,192,416**	6,196,263
Inventories		**8,849,111**	8,368,332
Trade and other receivables		**29,142,328**	29,039,325
Islamic financing and investment products	10	**28,272,771**	26,990,973
Loans and receivables	11	**149,206,028**	144,597,951
Cash and deposits with banks	12	**127,517,333**	131,970,401
Positive fair value of derivatives		**1,551,391**	1,123,452
Customer acceptances		**6,055,320**	3,712,749
		356,786,698	351,999,446
Assets of disposal group classified as held for sale	13	**-**	955,791
		356,786,698	352,955,237
TOTAL ASSETS		**736,761,475**	720,088,883

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2016

	Notes	*30 June 2016 AED'000 (Unaudited)*	*31 December 2015 AED'000 (Audited)*
EQUITY AND LIABILITIES			
Equity attributable to the equity holder of ICD			
Capital	14	**65,105,154**	65,105,154
Retained earnings		**85,972,905**	82,717,005
Other reserves	15	**13,041,414**	14,208,495
		164,119,473	162,030,654
Non-controlling interests	16	**34,667,248**	34,239,501
Total equity		**198,786,721**	196,270,155
Non-current liabilities			
Employees' end of service benefits		**3,456,026**	3,227,677
Borrowings and lease liabilities		**118,141,713**	111,444,697
Negative fair value of derivatives		**2,721,614**	2,570,526
Other non-current payables		**9,341,578**	8,323,213
Customer deposits		**8,873,218**	3,563,547
Islamic customer deposits		**17,979,545**	16,323,653
Deferred tax liabilities		**728,716**	675,541
Repurchase agreements with banks		**103,949**	248,334
		161,346,359	146,377,188
Current liabilities			
Employees' end of service benefits		**3,059**	5,117
Borrowings and lease liabilities		**59,603,736**	63,359,174
Negative fair value of derivatives		**1,594,466**	1,452,018
Trade and other payables		**59,266,381**	70,424,782
Customer deposits		**211,690,532**	197,854,103
Islamic customer deposits		**38,091,509**	39,955,798
Current income tax liabilities		**323,392**	356,047
Customer acceptances		**6,055,320**	3,712,749
		376,628,395	377,119,788
Liabilities of disposal group classified as held for sale	13	-	321,752
		376,628,395	377,441,540
Total liabilities		**537,974,754**	523,818,728
TOTAL EQUITY AND LIABILITIES		**736,761,475**	720,088,883

Director

Director

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2016

	Notes	2016 AED'000 (Unaudited)	2015 AED'000 (Unaudited)
		Six-month period ended 30 June	
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**10,498,342**	12,921,431
Profit before tax from discontinued operations		**151,350**	204,782
Adjustments for:			
Depreciation and impairment on property, plant and equipment and investment properties (net of reversals)		**6,203,820**	5,834,052
Impairment allowance on loans and receivables - net	11	**953,558**	1,470,989
Impairment allowance on Islamic financing and investment products - net	10	**506,889**	412,625
Amortisation and impairment of intangible assets and advance lease rental		**604,080**	511,416
Net gain on disposal of property, plant and equipment, investment properties, intangible assets and sale and leaseback of aircrafts		**(451,039)**	(409,824)
Net gain in fair value of investments carried at fair value through profit or loss		**(2,629)**	(37,451)
Impairment loss on available-for-sale investments		**228,847**	46,655
Loss on disposal of investment in an associate		**3,838**	-
Other finance income		**(660,429)**	(507,485)
Other finance costs		**1,759,342**	1,781,617
Share of results of associates and joint ventures - net	8	**(1,864,892)**	(2,399,654)
Provision for employees' end of service benefits		**603,650**	551,402
Loss on disposal of a discontinued operation	13	**48,342**	-
Reversal of provision on a discontinued operation	13	**(199,692)**	-
Gain on bargain purchase upon acquisition of subsidiaries	4	**-**	(605,950)
Gain arising on a gifted land		**(231,306)**	-
		18,152,071	19,774,605
Working capital changes:			
Inventories		**(432,706)**	(220,556)
Trade and other receivables		**(5,581,661)**	(1,075,678)
Trade and other payables		**(11,373,137)**	3,503,368
Loans and receivables		**(10,697,174)**	(6,557,836)
Statutory deposits (banking operations)		**3,659,965**	449,834
Deposits with banks with original maturity over three months (banking operations)		**433,095**	(11,788,758)
Customer deposits including Islamic customer deposits		**18,937,703**	15,772,247
Fair value of derivatives - net		**(42,699)**	71,554
Islamic financing and investment products with original maturity over three months		**(460,249)**	(9,186,308)
Other non-current assets		**1,624,673**	1,817,272
Other non-current payables		**641,701**	(218,162)
Net cash generated from operations		**14,861,582**	12,341,582
Employees' end of service benefits paid		**(547,451)**	(421,160)
Income tax paid		**(345,548)**	(809,308)
Exchange translation reserve and other movements		**226,274**	251,615
Net cash generated from operating activities		**14,194,857**	11,362,729

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the six-month period ended 30 June 2016

	Notes	*Six-month period ended 30 June* 2016 AED'000 (Unaudited)	2015 AED'000 (Unaudited)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment, intangible assets, investment properties and development properties		**(9,581,829)**	(9,869,583)
Proceeds from disposal of property, plant and equipment, intangible assets, investment properties and development properties		**6,332,394**	4,319,261
Proceeds from disposal of investments in associates		**36,387**	-
Acquisition of subsidiaries – net of cash acquired		**(1,416,069)**	(1,327,456)
Acquisition of additional non-controlling interest in a direct subsidiary		**(52,743)**	-
Proceeds from disposal of discontinued operations	13	**327,919**	-
Other finance income received		**660,429**	507,485
Net of other movement in investment in marketable securities		**(1,225,886)**	4,793,826
Investments in associates and joint ventures		**(986,239)**	(684,937)
Dividend from associates and joint ventures	8	**1,356,552**	1,267,741
Net movement in deposits with banks with original maturity over three months (non-banking operations)		**10,992,127**	20,531,464
Net cash generated from investing activities		**6,443,042**	19,537,801
FINANCING ACTIVITIES			
Interest on Tier 1 Capital Notes issued by a banking subsidiary		**(294,550)**	(294,750)
Distribution to the Government		**(6,015,765)**	(6,374,337)
Net movement in borrowings and lease liabilities		**4,832,399**	7,075,589
Net movement in repurchase agreements with banks		**(144,385)**	150,688
Other finance costs paid		**(1,759,342)**	(1,781,617)
Dividend paid to the non-controlling interests		**(1,234,218)**	(1,184,782)
Directors' fees paid		**(14,295)**	(9,831)
Net cash used in financing activities		**(4,630,156)**	(2,419,040)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**16,007,743**	28,481,490
Cash and cash equivalents relating to disposal group classified as held for sale	13	**-**	(274,886)
Cash and cash equivalents at the beginning of the period		**33,868,945**	25,745,978
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**49,876,688**	53,952,582

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six-month period ended 30 June 2016

Cash and cash equivalents noted above include the following:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*	*30 June 2015 AED'000 (Unaudited)*
Cash and deposits with banks - current	**127,517,333**	131,970,401	129,357,479
Islamic financing and investment products with original maturity of less than three months	**4,114,472**	1,425,618	10,844,332
Due to banks	**(16,017,118)**	(18,822,719)	(15,295,880)
Bank overdrafts	**(298,460)**	(390,650)	(321,351)
	115,316,227	114,182,650	124,584,580
Due to banks with original maturity of more than three months	**6,034,079**	5,740,788	6,725,148
Deposits with Central Banks for regulatory purposes (note 12)	**(26,733,282)**	(30,393,247)	(24,193,256)
Murabahas and interest bearing certificates of deposits with Central Banks with original maturity of more than three months	**(16,402,475)**	(6,300,000)	(10,500,000)
Due from other banks and deposits with other banks with original maturity of more than three months	**(28,337,861)**	(49,361,246)	(42,663,890)
	49,876,688	33,868,945	53,952,582

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six-month period ended 30 June 2016

	Attributable to the equity holder of ICD					
	Capital AED'000 (see note 14)	***Retained earnings AED'000***	***Other reserves AED'000 (see note 15)***	***Total AED'000***	***Non-controlling interests AED'000 (see note 16)***	***Total equity AED'000***
Balance at 1 January 2016	65,105,154	82,717,005	14,208,495	162,030,654	34,239,501	196,270,155
Profit for the period	-	8,210,920	-	8,210,920	2,113,471	10,324,391
Other comprehensive income for the period	-	(153,540)	107,505	(46,035)	(201,457)	(247,492)
Total comprehensive income for the period	-	8,057,380	107,505	8,164,885	1,912,014	10,076,899
Distribution paid to the Government	-	(6,015,765)	-	(6,015,765)	-	(6,015,765)
Interest on Tier 1 capital notes	-	-	-	-	(294,550)	(294,550)
Directors' fees in subsidiaries, associates and joint ventures	-	(14,295)	-	(14,295)	-	(14,295)
Dividend paid to the non-controlling interests	-	-	-	-	(1,234,218)	(1,234,218)
Arising on acquisition of subsidiaries	-	-	-	-	109,130	109,130
Transfers	-	(5,889)	9,942	4,053	(4,053)	-
Transfer on reduction of share capital of an indirect subsidiary	-	1,256,420	(1,256,420)	-	-	-
Change in ownership	-	(24,994)	21,771	(3,223)	(49,520)	(52,743)
Arising on disposal of a discontinued operation (see note 13 (c))	-	-	-	-	(12,087)	(12,087)
Other movements	-	3,043	(49,879)	(46,836)	1,031	(45,805)
Balance at 30 June 2016	**65,105,154**	**85,972,905**	**13,041,414**	**164,119,473**	**34,667,248**	**198,786,721**

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)

For the six-month period ended 30 June 2016

	Attributable to the equity holder of ICD						
	Capital AED'000 (see note 14)	*Retained earnings AED'000*	*Other reserves AED'000 (see note 15)*	*Discontinued operations AED'000*	*Total AED'000*	*Non-controlling interests AED'000 (see note 16)*	*Total equity AED'000*
Balance at 1 January 2015	64,582,949	71,266,173	16,132,992	-	151,982,114	38,043,933	190,026,047
Profit for the period	-	10,687,827	-	-	10,687,827	2,122,086	12,809,913
Other comprehensive income for the period	-	18,451	(423,227)	-	(404,776)	(130,290)	(535,066)
Total comprehensive income for the period	-	10,706,278	(423,227)	-	10,283,051	1,991,796	12,274,847
Reserves relating to a discontinued operation (see note 13)	-	-	4,068	(4,064)	4	(4)	-
Distribution paid to the Government	-	(6,374,337)	-	-	(6,374,337)	-	(6,374,337)
Interest on Tier 1 capital notes	-	-	-	-	-	(294,750)	(294,750)
Directors' fees in subsidiaries, associates and joint ventures	-	(9,831)	-	-	(9,831)	-	(9,831)
Dividend paid to non-controlling interests	-	-	-	-	-	(1,184,782)	(1,184,782)
Arising on acquisition of subsidiaries	-	-	-	-	-	836,317	836,317
Transfers	-	(115,365)	115,365	-	-	-	-
Change in ownership (see note 4 (g))	-	340,364	(1,709)	-	338,655	(430,530)	(91,875)
Arising on dilution of investment in an indirect associate	-	(23,608)	191,729	-	168,121	-	168,121
Other movements	-	(36,543)	(40,867)	-	(77,410)	21,394	(56,016)
Balance at 30 June 2015	64,582,949	75,753,131	15,978,351	(4,064)	156,310,367	38,983,374	195,293,741

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Investment Corporation of Dubai ("ICD"), an entity wholly owned by the Government of Dubai (the "Government"), was established in Dubai on 3 May 2006 under Emiree Decree 11 of 2006 issued by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of United Arab Emirates and The Ruler of Dubai.

ICD is the principal investment arm of the Government and was capitalised with the subsequent transfer of certain of the Government's portfolio of investments from the Department of Finance-Investments Division. ICD's role is to supervise the Government's investment portfolio, adding value through the implementation of best practice corporate governance and embracing a global investment strategy.

These interim condensed consolidated financial statements for the six-month period ended 30 June 2016 were approved by the Board of Directors of ICD on 24 October 2016.

The address of ICD's registered office is at PO Box 333888, Dubai, United Arab Emirates.

2.1 BASIS OF PREPARATION

a) Statement of compliance
The interim condensed consolidated financial statements of ICD and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34").

These interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015. In addition, results for the six-month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

b) Basis of measurement
These interim condensed consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of available-for-sale investments, financial assets measured at fair value through profit or loss and derivatives.

c) Functional and presentation currency
The interim condensed consolidated financial statements are prepared in United Arab Emirates ("UAE") Dirhams ("AED"), which is the functional and presentation currency of ICD, as rounded off to the nearest thousand ("AED'000") except when otherwise indicated.

d) Use of estimates and judgements
The preparation of interim condensed consolidated 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 expenses. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements, significant judgement is exercised by management in applying the Group's accounting policies. The key sources of estimation and uncertainty are consistent with the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2015.

e) Comparative information
Certain comparative figures have been reclassified, either to conform with the current period's classification, for better presentation of the interim condensed consolidated financial statements, or in accordance with the relevant requirement of IFRS.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards (including International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS")), amendments to the existing standards and interpretations effective as of 1 January 2016. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

The nature and the impact of the new standards / amendments are described below:

IFRS 14 Regulatory Deferral Accounts
IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the consolidated income statement and consolidated statement of other comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. These amendments do not have any significant impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling parties.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016. These amendments do not have any significant impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. This is consistent with the Group's current accounting policy, and thus these amendments do not impact the interim condensed consolidated financial statements of the Group.

Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016. These amendments do not have any significant impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016. These amendments are applicable to separate financial statements, and thus do not impact the interim condensed consolidated financial statements of the Group.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016. These amendments do not have any significant impact on the interim condensed consolidated financial statements of the Group.

Annual Improvements 2012-2014 Cycle
These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures
(i) Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments do not impact the interim condensed consolidated financial statements of the Group, as no separate interim financial report is prepared.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the consolidated income statement, consolidated statement of other comprehensive income and the consolidated statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements; and
- That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to interim consolidated income statement.

2.2 NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

Annual Improvements 2012-2014 Cycle (continued)

Amendments to IAS 1 Disclosure Initiative (continued)
Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the consolidated statement of financial position, consolidated income statement and consolidated statement of other comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments do not impact the interim condensed consolidated financial statements of the Group.

3 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND EQUITY ACCOUNTED INVESTEES

This includes impairment losses (net of recoveries) amounting to AED 1,460,447 thousand (unaudited) (six-month period ended 30 June 2015: AED 1,883,614 thousand (unaudited)) relating to loans and receivables and Islamic financing and investment products held by the Group's subsidiary engaged in banking operations (see notes 10 and 11).

4 BUSINESS COMBINATIONS

a) Acquisition of Adriatic Marinas d.o.o.

During the current period, the Group acquired 100% of the shares in Adriatic Marinas d.o.o. ("ADM"). ADM is the operator of Porto Montenegro, a deep water luxury yacht marina, residential buildings, a hotel and a marina village.

The Group has recorded provisional fair values of the assets and liabilities of Adriatic Marinas d.o.o at the date of acquisition as summarised below:

	Provisional fair values* AED'000
Property, plant and equipment	203,054
Investment properties	537,307
Development properties	140,591
Other non-current assets	8,408
Inventories	11,385
Trade and other receivables	54,247
Cash and deposits with banks	3,164
Deferred tax assets	6,740
Borrowings	(130,492)
Other non-current payables	(198,586)
Trade and other payables	(42,457)
Provisional fair value of the net assets acquired*	**593,361**
Goodwill (provisional)*	**278,144**
Purchase consideration	**871,505**
Consideration paid to acquire ownership	722,520
Consideration paid to acquire loan	148,985
	871,505
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	3,164
Consideration paid	(871,505)
Net cash outflow on acquisition	**(868,341)**

Costs of acquisition have been charged to the interim consolidated income statement for the six-month period ended 30 June 2016.

Provisional goodwill is attributable to expected synergies, revenue growth and future market development of the acquired business.

*Provisional goodwill represents the difference between the provisional fair value of net assets acquired and the purchase consideration. A purchase price allocation exercise is currently in progress and the goodwill will be adjusted once the exercise is complete. The Group has a one year measurement period from the date of acquisition to determine the fair values of identifiable assets and liabilities.

The acquired entity contributed revenue of AED 27,357 thousand and a loss of AED 8,147 thousand from the acquisition date to 30 June 2016. If the acquisition had taken place at the beginning of the period, the contribution to the Group's revenue and loss would have been AED 43,270 thousand and AED 32,557 thousand respectively.

4 BUSINESS COMBINATIONS (continued)

b) Acquisition of Transecure LLC

As at 31 December 2015, one of the subsidiaries of the Group had 99% legal ownership and 50% economic interest in Transecure LLC (“Transecure”). During the current period, the Group obtained 100% control of Transecure by acquiring the remaining 50% economic interest. The step acquisition did not result in any significant fair value gain or loss.

The Group recorded the fair values of assets and liabilities of Transecure at the date of acquisition, which are summarised below:

	Fair values AED’000
Property, plant and equipment	171,533
Intangible assets	48,355
Other non-current assets	19,536
Cash and deposits with banks	2,951
Other non-current liabilities	(122,101)
Borrowings and lease liabilities	(52,008)
Trade and other payables	(6,621)
Fair value of the net assets acquired	**61,645**
Purchase consideration (see below)	**61,645**
Consideration paid for additional acquisition	55,000
Acquisition date fair value of previously held investment	6,645
Total purchase consideration	**61,645**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	2,951
Consideration paid	(55,000)
Net cash outflow on acquisition	**(52,049)**

Costs of acquisition have been charged to the interim consolidated income statement for the six-month period ended 30 June 2016.

The acquired entity contributed revenue of AED 4,946 thousand and a profit of AED 1,514 thousand from the acquisition date to 30 June 2016. If the acquisition had taken place at the beginning of the period, the contribution to the Group’s revenue and profit would have been AED 9,892 thousand and AED 3,028 thousand respectively.

c) Acquisition of Airport Handling SpA

During the current period, one of the subsidiaries of the Group acquired 30% shareholding of Airport Handling SpA ("AH"). AH provides a variety of passenger, ramp, baggage and cargo handling services to over 60 airlines in Malpensa International Airport and Linate Airport, Italy.

The subsidiary also entered into a call and put option arrangement to acquire an additional 40% interest at a fixed price or to sell its current 30% interest at fair value. The call option can be exercised between 18 to 26 months from the date of acquisition and the put option can be exercised within one month from the expiry date of the call option period. The amount payable on the exercise of the call option is included in trade and other payables. The management has concluded that the Group is in a position to exercise control on AH by virtue of its equity interest and options.

4 BUSINESS COMBINATIONS (continued)

c) Acquisition of Airport Handling SpA (continued)

The Group has provisionally recorded assets and liabilities of Airport Handling SpA at the date of acquisition, which are summarised below:

	Provisional fair values* AED'000
Property, plant and equipment	63,065
Intangible assets	48
Trade and other receivables	99,339
Other non-current assets	804
Cash and deposits with banks	67,732
Trade and other payables	(111,942)
Provisional fair value of the net assets acquired*	**119,046**
Less: Fair value of non-controlling interests	(83,330)
Group's share of net assets acquired (provisional)*	**35,716**
Purchase consideration	**(30,146)**
Gain on bargain purchase (provisional)*	**5,570**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	67,732
Consideration paid	(30,146)
Net cash inflow on acquisition	**37,586**

Costs of acquisition have been charged to the interim consolidated income statement for the six-month period ended 30 June 2016.

*Provisional gain on bargain purchase represents the difference between the provisional fair value of net assets acquired and the purchase consideration. A purchase price allocation exercise is currently in progress and the gain on bargain purchase will be adjusted once the exercise is complete. The Group has a one year measurement period from the date of acquisition to determine the fair values of identifiable assets and liabilities.

The acquired entity contributed revenue of AED 114,197 thousand and a profit of AED 2,028 thousand from the acquisition date to 30 June 2016. If the acquisition had taken place at the beginning of the period, the contribution to the Group's revenue and profit would have been AED 222,595 thousand and AED 2,982 thousand respectively.

4 BUSINESS COMBINATIONS (continued)

d) Acquisition of dnata Aviation Services US Inc.

During the current period, the Group acquired the 100% ownership of Ground Services International, Inc. ("GSI") and Metro Air Service, Inc. ("Metro") based in Detroit, Michigan, United States through a wholly owned subsidiary dnata aviation services US Inc. GSI and Metro are leading ground handling and United States postal services handling providers; together they have a presence in 31 international airports of the United States.

The Group has provisionally recorded the fair value of assets and liabilities of dnata Aviation Services US Inc. at the date of acquisition, which are summarised below:

	Provisional fair values* AED'000
Property, plant and equipment	101,566
Intangible assets	88,152
Trade and other receivables	2,891
Cash and deposits with banks	7,956
Trade and other payables	(496)
Provisional fair value of the net assets acquired*	**200,069**
Goodwill (provisional)*	**314,152**
Purchase consideration (see below)	**514,221**
Contingent consideration	18,365
Consideration paid	495,856
Total purchase consideration	**514,221**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	7,956
Consideration paid	(495,856)
Net cash outflow on acquisition	**(487,900)**

Costs of acquisition have been charged to the interim consolidated income statement for the six-month period ended 30 June 2016.

Provisional goodwill is attributable to expected synergies, revenue growth and future market development of the acquired business.

*Provisional goodwill represents the difference between the provisional fair value of net assets acquired and the purchase consideration. A purchase price allocation exercise is currently in progress and the goodwill will be adjusted once the exercise is complete. The Group has a one year measurement period from the date of acquisition to determine the fair values of identifiable assets and liabilities.

The acquired entity contributed revenue of AED 115,104 thousand and a profit of AED 6,354 thousand from the acquisition date to 30 June 2016. If the acquisition had taken place at the beginning of the period, the contribution to Group's revenue and profit would have been AED 233,191 thousand and AED 9,065 thousand respectively.

4 BUSINESS COMBINATIONS (continued)

e) Acquisition of Kerzner International Holdings Ltd

During 2015, the Group gained control of Kerzner International Holdings Ltd ("Kerzner") previously being held as an associate and started accounting for its investment in this entity as a subsidiary.

The principal activity of Kerzner is the operation and management of leading destination resorts and luxury hotels.

The Group recorded the fair values of assets and liabilities of Kerzner at the date of acquisition, which are summarised below:

	Fair values *AED'000*
Property, plant and equipment	357,662
Intangible assets	1,849,495
Investment properties	17,078
Investments in associates and joint ventures	59,237
Other non-current assets	353,542
Cash and deposits with banks	333,006
Deferred tax assets	48,727
Inventories	7,034
Trade and other receivables	349,723
Employees' end of service benefits	(14,395)
Borrowings and lease liabilities	(373,729)
Negative fair value of derivatives	(9,412)
Other non-current payables	(380,792)
Deferred tax liabilities	(2,653)
Trade and other payables	(112,470)
Fair value of the net assets acquired	**2,482,053**
Less: Fair value of non-controlling interests	(550,067)
Group's share of net assets acquired	**1,931,986**
Purchase consideration (see below)	**(1,812,948)**
Gain on bargain purchase	**119,038**
Consideration paid for additional acquisition	558,541
Acquisition date fair value of previously held investment	1,254,407
Total purchase consideration	**1,812,948**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	333,006
Cash paid	(558,541)
Net cash outflow on acquisition	**(225,535)**

4 BUSINESS COMBINATIONS (continued)

f) Acquisition of Imdaad LLC

During 2015, the Group acquired 100% ownership of Imdaad LLC ("Imdaad"). The principal activity of Imdaad is the provision of integrated facilities management solutions.

The Group recorded the fair values of assets and liabilities of Imdaad at the date of acquisition which are summarised below:

	Fair values AED'000
Property, plant and equipment	84,402
Intangible assets	122,308
Investments in associates and joint ventures	927
Other non-current assets	6,688
Islamic financing and investment products	76,505
Cash and deposits with banks	34,279
Inventories	3,555
Trade and other receivables	188,939
Employees' end of service benefits	(14,080)
Trade and other payables	(173,768)
Fair value of the net assets acquired	**329,755**
Goodwill	**45,538**
Purchase consideration	**375,293**
Consideration paid to acquire ownership	365,593
Consideration paid to acquire loan	9,700
Total purchase consideration	**375,293**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	34,279
Consideration paid	(375,293)
Net cash outflow on acquisition	**(341,014)**

4 BUSINESS COMBINATIONS (continued)

g) Additional stake in Dubai Aerospace Enterprise (DAE) Limited

During 2015, the Group acquired an additional stake for AED 91,875 thousand in one of its subsidiaries, Dubai Aerospace Enterprise ("DAE"), thus increasing its ownership from 68.36% to 80.53%. As a result, AED 430,530 thousand of non-controlling interests acquired by the Group were transferred from "non-controlling interest" to "equity attributable to the equity holder of ICD" and classified as "change in ownership" in the interim consolidated statement of changes in equity.

h) Acquisition of Canal Point FZE

During 2015, the Group acquired 100% ownership of Canal Point FZE for a consideration of AED 294,000 thousand, which was equivalent to the fair value of investment properties in the books of Canal Point FZE on the date of acquisition.

i) Acquisition of Ssangyong Engineering & Construction Co., Ltd.

During 2015, ICD contributed capital in Ssangyong Engineering & Construction Co., Ltd. ("Ssangyong") and established control over Ssangyong's business. The principal activity of Ssangyong is to engage in engineering, construction, and sale of buildings and apartments.

In prior years, Ssangyong commenced rehabilitation proceedings in Seoul Central District Court (the "Court"). The Court concluded these rehabilitation proceedings on 26 March 2015 (the date when ICD established control over Ssangyong's business).

As at 30 June 2016, included in the approved rehabilitation plan were performance bonds and payment guarantees of AED 3,921,626 thousand (unaudited) (31 December 2015: AED 12,909,014 thousand (audited)) issued by Ssangyong in the normal course of business. Management carried out a detailed review and assessed how much of these contingent liabilities would crystalise. As a result, it was estimated that only AED 232,653 thousand (unaudited) (31 December 2015: AED 372,722 thousand (audited)) may crystalise and accordingly recorded a provision for "rehabilitation liabilities" in the interim consolidated statement of financial position as at 30 June 2016, of AED 219,456 thousand (31 December 2015: AED 218,089 thousand (audited)) and AED 13,197 thousand (31 December 2015: AED 154,633 thousand (audited)) , under "other non-current payables" and "trade and other payables" respectively. In line with the rehabilitation plan as approved by the Court, as at 30 June 2016, AED 23,524 thousand (31 December 2015: AED 35,177 thousand (audited)) of these rehabilitation liabilities are to be settled in cash, and the balance of AED 209,129 thousand (31 December 2015: AED 337,545 thousand (audited)) would be subject to a debt to equity swap settlement. The fair value of Ssangyong's shares to be issued under the swap is AED 4,983 thousand as at 30 June 2016 (31 December 2015: AED 8,048 thousand (audited)), based on the valuation carried out by an independent third party.

As a result, the Group recorded a derivative asset of AED 204,146 thousand (31 December 2015: AED 329,497 thousand (audited)). This is accounted for and included under "positive fair value of derivatives" in the interim condensed consolidated statement of financial position as at 30 June 2016.

4 BUSINESS COMBINATIONS (continued)

i) Acquisition of Ssangyong Engineering & Construction Co., Ltd. (continued)

The Group recorded the fair value of assets and liabilities of Ssangyong at the date of acquisition which are summarised as below:

	Fair values AED'000
Property, plant and equipment	41,846
Intangible assets	15,057
Investment properties	88,784
Investments in associates and joint ventures	507
Investments in marketable securities	193,714
Other non-current assets	644,868
Cash and deposits with banks	443,938
Positive fair value of derivatives	573,270
Deferred tax assets	33,483
Inventories	13,070
Trade and other receivables	1,277,875
Employees' end of service benefits	(157,197)
Other non-current payables	(870,254)
Trade and other payables	(1,175,955)
Fair value of net assets acquired	**1,123,006**
Less: Fair value of non-controlling interests	(61,754)
Group's share of net assets acquired	**1,061,252**
Purchase consideration	**(574,340)**
Gain on bargain purchase	**486,912**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	443,938
Consideration paid	(574,340)
Net cash outflow on acquisition	**(130,402)**

4 BUSINESS COMBINATIONS (continued)

j) Acquisition of Toll Dnata Airport Services Pty Ltd

During 2015, one of the subsidiaries of the Group obtained 100% control of an indirect joint venture of the Group, Toll dnata Airport Services Pty Ltd ("Toll dnata"), by acquiring the remaining 50% ownership through its wholly owned subsidiary, dnata Airport Services Limited, United Kingdom. Toll dnata is one of the leading ground and cargo handling companies operating in seven airports in Australia.

The Group recorded the fair values of assets and liabilities of Toll dnata at the date of acquisition, which are summarised below:

	Fair values AED'000
Property, plant and equipment	50,974
Intangible assets	1,646
Deferred tax assets	13,147
Trade and other receivables	77,639
Cash and deposits with banks	12,567
Employees' end of service benefits	(10,425)
Borrowings and lease liabilities	(29,510)
Trade and other payables	(76,850)
Fair value of the net assets acquired	**39,188**
Purchase consideration (see below)	**39,188**
Consideration paid for additional acquisition	21,948
Acquisition date fair value of previously held investment	17,240
Total purchase consideration	**39,188**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	12,567
Consideration paid	(21,948)
Net cash outflow on acquisition	**(9,381)**

k) Acquisition of Hotel Washington Corporation (Cayman) ("HW Hotel")

During 2015, the Group acquired 100% ownership of HW Hotel. The principal activity of HW Hotel is the provision of hospitality services.

The Group recorded the fair values of assets and liabilities of HW Hotel at the date of acquisition, which are summarised below:

4 BUSINESS COMBINATIONS (continued)

k) Acquisition of Hotel Washington Corporation (Cayman) ("HW Hotel") (continued)

	Fair values AED'000
Property, plant and equipment	564,109
Cash and deposits with banks	20,186
Inventories	1,606
Trade and other receivables	11,672
Borrowings and lease liabilities	(374,144)
Trade and other payables	(224,359)
Fair value of net assets acquired	**(930)**
Goodwill	930
Purchase consideration	**USD 1**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	20,186
Net cash inflow on acquisition	**20,186**

l) Acquisition of Columbus Center Corporation (Cayman) ("Columbus Hotel")

During 2015, the Group acquired 100% ownership of Columbus Hotel. The principal activity of Columbus Hotel is the provision of hospitality services.

The Group recorded the fair values of assets and liabilities of Columbus Hotel at the date of acquisition, which are summarised below:

	Fair values AED'000
Property, plant and equipment	1,062,027
Intangible assets	1,117
Other non-current assets	5,264
Cash and deposits with banks	60,255
Inventories	3,006
Trade and other receivables	26,647
Borrowings and lease liabilities (net of loan from ICD)	(660,595)
Trade and other payables	(59,175)
Fair value of net assets acquired	**438,546**
Less: Fair value of non-controlling interest	(78,131)
Group's share of net assets acquired	**360,415**
Goodwill	78,608
Purchase consideration (see below)	**439,023**
Consideration paid to acquire ownership	297,847
Consideration paid to acquire loan	141,176
Total purchase consideration	**439,023**

4 BUSINESS COMBINATIONS (continued)

l) Acquisition of Columbus Center Corporation (Cayman) ("Columbus Hotel") (continued)

	AED'000
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	60,255
Consideration paid	(439,023)
Net cash outflow on acquisition	**(378,768)**

m) Acquisition of dnata BV

During 2015, one of the subsidiaries of the Group acquired the cargo handling operations of Aviapartner at Amsterdam Airport Schiphol, The Netherlands. Along with the full cargo handling operations, this facility includes several specialist product lines including the Schiphol Animal Centre and Temperature Control Centre, as well as its Freighter Ramp Handling operations. Subsequent to the acquisition, the business was renamed as dnata BV.

The Group recorded the fair values of assets and liabilities of dnata BV at the date of acquisition, which are summarised below:

	Fair values AED'000
Property, plant and equipment	3,762
Intangible assets	24,143
Deferred tax assets	2,396
Trade and other receivables	23,154
Cash and deposits with banks	38,775
Employees' end of service benefits	(13,278)
Other non-current payables	(1,289)
Deferred tax liabilities	(6,029)
Trade and other payables	(24,239)
Fair value of net assets acquired	**47,395**
Goodwill	58,439
Purchase consideration	**105,834**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	38,775
Consideration paid	(105,834)
Net cash outflow on acquisition	**(67,059)**

4 BUSINESS COMBINATIONS (continued)

n) Plafond Fit Out LLC

During 2015, one of the subsidiaries of the Group obtained 100% control of a joint venture, Plafond Fit Out LLC ("Plafond"), by acquiring the remaining 50% shares. Plafond is a Dubai based fit-out, MEP and facilities maintenance company.

The Group recorded the fair values of assets and liabilities of Plafond Fit Out LLC at the date of acquisition, which are summarised below:

	Fair values AED'000
Property, plant and equipment	1,049
Intangible assets	22,866
Other non-current assets	1,118
Trade and other receivables	133,847
Cash and deposits with banks	51
Other non-current payables	(3,812)
Trade and other payables	(114,055)
Fair value of net assets acquired	**41,064**
Goodwill	65,920
Purchase consideration (see below)	**106,984**
Consideration paid for additional acquisition	22,000
Acquisition date fair value of previously held investment	84,984
Total purchase consideration	**106,984**
Analysis of cash flow on acquisition:	
Cash and deposits with banks acquired	51
Consideration paid	(22,000)
Net cash outflow on acquisition	**(21,949)**

o) Nigma Lifts Installations & Maintenance Co. LLC

During 2015, one of the subsidiaries of the Group acquired 99% ownership of Nigma Lifts Installations & Maintenance Co. LLC ("Nigma") for a consideration of AED 11,000 thousand. Nigma is engaged in providing facilities management and ancillary services.

The Group acquired / incorporated a number of other immaterial subsidiaries, associates and joint ventures during the current period. Further, the Group's shareholding changed during the current period in a number of insignificant subsidiaries, associates and joint ventures.

5 PROPERTY PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements AED'000	*Furniture, fixtures and office equipment AED'000*	*Plant, machinery equipment and vehicles AED'000*	*Oil and gas interests AED'000*	*Aircraft AED'000*	*Aircraft engines and parts AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Six-month period ended 30 June 2016 (Unaudited)								
Additions during the period	**342,166**	**235,066**	**1,777,671**	**915,446**	**256,530**	**142,132**	**6,201,945**	**9,870,956**
Disposals during the period (net book value)	**21,597**	**49,490**	**68,860**	**4**	**5,646,906**	**40,610**	**20,860**	**5,848,327**
Impairment and depreciation charge for the period	**704,190**	**303,338**	**1,639,170**	**795,461**	**2,442,709**	**255,939**	**-**	**6,140,807**
Acquired on business combinations	**327,157**	**14,499**	**224,413**	**-**	**-**	**-**	**2,347**	**568,416**
Six-month period ended 30 June 2015 (Unaudited)								
Additions during the period	311,373	165,291	1,245,168	1,124,050	385,828	133,608	8,258,834	11,624,152
Disposals during the period (net book value)	352,079	1,612	92,059	-	2,691,985	195,261	140,970	3,473,966
Impairment and depreciation charge for the period	666,223	288,772	1,511,868	813,491	2,311,268	184,621	-	5,776,243
Acquired on business combinations	1,914,163	91,078	102,556	-	4,348	-	47,673	2,159,818
Transfer to assets held for sale (net book value)	177,462	17,610	299,340	-	-	70,630	22,550	587,592

6 INTANGIBLE ASSETS

	Licences and exclusive rights AED'000	*Goodwill AED'000*	*Customer relationships and trade names AED'000*	*Computer software AED'000*	*Service rights AED'000*	*Brands and Contractual rights AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Six-month period ended 30 June 2016 (Unaudited)								
Additions during the period	**-**	**-**	**21**	**33,964**	**167,728**	**-**	**194,985**	**396,698**
Impairment and amortisation charge for the period	**201,911**	**-**	**33,485**	**103,568**	**54,074**	**44,240**	**-**	**437,278**
Acquired on business combinations	**-**	**669,654**	**167,967**	**-**	**-**	**35,600**	**-**	**873,221**
Six-month period ended 30 June 2015 (Unaudited)								
Additions during the period	48,815	14,193	4,256	51,744	23,957	-	108,803	251,768
Impairment and amortisation charge for the period	232,787	-	36,990	73,944	45,478	34,650	-	423,849
Acquired on business combinations	-	151,128	130,672	11,642	4,906	1,840,969	1,462	2,140,779
Transfer to assets held for sale (net book value)	156,070	3,665,211	57,554	-	-	220,063	-	4,098,898

7 INVESTMENT PROPERTIES

	Six-month period ended 30 June	
	2016 AED'000 (Unaudited)	*2015 AED'000 (Unaudited)*
Additions during the period	**6,197,639**	653,647
Acquired on business combinations (see note 4)	**537,307**	399,862
Depreciation and impairment charge for the period	**70,757**	57,809

8 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Investment in associates	**25,122,857**	24,094,043
Investment in joint ventures	**16,232,568**	15,473,504
	41,355,425	39,567,547

	Six-month period ended 30 June	
	2016 AED'000 (Unaudited)	*2015 AED'000 (Unaudited)*
Investments made during the period*	**1,278,879**	1,243,479
Share of results of associates and joint ventures for the period - net	**1,864,892**	2,399,654
Dividends received during the period	**1,356,552**	1,267,741
Carrying value on the date of conversion of previously owned joint venture / associate to subsidiary (see note 4 (b) and (e))	**6,955**	1,888,595

* During the current period, the Group had subscribed to AED 948,495 thousand (unaudited) of right shares issued by one of its associates. The shares have subsequently been listed on Dubai Financial Market ("DFM") after obtaining all regulatory approvals.

9 INVESTMENTS IN MARKETABLE SECURITIES

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Available-for-sale investments	**24,237,129**	23,164,932
Held-to-maturity investments	**1,105,497**	1,164,494
Fair value through profit or loss	**2,345,990**	2,519,410
Total investment in marketable securities	**27,688,616**	26,848,836

Disclosed as follows:

Non-current assets	**21,496,200**	20,652,573
Current assets	**6,192,416**	6,196,263
	27,688,616	26,848,836

During 2015, a subsidiary of the Group sold its investment in the London Stock Exchange ("LSE"), classified as available-for-sale investment, for a consideration of USD 2 billion (AED 7.4 billion).

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

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

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

The Group holds the following financial instruments measured at fair value:

30 June 2016 (Unaudited)	*Financial instruments carried at fair value*			
	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Available-for-sale investments	24,237,129	15,201,683	6,628,850	2,406,596
Fair value through profit or loss	2,345,990	2,081,136	164,828	100,026
Derivative financial instruments - net	(445,439)	(137,132)	(504,169)	195,862
	26,137,680	**17,145,687**	**6,289,509**	**2,702,484**

9 INVESTMENTS IN MARKETABLE SECURITIES (continued)

31 December 2015 (Audited)	*Financial instruments carried at fair value*			
	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Available-for-sale investments	23,164,932	14,712,332	5,970,674	2,481,926
Fair value through profit or loss	2,519,410	2,179,325	108,849	231,236
Derivative financial instruments - net	(488,138)	288,054	(1,100,900)	324,708
	25,196,204	17,179,711	4,978,623	3,037,870

During the current and the prior period, there have been no transfers of financial instruments between Level 1 and Level 2 of fair value hierarchy.

The following table shows a reconciliation of the opening and closing amounts of investments classified within Level 3 of the fair value hierarchy:

	Six-month period ended 30 June	
	2016 AED'000 (Unaudited)	*2015 AED'000 (Unaudited)*
Balance at the beginning of the period	**3,037,870**	2,968,343
Investments made during the period	**8,433**	23,755
Settlements / disposals during the period	**(367,630)**	(110,151)
Arising on business combination	**-**	763,768
Net fair value movement during the period	**23,811**	63,429
Net transfers from Level 1 and Level 2	**-**	80,598
Conversion of previously owned investment to subsidiary	**-**	(418,101)
Balance at the end of the period	**2,702,484**	3,371,641

10 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Murabaha	**32,379,787**	30,737,811
Ijara	**18,914,346**	15,124,343
Wakala	**13,399,381**	16,587,700
Mudaraba	**557,322**	188,708
Istissna'a	**1,417,112**	1,180,460
Credit card receivables	**955,040**	896,408
Others	**946,921**	979,372
	68,569,909	65,694,802
Less: Deferred income	**(2,539,702)**	(2,533,031)
Less: Allowance for impairment (see note (b))	**(4,865,533)**	(4,639,313)
Net Islamic financing and investment products	**61,164,674**	58,522,458
Total of impaired Islamic financing and investment products	**5,553,477**	5,820,107

10 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

(a) Analysis by economic activity:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Services and personal	**34,656,811**	30,431,419
Construction and real estate	**10,505,387**	9,408,400
Trade	**3,583,980**	2,872,553
Financial services	**14,093,722**	17,217,200
Transport and communication	**1,497,413**	1,301,352
Manufacturing	**1,168,073**	1,811,992
Agriculture and allied activities	**27,686**	17,389
Others	**3,036,837**	2,634,497
	68,569,909	65,694,802
Less: Deferred income	**(2,539,702)**	(2,533,031)
Less: Allowance for impairment (see note (b))	**(4,865,533)**	(4,639,313)
Net Islamic financing and investment products	**61,164,674**	58,522,458
Disclosed as follows:		
Non-current assets	**32,891,903**	31,531,485
Current assets	**28,272,771**	26,990,973
Net Islamic financing and investment products	**61,164,674**	58,522,458

(b) Movement in allowances for impairment:

	Six-month period ended 30 June	
	2016 AED'000 (Unaudited)	*2015 AED'000 (Unaudited)*
Balance at the beginning of the period	**4,639,313**	4,222,473
Allowance for impairment made during the period (net of recoveries (see note 3))	**506,889**	412,625
Write-offs during the period	**(280,802)**	(308,192)
Exchange and other adjustments	**133**	198
Balance at the end of the period	**4,865,533**	4,327,104

11 LOANS AND RECEIVABLES

Loans and receivables represent the receivables arising from the banking operations of the Group carried out through the Group's banking subsidiary. The details of loans and receivables are as follows:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Overdrafts	**107,937,442**	101,438,537
Time loans	**127,604,418**	124,044,954
Loans against trust receipts	**8,527,025**	8,244,741
Bills discounted	**2,525,397**	2,640,618
Credit card receivables	**4,715,264**	4,493,159
Others	**594,584**	606,838
	251,904,130	241,468,847
Other debt instruments	**94,998**	114,314
Less: allowance for impairment (see note (b))	**(19,342,479)**	(18,670,128)
Net loans and receivables	**232,656,649**	222,913,033
Disclosed as follows:		
Non-current assets	**83,450,621**	78,315,082
Current assets	**149,206,028**	144,597,951
Net loans and receivables	**232,656,649**	222,913,033
Total of impaired loans and receivables	**14,884,901**	15,091,904

(a) Analysis by economic activity:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Services (includes financial services)	**26,068,288**	25,363,475
Personal	**35,749,460**	33,842,736
Sovereign	**124,844,727**	119,164,348
Construction and real estate	**38,159,115**	36,987,955
Manufacturing	**8,209,824**	7,567,864
Trade	**13,393,414**	12,845,359
Transport and communication	**4,098,619**	4,262,766
Mining and quarrying	**514,476**	507,313
Agriculture and allied activities	**104,876**	159,128
Others	**856,329**	882,217
Loans and receivables before allowance for impairment	**251,999,128**	241,583,161
Less: allowance for impairment (see note (b))	**(19,342,479)**	(18,670,128)
Net loans and receivables	**232,656,649**	222,913,033

11 LOANS AND RECEIVABLES (continued)

(b) Movement in allowances for impairment:

	Six-month period ended 30 June	
	2016 ***AED'000*** ***(Unaudited)***	*2015* *AED'000* *(Unaudited)*
Balance at the beginning of the period	**18,670,128**	16,870,983
Allowance for impairment made during the period (net of recoveries (see note 3))	**953,558**	1,470,989
Write-offs during the period	**(268,350)**	(120,149)
Exchange and other adjustments	**(12,857)**	(6,154)
Balance at the end of the period	**19,342,479**	18,215,669

12 CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include reserve requirements maintained by the Group's banking subsidiary with the Central Bank of the UAE (the "Central Bank") and the various Central Banks of countries in which the banking subsidiary operates (collectively the "Central Banks"). They are not available for use in the subsidiary's day to day operations and cannot be withdrawn without the approval of the Central Banks. The level of reserve required changes periodically in accordance with the directives of the Central Banks.

13 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE / DISCONTINUED OPERATIONS

a) Standard Aero Inc. ("Standard Aero")

On 26 May 2015, DAE announced the signing of a definitive agreement to sell its stake in Standard Aero, and on 8 July 2015, DAE sold its stake in Standard Aero to an affiliate of Veritas Capital for a consideration of AED 5,008 million. This resulted in a gain of AED 2,072,717 thousand.

The results and cash flows of the discontinued operations included in the Group's interim consolidated income statement and consolidated statement of cash flows for the period are as follows:

	Six-month period ended 30 June	
	2016 ***AED'000*** ***(Unaudited)***	*2015* *AED'000* *(Unaudited)*
Revenue	**-**	3,151,713
Cost of revenues	**-**	(2,679,340)
General, administrative and other expenses	**-**	(193,287)
Other income	**-**	38,970
Other finance costs	**-**	(113,275)
Profit for the period before income tax from discontinued operations	**-**	204,781
Reversal of provision*	**199,692**	-
Income tax benefit	**-**	11,007
Profit for the period from discontinued operations	**199,692**	215,788

13 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE / DISCONTINUED OPERATIONS (continued)

a) Standard Aero Inc. ("Standard Aero") (continued)

*During the prior year, the Group had recognised a provision of AED 199,692 thousand in relation to Standard Aero. During the current period, the management assessed that this provision is no longer necessary. As a result, this provision was reversed to the interim consolidated income statement during the current period.

The cash flow information of the discontinued operations are set out below:

	Six-month period ended 30 June	
	2016 AED'000 (Unaudited)	*2015 AED'000 (Unaudited)*
Net cash generated from operating activities	**-**	199,320
Net cash used in investing activities	**-**	(50,608)
Net cash used in financing activities	**-**	(392,711)

b) Al Salwa Investment LLC ("Al Salwa")

At 31 December 2015, the Group held a 100% equity interest in Al Salwa and classified it as held for sale as the Group was in advanced stage of discussions in relation to Al Salwa's disposal. Assets of disposal group classified as held for sale at 31 December 2015 were as follows:

	31 December 2015 AED'000 (Audited)
Investment properties	**491,201**
Cash and deposits with banks	**183**
Assets of disposal group classified as held for sale	**491,384**

This disposal group had no associated liabilities as at 31 December 2015.

During the current period, Al Salwa was sold to a newly formed joint venture, ICD Brookfield Place Dubai Limited ("ICD Brookfield") in exchange for a 50% equity interest in ICD Brookfield valued at AED 245,692 thousand and cash consideration of AED 245,692 thousand. No gain or loss arose as a result of the disposal of Al Salwa.

c) North Sathorn Hotel Company Limited ("North Sathorn")

During the prior year, the Group acquired an 80% ownership stake in North Sathorn for a purchase price of USD 1 million. The acquisition was made with a view to dispose of North Sathorn within a year and accordingly it was classified as an asset held for sale as at 31 December 2015. As a part of this acquisition, a shareholder loan with a fair value of AED 82,217 thousand was novated to the Group, without any additional consideration. As a result of this acquisition, AED 131,236 thousand was recognised as gain on bargain purchase in the consolidated income statement for the year ended 31 December 2015.

During the current period, the Group entered into an agreement for the sale of its 80% ownership in North Sathorn along with the associated shareholder loan to Asian Capital Co. Ltd, (a joint venture in which the Group is a 50% partner). The consideration for the sale amounted to Thai Baht 894,800 thousand (AED 92,057 thousand) which also includes settlement of the outstanding shareholder loan with North Sathorn. As a result of the sale, a loss of AED 48,342 thousand was recorded in the interim consolidated income statement.

13 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE / DISCONTINUED OPERATIONS (continued)

c) North Sathorn Hotel Company Limited ("North Sathorn") (continued)

	AED'000 (Unaudited)
Assets of disposal group classified as held for sale	**464,407**
Liabilities of disposal group classified as held for sale	**(321,752)**
	142,655
Additional contribution made by the Group during the period	**9,831**
Non-controlling interests	**(12,087)**
Net assets on the date of disposal, attributable to the equity holders	**140,399**
Less: consideration received	**(92,057)**
Loss on disposal of discontinued operations	**48,342**

14 CAPITAL

Capital represents the permanent capital provided by the Government and subsequent contributions in cash or in kind by the Government less returns made by ICD in cash or in kind.

	Six-month period ended 30 June	
	2016 AED'000 (Unaudited)	*2015 AED'000 (Unaudited)*
Balance at the beginning and end of the period	**65,105,154**	64,582,949

15 OTHER RESERVES (Unaudited)

	Legal and statutory reserve AED'000	*Capital reserve AED'000*	*Merger reserve AED'000*	*Cost of share based payments AED'000*	*Cumulative changes in fair value AED'000*	*General reserve AED'000*	*Asset replacement reserve AED'000*	*Translation reserve AED'000*	*Others AED'000*	*Total AED'000*
Balance at 1 January 2016	2,779,955	2,482,827	9,179,312	17,267	611,296	511,314	11,025	(1,128,859)	(255,642)	14,208,495
Unrealised loss on available-for-sale investments (net)										
- ICD and its subsidiaries	-	-	-	-	(513,906)	-	-	-	-	(513,906)
- Associates and joint ventures	-	-	-	-	(13,124)	-	-	-	-	(13,124)
Unrealised gain on hedging instruments (net)										
- ICD and its subsidiaries	-	-	-	-	219,250	-	-	-	-	219,250
- Associates and joint ventures	-	-	-	-	6,712	-	-	-	-	6,712
Foreign currency translation differences (net)										
- ICD and its subsidiaries	-	-	-	-	-	-	-	(190,482)	-	(190,482)
-Associates and joint ventures	-	-	-	-	-	-	-	182,744	-	182,744
Reserves transferred to interim consolidated income statement	-	-	-	-	426,284	-	-	(9,973)	-	416,311
Total income and expenses for the period recognised directly in equity	-	-	-	-	125,216	-	-	(17,711)	-	107,505
Change in ownership	3,335	(55)	-	-	571	667	-	(248)	17,501	21,771
Transfer on reduction of share capital of an indirect subsidiary	-	(1,256,420)	-	-	-	-	-	-	-	(1,256,420)
Transfers from / (to) retained earnings and non-controlling interests	7,455	(32)	-	-	25	-	2,494	-	-	9,942
Other movements	4	73,667	-	-	(1,840)	-	-	(21)	(121,689)	(49,879)
Total at 30 June 2016	**2,790,749**	**1,299,987**	**9,179,312**	**17,267**	**735,268**	**511,981**	**13,519**	**(1,146,839)**	**(359,830)**	**13,041,414**

15 OTHER RESERVES (Unaudited) (continued)

	Legal and statutory reserve AED'000	*Capital reserve AED'000*	*Merger reserve AED'000*	*Cost of share based payments AED'000*	*Cumulative changes in fair value AED'000*	*General reserve AED'000*	*Asset replacement reserve AED'000*	*Translation reserve AED'000*	*Others AED'000*	*Total AED'000*
Balance at 1 January 2015	2,379,535	1,728,220	9,179,312	17,267	3,354,512	313,466	11,673	(679,553)	(171,440)	16,132,992
Unrealised gain / (loss) on available-for-sale investments (net)										
- ICD and its subsidiaries	-	-	-	-	192,618	-	-	-	-	192,618
- Associates and joint ventures	-	-	-	-	(59,836)	-	-	-	-	(59,836)
Unrealised gain on hedging instruments (net)										
- ICD and its subsidiaries	-	-	-	-	128,791	-	-	-	-	128,791
- Associates and joint ventures	-	-	-	-	4,299	-	-	-	-	4,299
Foreign currency translation differences (net)										
- ICD and its subsidiaries	-	-	-	-	-	-	-	(130,699)	-	(130,699)
- Associates and joint ventures	-	-	-	-	-	-	-	(102,276)	-	(102,276)
Reserves transferred to retained earnings upon change in ownership of an investment	-	-	-	-	(198,377)	-	-	-	-	(198,377)
Reserves transferred to interim consolidated income statement	-	-	-	-	(257,747)	-	-	-	-	(257,747)
Total income and expenses for the period recognised directly in equity	-	-	-	-	(190,252)	-	-	(232,975)	-	(423,227)
Reserves related to a discontinued operation	-	-	-	-	4,226	-	-	-	(158)	4,068
Change in ownership	-	-	-	-	(1,709)	-	-	-	-	(1,709)
Transfers from / (to) retained earnings and non-controlling interests	195	117,561	-	-	-	-	1,589	-	(3,980)	115,365
Arising on dilution of investment in an indirect associate	-	-	-	-	-	-	-	8,090	183,639	191,729
Other movements	-	(42,299)	-	-	(886)	-	-	4,282	(1,964)	(40,867)
Total at 30 June 2015	2,379,730	1,803,482	9,179,312	17,267	3,165,891	313,466	13,262	(900,156)	6,097	15,978,351

16 NON-CONTROLLING INTERESTS

Non-controlling interests includes three series of regulatory Tier 1 Capital notes ("Capital Notes") issued in 2009 ("2009 Notes"), 2013 ("2013 Notes") and 2014 ("2014 Notes") by the banking subsidiary of the Group amounting to AED 4 billion, USD 1 billion (AED 3.65 billion (net of issuance cost)) and USD 500 million (AED 1.83 billion (net of issuance cost)) respectively. The 2009 Notes were issued at a fixed interest rate for the first five years and on a floating rate basis thereafter. The 2013 Notes and 2014 Notes were issued at a fixed interest rate with a reset after six years. These Capital Notes are perpetual, subordinated and unsecured. The issuer can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and such event will not be considered an event of default. These Capital Notes have been classified under equity within non-controlling interests.

17 COMMITMENTS AND CONTINGENCIES

(a) Investment commitments

The Group has the following investment commitments as at period-end / year-end:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Available-for-sale investments	**1,018,119**	1,019,398

(b) Operating lease commitments

Group as lessee
Future minimum rentals payable under non-cancellable operating leases as at period-end / year-end are as follows:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Within one year	**10,396,140**	9,200,142
After one year but not more than five years	**33,535,951**	29,276,425
More than five years	**30,569,110**	22,640,966
	74,501,201	61,117,533

Group as lessor
Future minimum rentals receivable as at period-end / year-end are as follows:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Within one year	**1,947,327**	2,262,040
After one year but not more than five years	**3,965,787**	4,182,778
More than five years	**1,831,648**	2,351,523
	7,744,762	8,796,341

17 COMMITMENTS AND CONTINGENCIES (continued)

(c) Capital commitments

Capital expenditure contracted for, but not provided for, at the period-end / year-end are as follows:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Capital commitments for the purchase of aircrafts are as follows:		
Within one year	**30,300,322**	31,273,610
After one year but not more than five years	**77,456,319**	80,870,399
More than five years	**158,811,119**	165,649,005
	266,567,760	277,793,014
Contracted commitment in relation to other non-financial assets	**7,805,951**	9,745,824
Group's share of associates and joint ventures' capital expenditure commitments	**7,085,015**	7,918,558
	281,458,726	295,457,396

(d) Assets held under fiduciary capacity

The Group's financial services subsidiaries hold assets in a fiduciary capacity and provide custodian services for some of their customers. The underlying assets held in a custodial or fiduciary capacity are excluded from the Group's interim condensed consolidated financial statements.

(e) Contingencies

The Group has the following contingent liabilities at the period-end / year-end:

	30 June 2016 AED'000 (Unaudited)	*31 December 2015 AED'000 (Audited)*
Letters of credit	**11,436,966**	12,331,593
Letters of guarantees	**48,270,279**	47,696,470
Liabilities on risk participation	**337,090**	498,516
Performance bonds	**260,436**	277,003
Group's share of guarantees issued by associates and joint ventures	**6,286,421**	5,809,426
Group's share of letters of credit issued by associates and joint ventures	**1,304,081**	1,378,594
Third party claims*	**1,973,298**	1,873,458

17 COMMITMENTS AND CONTINGENCIES (continued)

(e) Contingencies (continued)

* There are various claims against the subsidiaries of the Group initiated by their respective contractors, customers and other counterparties in respect of delays in work or non-fulfilment of contractual obligations. The Group's management believes that the respective subsidiaries have strong cases in respect of these contingencies and the chances of outflow are remote. Accordingly, no liability is recognised in respect of these contingencies.

(f) Operational commitments

As at 30 June 2016, one of the Group's subsidiaries has operational commitments relating to sales and marketing amounting to AED 2,808,182 thousand (unaudited) (31 December 2015: AED 2,519,903 thousand (audited)).

(g) Irrevocable loan commitments

The Group's banking operations have irrevocable undrawn loan commitments of AED 38,017,726 thousand (unaudited) outstanding at 30 June 2016 (31 December 2015: AED 35,411,284 thousand (audited)).

18 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, joint ventures, directors and key management personnel of the Group, and entities jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions have been disclosed as under:

a) Transactions with related parties included in the interim consolidated income statement are as follows:

	Purchase of goods and services (including cost of revenue) AED'000 (Unaudited)	*Sale of goods and services (including revenue) AED'000 (Unaudited)*	*Other finance income AED'000 (Unaudited)*	*Other finance costs AED'000 (Unaudited)*	*Other income AED'000 (Unaudited)*
Six-month period ended 30 June 2016					
Associates and joint ventures	**1,356,670**	**1,406,547**	**205,280**	**158,647**	**-**
Government, MOF and other related parties	**20,327**	**573,506**	**286,267**	**151,683**	**13,970**
Six-month period ended 30 June 2015					
Associates and joint ventures	2,322,064	2,604,394	107,730	120,207	-
Government, MOF and other related parties	108,905	663,603	215,386	227,648	21,307

The Group enters into transactions with Government owned entities in the normal course of business. Such entities include various utility companies, port authorities, financial institutions etc. In accordance with the exemption available in the revised IAS 24, transactions that are entered in the normal course of business with such related Government entities are not disclosed.

Investment in marketable securities includes balances of AED 301,085 thousand (unaudited) (31 December 2015: AED 296,715 thousand (audited)) with Government, MOF and other related parties.

18 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Amounts due from / to related parties included in the interim consolidated statement of financial position are as follows:

	30 June 2016		*31 December 2015*	
	Receivables*	***Payables*****	*Receivables**	*Payables***
	AED'000	***AED'000***	*AED'000*	*AED'000*
	(Unaudited)	***(Unaudited)***	*(Audited)*	*(Audited)*
Associates and joint ventures	**14,825,272**	**11,904,137**	17,663,925	11,812,610
Government, MOF and other related parties	**139,926,995**	**14,175,593**	143,905,799	14,914,040
	154,752,267	**26,079,730**	161,569,724	26,726,650

*This includes Islamic financing and investment products, loans and receivables, trade and other receivables and non-current assets.

**This includes borrowings and lease liabilities, other non-current payables, customer deposits and trade and other payables.

During the current period, a subsidiary of the Group received land (classified as investment property) in settlement of the outstanding receivable of AED 5.6 billion from a related party.

An impairment provision of AED 181,804 thousand (unaudited) (31 December 2015: AED 154,174 thousand (audited)) and AED 57,721 thousand (unaudited) (31 December 2015: 72,159 thousand (audited)) have been made against amounts receivable from "Government, MOF and other related parties" and "Associates and joint ventures" respectively. Such amounts are included under other non-current assets and trade and other receivables at the period / year end.

c) Cash and bank balances with related parties

	30 June 2016	*31 December 2015*
	AED'000	*AED'000*
	(Unaudited)	*(Audited)*
Associates and joint ventures	**10,073,923**	8,431,257

d) Compensation to key management personnel

The remuneration of directors and other key members of the management were as follows:

	30 June 2016	*30 June 2015*
	AED'000	*AED'000*
	(Unaudited)	*(Unaudited)*
Short term staff benefits	**155,477**	140,833
End of service benefits	**7,732**	5,168
Directors' fees	**12,483**	13,308
	175,692	159,309

e) The investments made in associates and joint ventures, Group's share of results of associates and joint ventures and the dividends received from them during the current period are disclosed in note 8 to these interim condensed consolidated financial statements. The distribution made to the Government has been disclosed in the interim consolidated statement of changes in equity.

19 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABLITIES

The tables below sets out the Group's classification of each class of financial assets and financial liabilities at the date of statement of financial position:

30 June 2016 (unaudited):	*Designated as fair value through profit or loss AED'000*	*Held to maturity AED'000*	*Available-for-sale AED'000*	*Loans and receivables AED'000*	*Liabilities at amortised cost AED'000*	*Derivative financial instruments AED'000*	*Total carrying value AED'000*
Financial assets							
Non-derivative financial assets							
Investments in marketable securities (see note 9)	2,345,990	1,105,497	24,237,129	-	-	-	27,688,616
Islamic financing and investment products (see note 10)	-	-	-	61,164,674	-	-	61,164,674
Loans and receivables (see note 11)	-	-	-	232,656,649	-	-	232,656,649
Other non-current assets	-	-	-	17,571,568	-	-	17,571,568
Trade and other receivables	-	-	-	24,078,211	-	-	24,078,211
Customer acceptances	-	-	-	6,055,320	-	-	6,055,320
Cash and deposits with banks	-	-	-	130,189,300	-	-	130,189,300
Derivative financial assets							
Positive fair value of derivatives	-	-	-	-	-	3,870,641	3,870,641
	2,345,990	**1,105,497**	**24,237,129**	**471,715,722**	**-**	**3,870,641**	**503,274,979**
Financial liabilities							
Non-derivative financial liabilities							
Customer deposits	-	-	-	-	220,563,750	-	220,563,750
Islamic customer deposits	-	-	-	-	56,071,054	-	56,071,054
Borrowings and lease liabilities	-	-	-	-	177,745,449	-	177,745,449
Other non-current payables	-	-	-	-	1,995,411	-	1,995,411
Customer acceptances	-	-	-	-	6,055,320	-	6,055,320
Repurchase agreements with banks	-	-	-	-	103,949	-	103,949
Trade and other payables	-	-	-	-	41,738,726	-	41,738,726
Derivative financial liabilities							
Negative fair value of derivatives	-	-	-	-	-	4,316,080	4,316,080
	-	**-**	**-**	**-**	**504,273,659**	**4,316,080**	**508,589,739**

Fair values of the above mentioned financial assets and liabilities approximate their carrying values.

19 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABLITIES (continued)

31 December 2015 (Audited):

	Designated as fair value through profit or loss AED'000	*Held to maturity AED'000*	*Available-for-sale AED'000*	*Loans and receivables AED'000*	*Liabilities at amortised cost AED'000*	*Derivative financial instruments AED'000*	*Total carrying value AED'000*
Financial assets							
Non-derivative financial assets							
Investments in marketable securities (see note 9)	2,519,410	1,164,494	23,164,932	-	-	-	26,848,836
Islamic financing and investment products (see note 10)	-	-	-	58,522,458	-	-	58,522,458
Loans and receivables (see note 11)	-	-	-	222,913,033	-	-	222,913,033
Other non-current assets	-	-	-	20,369,497	-	-	20,369,497
Trade and other receivables	-	-	-	24,829,853	-	-	24,829,853
Customer acceptances	-	-	-	3,712,749	-	-	3,712,749
Cash and deposits with banks	-	-	-	135,146,680	-	-	135,146,680
Derivative financial assets							
Positive fair value of derivatives	-	-	-	-	-	3,534,406	3,534,406
	2,519,410	1,164,494	23,164,932	465,494,270	-	3,534,406	495,877,512
Financial liabilities							
Non-derivative financial liabilities							
Customer deposits	-	-	-	-	201,417,650	-	201,417,650
Islamic customer deposits	-	-	-	-	56,279,451	-	56,279,451
Borrowings and lease liabilities	-	-	-	-	174,803,871	-	174,803,871
Other non-current payables	-	-	-	-	1,805,474	-	1,805,474
Customer acceptances	-	-	-	-	3,712,749	-	3,712,749
Repurchase agreements with banks	-	-	-	-	248,334	-	248,334
Trade and other payables	-	-	-	-	55,692,207	-	55,692,207
Derivative financial liabilities							
Negative fair value of derivatives	-	-	-	-	-	4,022,544	4,022,544
	-	-	-	-	493,959,736	4,022,544	497,982,280

Fair values of the above mentioned financial assets and liabilities approximate their carrying values.

20 OPERATING SEGMENTS

The following tables present revenue and profit related information of the Group's operating segments for the six-month period ended 30 June 2016 and 2015:

	Banking and other financial services AED'000	*Transportation and related services AED'000*	*Oil and gas products/ services AED'000*	*Others AED'000*	*Total AED'000*
Six-month period ended 30 June 2016* (Unaudited)					
Revenues					
Revenue from external customers	**9,367,579**	**45,508,340**	**19,431,757**	**8,171,229**	**82,478,905**
Results:					
Profit for the period from continuing operations before tax	**4,767,160**	**2,279,728**	**1,322,233**	**2,129,221**	**10,498,342**
Six-month period ended 30 June 2015* (Unaudited)					
Revenues					
Revenue from external customers	8,384,906	45,335,936	27,980,498	7,773,461	89,474,801
Results:					
Profit for the period from continuing operations before tax	4,345,629	2,709,930	2,294,837	3,571,035	12,921,431

The following table presents assets and liabilities related information of the Group's operating segments as at 30 June 2016 and 31 December 2015:

	Banking and other financial services AED'000	*Transportation and related services AED'000*	*Oil and gas products/ services AED'000*	*Others AED'000*	*Total AED'000*
At 30 June 2016 (Unaudited)					
Segmental Assets	**448,284,593**	**141,724,918**	**47,503,562**	**99,248,402**	**736,761,475**
Segmental Liabilities	**362,968,970**	**101,861,239**	**30,693,696**	**42,450,849**	**537,974,754**
At 31 December 2015* (Audited)					
Segmental Assets	428,554,340	138,589,715	53,985,598	98,003,439	719,133,092
Segmental Liabilities	336,072,059	99,868,263	44,777,942	42,778,712	523,496,976

* Group entities which are classified as a disposal group held for sale as at and for the period ended 30 June 2016, 31 December 2015 and 30 June 2015 have not been considered for IFRS 8 – Operating Segments disclosures.