

**Investment Corporation of Dubai
and its subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2021

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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 statement of financial position of Investment Corporation of Dubai and its subsidiaries (together the "Group"), as at 30 June 2021 and the related interim condensed consolidated income statement and the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and other 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers
20 October 2021

Douglas O'Mahony
Registered Auditor Number: 834
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Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony, Murad Ainsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six-month period ended 30 June 2021

	Notes	<i>Six-month period ended</i>	
		<i>30 June</i>	
		<i>2021</i>	<i>2020</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	22	75,204,036	73,722,641
Cost of revenue		(62,661,554)	(64,412,369)
Net other operating income		2,370,761	1,906,431
Net gains / (losses) from derivative financial instruments	3	968,409	(128,403)
General, administrative and other expenses		(9,302,384)	(9,692,082)
Impairment losses on non-financial assets	4	(643,334)	(3,814,446)
Net impairment losses on financial assets	5	(2,826,583)	(4,548,626)
OPERATING PROFIT / (LOSS)		3,109,351	(6,966,854)
Other finance income		326,482	665,376
Other finance costs		(3,613,029)	(4,268,526)
Share of results of associates and joint ventures – net	10	2,329,813	1,223,243
Other (expense) / income	10(a)	(30,318)	256,394
PROFIT / (LOSS) FOR THE PERIOD BEFORE INCOME TAX		2,122,299	(9,090,367)
Income tax expense – net		(684,708)	(351,748)
PROFIT / (LOSS) FOR THE PERIOD		1,437,591	(9,442,115)
Attributable to:			
The equity holder of Investment Corporation of Dubai (“ICD”)		(885,518)	(11,383,370)
Non-controlling interests		2,323,109	1,941,255
		1,437,591	(9,442,115)

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2021

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
PROFIT / (LOSS) FOR THE PERIOD	1,437,591	(9,442,115)
Other comprehensive income		
<i>Items that may be reclassified to consolidated income statement in subsequent periods:</i>		
Net movement in fair value of debt instruments measured at fair value through other comprehensive income ("FVOCI"):		
- Net change in fair value	(144,405)	53,845
- Net amount transferred to consolidated income statement	(155,356)	(54,531)
Net movement in fair value of cash flow hedges:		
- Net change in fair value	2,280,378	(6,421,159)
- Net amount transferred to consolidated income statement	(274,061)	2,469,107
Net movement in cost of hedging	29,618	218,124
Foreign currency translation differences:		
- Net exchange differences on translation of foreign operation	(1,461,827)	(1,458,770)
- Net amount transferred to consolidated income statement	-	28,489
Group's share in other comprehensive income of equity accounted investees	(592,537)	(144,578)
Net other comprehensive income that may be reclassified to consolidated income statement in subsequent periods	(318,190)	(5,309,473)
<i>Items that will not to be reclassified to consolidated income statement in subsequent periods:</i>		
Net movement in fair value of equity instruments measured at FVOCI	340,023	(1,023,228)
Actuarial gain on defined benefit plans	61,195	241,725
Group's share in other comprehensive income of equity accounted investees	(27,474)	(275,699)
Net other comprehensive income that will not be reclassified to consolidated income statement in subsequent periods	373,744	(1,057,202)
Other comprehensive income for the period	55,554	(6,366,675)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,493,145	(15,808,790)
Attributable to:		
The equity holder of ICD	(80,816)	(17,079,275)
Non-controlling interests	1,573,961	1,270,485
	1,493,145	(15,808,790)

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	30 June 2021 AED'000 (Unaudited)	<i>31 December 2020 AED'000 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	167,519,478	170,835,859
Right-of-use assets	7	49,878,094	53,564,601
Intangible assets	8	28,773,562	28,018,036
Investment properties	9	26,778,855	25,657,167
Development properties		2,251,690	2,324,145
Investments in associates and joint ventures	10	54,841,084	54,399,686
Deferred tax assets		1,295,941	1,327,135
Positive fair value of derivatives	18	8,369,468	10,697,320
Investment securities	11	64,462,399	64,882,820
Other non-current assets	21(f)	3,167,836	7,558,716
Islamic financing and investment products	12	26,091,015	30,663,807
Loans and receivables	13	140,290,632	148,056,954
Cash and deposits with banks	14	2,935,696	2,812,147
		576,655,750	600,798,393
Current assets			
Customer acceptances		9,514,989	8,837,724
Inventories		10,830,087	8,986,400
Positive fair value of derivatives	18	3,442,665	3,039,417
Investment securities	11	37,988,464	21,339,881
Trade and other receivables		37,752,870	32,996,553
Islamic financing and investment products	12	54,339,911	45,887,396
Loans and receivables	13	234,729,597	233,963,117
Cash and deposits with banks	14	141,198,979	154,751,863
		529,797,562	509,802,351
Assets classified as held for sale	15	1,594,071	-
		531,391,633	509,802,351
TOTAL ASSETS		1,108,047,383	1,110,600,744

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

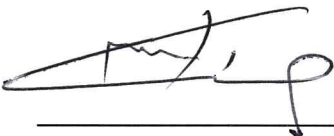
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2021

	<i>Notes</i>	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to the equity holder of ICD			
Capital	16	82,409,786	82,404,928
Retained earnings		96,149,333	104,499,883
Other reserves	17	6,980,008	5,690,656
		185,539,127	192,595,467
Non-controlling interests	19	47,688,221	48,663,426
Total equity		233,227,348	241,258,893
Non-current liabilities			
Employees' end of service benefits		3,650,573	3,691,061
Deferred tax liabilities		2,321,944	2,270,955
Borrowings and lease liabilities		234,044,738	225,156,157
Negative fair value of derivatives	18	7,219,305	9,060,691
Other non-current payables		12,395,128	12,099,639
Customer deposits		5,660,665	9,186,433
Islamic customer deposits		1,587,197	1,808,595
		266,879,550	263,273,531
Current liabilities			
Customer acceptances		9,514,989	8,837,724
Employees' end of service benefits		19,764	26,539
Borrowings and lease liabilities		92,949,568	95,923,315
Negative fair value of derivatives	18	2,032,016	3,556,711
Trade and other payables		63,092,695	57,866,550
Customer deposits		364,986,109	357,404,321
Islamic customer deposits		74,325,667	81,726,883
Current income tax liabilities		960,631	726,277
		607,881,439	606,068,320
Liabilities related to assets classified as held for sale	15	59,046	-
		607,940,485	606,068,320
Total liabilities		874,820,035	869,341,851
TOTAL EQUITY AND LIABILITIES		1,108,047,383	1,110,600,744



 Director



 Director

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2021

	Notes	<i>Six-month period ended</i>	
		<i>30 June</i>	
		<i>2021</i>	<i>2020</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES			
Profit / (Loss) for the period before income tax		2,122,299	(9,090,367)
Adjustments for:			
Impairment losses on non-financial assets	4	643,334	3,814,446
Depreciation charge on property, plant and equipment, right-of-use assets and investment properties		13,068,406	13,844,871
Amortisation charge on intangible assets	8	732,748	597,718
Impairment losses on loans and receivables – net of recoveries	13	2,200,264	3,369,826
Impairment losses on Islamic financing and investment products – net of recoveries	12	610,219	733,073
Impairment losses on trade and other receivables – net of recoveries	5	196,557	325,754
Impairment losses on other non-current assets – net of recoveries		7,591	3,687
Impairment (reversals) / losses on investment securities - net		(9,454)	71,734
Impairment (reversals) / losses on cash and deposits with banks – net		(38,649)	64,650
Impairment (reversals) / losses on unfunded exposures – net		(49,864)	80,007
Net gain on disposal of property, plant and equipment, right-of-use assets, investment properties and intangible assets		(184,845)	(33,000)
Net gain on sale of debt securities measured at FVOCI		(155,356)	(54,531)
Net change in fair value of investments securities measured at fair value through profit or loss (“FVTPL”)		(828,395)	435,486
(Reversal of) / Provision for allowance on slow moving and obsolete inventories – net		(7,607)	108,622
Other finance costs		3,613,029	4,268,526
Other finance income		(326,482)	(665,376)
Other expense / (income)	10(a)	30,318	(256,394)
Share of results of associates and joint ventures – net	10	(2,329,813)	(1,223,243)
Provision for employees’ end of service benefits		504,766	842,081
Unrealised (gains) / losses on derivatives and fair value hedged items – net		(158,164)	1,577,468
		19,640,902	18,815,038
Changes in:			
Inventories		(1,834,850)	2,948,778
Trade and other receivables		(4,931,639)	6,027,097
Trade and other payables		2,756,667	(14,050,282)
Loans and receivables (banking operations)		4,799,578	(3,878,915)
Statutory deposits (banking operations)		(5,494,371)	8,655,730
Deposits with banks with original maturity over three months (banking operations)		21,384,507	(11,253,708)
Customer deposits including Islamic customer deposits (banking operations)		(3,566,594)	(14,108,340)
Due to banks with original maturity over three months (banking operations)		4,828	3,426,586
Fair value of derivatives – net		(218,390)	(878,556)
Islamic financing and investment products (banking operations)		(1,614,627)	(2,282,280)
Other non-current assets		4,394,808	714,007
Other non-current payables		1,526	(398,242)
		35,322,345	(6,263,087)

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six-month period ended 30 June 2021

	Notes	<i>Six-month period ended</i>	
		<i>30 June</i>	
		<i>2021</i>	<i>2020</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES (continued)			
Employees' end of service benefits paid		(447,276)	(599,970)
Income tax paid		(365,042)	(400,946)
Foreign exchange and other movements		(193,517)	(56,006)
Net cash generated from / (used in) operating activities		34,316,510	(7,320,009)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment, right-of-use assets, intangible assets, investment properties and development properties		(11,271,873)	(6,853,866)
Proceeds from disposal of property, plant and equipment, intangible assets, investment properties and development properties		2,135,044	416,980
Acquisition of subsidiaries – net of cash and cash equivalents acquired		72,116	(168,513)
Proceeds from disposal of investments in associates and joint ventures		105,393	3,634
Other finance income received (non-banking operations)		389,428	839,563
Net movement in investment securities		(15,120,211)	(2,152,118)
Investments made in associates and joint ventures		(133,925)	(299,894)
Dividend from associates and joint ventures		944,089	974,132
Net movement in Islamic financing and investment products with original maturity over three months (non-banking operations)		(2,779,739)	1,603,719
Net movement in deposits with banks with original maturity over three months (non-banking operations)		5,997,819	3,257,200
Net cash used in investing activities		(19,661,859)	(2,379,163)
FINANCING ACTIVITIES			
Capital contributions from the Government of Dubai (the "Government")	16	4,858	7,365,381
Interest on Tier 1 Capital Notes		(336,879)	(301,434)
Repayment of Tier 1 Capital Notes	19	(4,000,000)	-
Issuance of Tier 1 Capital Notes	19	2,748,866	-
Distributions paid to the Government		(6,217,256)	(2,763,341)
Net movement in borrowings and lease liabilities		6,869,973	706,263
Other finance costs paid (non-banking operations)		(3,709,718)	(4,346,682)
Dividend paid to the non-controlling interests		(1,197,809)	(1,217,807)
Contributions from non-controlling interests		16,202	-
Net cash used in financing activities		(5,821,763)	(557,620)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
		8,832,888	(10,256,792)
Cash and cash equivalents at the beginning of the period		37,171,154	42,923,195
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		46,004,042	32,666,403

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six-month period ended 30 June 2021

Cash and cash equivalents have been computed as presented below:

	30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)	30 June 2020 AED'000 (Unaudited)
Cash and deposits with banks – current	141,198,979	154,751,863	168,449,423
Islamic financing and investment products with original maturity of less than three months (non-banking operations)	6,974,623	6,879,047	8,074,156
Due to banks	(51,403,348)	(51,672,068)	(57,557,378)
Bank overdrafts	(139,254)	(183,047)	(287,523)
	96,631,000	109,775,795	118,678,678
Due to banks with original maturity of more than three months	33,977,074	33,972,246	29,530,155
Deposits with Central Banks for regulatory purposes (see note 14)	(48,435,735)	(42,942,928)	(41,321,194)
Murabaha and interest bearing certificates of deposits with Central Banks with original maturity of more than three months	(12,000,000)	(33,500,000)	(37,000,000)
Due from other banks and deposits with other banks with original maturity of more than three months	(24,168,297)	(30,133,959)	(37,221,236)
Cash and cash equivalents at the end of the period / year	46,004,042	37,171,154	32,666,403

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the six-month period ended 30 June 2021

	<i>Attributable to the equity holder of ICD</i>					
	<i>Capital</i> <i>AED'000</i> <i>(see note 16)</i>	<i>Retained</i> <i>Earnings</i> <i>AED'000</i>	<i>Other</i> <i>Reserves</i> <i>AED'000</i> <i>(see note 17)</i>	<i>Total</i> <i>AED'000</i>	<i>Non-controlling</i> <i>interests</i> <i>AED'000</i> <i>(see note 19)</i>	<i>Total</i> <i>equity</i> <i>AED'000</i>
Balance at 1 January 2021 (audited)	82,404,928	104,499,883	5,690,656	192,595,467	48,663,426	241,258,893
(Loss) / Profit for the period	-	(885,518)	-	(885,518)	2,323,109	1,437,591
Other comprehensive income for the period	-	44,223	760,479	804,702	(749,148)	55,554
Total comprehensive income for the period	-	(841,295)	760,479	(80,816)	1,573,961	1,493,145
Contribution from the Government	4,858	-	-	4,858	-	4,858
Distributions to the Government	-	(6,727,256)	-	(6,727,256)	-	(6,727,256)
Tier 1 capital notes issued	-	-	-	-	2,748,866	2,748,866
Tier 1 capital notes redeemed	-	-	-	-	(4,000,000)	(4,000,000)
Interest on Tier 1 capital notes	-	-	-	-	(336,879)	(336,879)
Dividend paid to non-controlling interests	-	-	-	-	(1,197,809)	(1,197,809)
Transfers	-	(703)	703	-	-	-
Transfers upon disposal of equity instruments measured at FVOCI	-	(572,871)	572,871	-	-	-
Change in Group's ownership in existing subsidiaries	-	(175,887)	23,817	(152,070)	152,070	-
Other movements	-	(32,538)	(68,518)	(101,056)	84,586	(16,470)
Balance at 30 June 2021	82,409,786	96,149,333	6,980,008	185,539,127	47,688,221	233,227,348

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

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

For the six-month period ended 30 June 2021

	<i>Attributable to the equity holder of ICD</i>				<i>Non-controlling interests</i> AED'000 <i>(see note 19)</i>	<i>Total Equity</i> AED'000
	<i>Capital</i> AED'000 <i>(see note 16)</i>	<i>Retained earnings</i> AED'000	<i>Other reserves</i> AED'000 <i>(see note 17)</i>	<i>Total</i> AED'000		
Balance at 1 January 2020 (audited)	68,185,180	127,356,815	9,096,003	204,637,998	46,934,705	251,572,703
(Loss) / Profit for the period	-	(11,383,370)	-	(11,383,370)	1,941,255	(9,442,115)
Other comprehensive income for the period	-	240,030	(5,935,935)	(5,695,905)	(670,770)	(6,366,675)
Total comprehensive income for the period	-	(11,143,340)	(5,935,935)	(17,079,275)	1,270,485	(15,808,790)
Contributions from the Government	7,365,381	-	-	7,365,381	-	7,365,381
Distributions to the Government	-	(3,358,341)	-	(3,358,341)	-	(3,358,341)
Interest on Tier 1 capital notes	-	-	-	-	(301,434)	(301,434)
Dividend paid to non-controlling interests	-	-	-	-	(1,217,807)	(1,217,807)
Transfers	-	19,771	(19,771)	-	-	-
Transfers upon disposal of equity instruments measured at FVOCI	-	(14,825)	14,825	-	-	-
Other movements	-	(62,745)	38,594	(24,151)	19,273	(4,878)
Balance at 30 June 2020	75,550,561	112,797,335	3,193,716	191,541,612	46,705,222	238,246,834

The accompanying notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 ACTIVITIES

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

ICD is the principal investment arm of the Government and was capitalised with the transfer of certain investments under the Government’s portfolio from the Department of Finance-Investments Division. ICD’s role is to supervise the Government’s portfolio of investments in commercial activities and add value through the implementation of best practice corporate governance, and embrace a global investment strategy.

The address of ICD’s registered office is PO Box 333888, Dubai, UAE.

These interim condensed consolidated financial statements of ICD and its subsidiaries (together referred to as the “Group”) for the six-month period ended 30 June 2021 have been approved by the Board of Directors on 20 October 2021.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2021 have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

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 2020. Results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2021.

(a) Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention except for the measurement of:

- financial assets and liabilities measured at FVTPL;
- financial assets measured at FVOCI;
- assets held for sale (measured at the lower of their carrying amount and fair value less costs to sell in accordance with International Financial Reporting Standard (“IFRS”) 5);
- derivative financial instruments measured at fair value; and
- recognised assets and liabilities that are hedged and measured at fair value in respect of the risk that is hedged.

(b) Functional and presentation currency

The interim condensed consolidated financial statements are presented in UAE Dirham (“AED”). The functional currency of ICD and a majority of its subsidiaries is AED. Certain subsidiaries have functional currencies other than AED. Their balances have been translated into AED for the purpose of these interim condensed consolidated financial statements.

Numbers have been rounded to the nearest thousand AED (“AED’000”) except when otherwise indicated.

2 ACCOUNTING POLICIES (continued)

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 2020, except for the adoption of amendments to the existing standards and interpretations effective as of 1 January 2021 and the early adoption of amendments to IFRS 16 – Leases, as described below. The adoption of these amendments to the existing standards and interpretations had no material impact on the interim condensed consolidated financial statements for the six-month period ended 30 June 2021. The Group has not early adopted any other standards, interpretations and amendments that have been issued but are not yet effective.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform Phase 2

Effective from 1 January 2021, the Group has implemented amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosures, IFRS 4 – Insurance Contracts and IFRS 16 – Leases (referred to as Phase 2 of the Interest Bank Offer Rate (“IBOR”) reform project). The practical expedients provided in the amendments include:

- require contractual changes, or changes to cash flows that are directly required by the IBOR reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- provide temporary relief to entities from having to meet the ‘separately identifiable’ requirement when an alternative benchmark rate instrument is designated as a hedge of a risk component.

During the prior year, the Group had implemented Phase 1 of the IBOR reform related amendments that provided certain reliefs to allow hedge accounting to continue during the period of uncertainty before the replacement of the existing interest rate benchmark. The exposure of Emirates NBD PJSC and its subsidiaries (together defined as the “Bank”) to hedging instruments (interest rate swaps and cross-currency swaps) and hedged items maturing from the year 2021 onwards, which are in scope of the IFRS 9 amendments, include fair value hedges with notional values of USD 1.35 billion on the receiving leg and USD 4 billion on the paying leg, and cash flow hedges with notional values of USD 0.8 billion on the receiving leg. The management of the Bank is running a project on its transition activities and continues to engage with various stakeholders to support an orderly transition and to mitigate the risks resulting from the transition. The project is significant in terms of scale and complexity and will impact products, internal systems and processes of the Bank.

The non-banking subsidiaries of the Group are currently assessing the impact on contracts and arrangements that are linked to existing interest rate benchmarks to manage the transition to alternative benchmark rates.

Amendment to IFRS 16 – COVID-19 Related Rent Concessions beyond 30 June 2021

On 28 May 2020, the IASB issued amendments to IFRS 16 – Leases which provides lessees with an optional practical expedient to treat rent concessions in the same way as they would if they were not lease modifications, if these concessions meet certain conditions. The Group had early adopted these amendments during the prior year.

The above amendments were intended to apply until 30 June 2021. However, on 31 March 2021, the IASB further amended IFRS 16 to extend the period of practical expedient application to 30 June 2022 (“2021 Amendment”).

The 2021 Amendment is effective for accounting periods beginning on or after 1 April 2021 with earlier application permitted. The Group has early adopted this amendment from 1 January 2021 and has applied the practical expedient to all leases other than the leases of aircraft and aircraft engine. The early adoption of this amendment had no material impact on the interim condensed consolidated financial statements for the six-month period ended 30 June 2021.

2 ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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, liabilities, income and expenses. Actual results may differ from these estimates. The significant accounting judgments, estimates and assumptions applied during the preparation of the interim condensed consolidated financial statements are the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2020, except for the considerations that are set out below.

Consideration in respect of COVID-19

In January 2020, the World Health Organization (“WHO”) declared COVID-19 a public health emergency of international concern and, in March 2020, the outbreak was declared as a global pandemic. Measures taken to contain and slow the spread of the virus such as limiting movements of people, restricting flights and temporarily closing businesses have significantly impacted global economic activity. In response, governments and central banks have launched economic support and relief measures (including payment reliefs) to minimise the impact on individuals and establishments. A number of these precautionary and preventative measures have since been lifted or relaxed, including a gradual reopening of businesses and workplaces and the recommencement of international and domestic flights.

Whilst there is continued uncertainty surrounding how quickly the macroeconomic conditions will recover, the Group’s management has continued to assess its liquidity needs and support from key stakeholders, if required, to protect the businesses during the recovery phase.

The management teams of ICD and its investee companies have also taken various measures since the onset of the pandemic to adjust the operations to the situation and preserve cash. These vary from one business to another and may include, for instance, measures undertaken to manage costs and reduce operating expenditure, minimise working capital needs, defer non-essential capital expenditure, drawdown on existing credit facilities, obtain temporary flexibility (in terms of deferment of principal and interest payment) from lenders on existing financing facilities, and apply for additional financing facilities.

The impact of COVID-19 on the key businesses of the Group is summarised below:

Banking

Expected Credit Losses (“ECL”)

For the purpose of determining their expected credit losses (“ECL”) for the current period, the Bank has considered the potential impact caused by the COVID-19 pandemic based upon available information and taken into account economic support and relief measures of governments and central banks. The Bank has also considered the notices issued by the Central Bank of UAE (the “Central Bank”) with regards to the Targeted Economic Support Scheme (“TESS”) and treatment of IFRS 9 ECL in the context of the COVID-19 crisis as well as the guidance issued by the IASB.

The Bank has a dedicated IFRS 9 governance process established to review and approve IFRS 9 Stage migrations, management overlays to ECL estimates, macro-economic scenarios and weightings.

Significant Increase in Credit Risk (“SICR”)

Under IFRS 9, loans are required to be moved from Stage 1 to Stage 2 if and only if they have been the subject of significant increase in credit risk (“SICR”) since origination. SICR occurs when there has been a significant increase in the risk of default.

The Bank continues to assess the borrowers for other indicators of unlikeliness to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary as a result of COVID-19 or long term.

The Bank continues to support its impacted customers through a program of payment relief that was initiated in 2020 by deferring interest and principal due. These payment reliefs are considered as short-term liquidity to address borrowers’ cash flow issues. The Bank believes that the extension of payment reliefs does not automatically trigger a SICR where the impact on customer’s business is expected to be short term.

2 ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Consideration in respect of COVID-19 (continued)

Banking (continued)

Expected Credit Loss (“ECL”) (continued)

Significant Increase in Credit Risk (“SICR”) (continued)

As per the disclosure requirements of the Central Bank in the context of COVID-19, for its UAE operations, the Bank has divided its customers benefiting from payment deferrals into two groups (Group 1 and Group 2).

Group 1: includes those customers that are not expected to face substantial changes in their creditworthiness, beyond liquidity issues and are temporarily and mildly impacted by the COVID-19 crisis.

For these clients, the payment deferrals are believed to be effective and thus the economic value of the facilities is not expected to be materially affected. These customers will remain in their current IFRS 9 stage, at least for the duration of the crisis, or their distress, whichever is shorter.

All Stage 1 customers availing deferrals are classified as Group 1. Some customers in Stage 2 who availed deferrals without any material deterioration in credit grade and overall credit worthiness since the time of availing the deferral are also classified in Group 1 at the reporting date.

Group 2: includes those customers that are expected to face substantial changes in their creditworthiness, in addition to liquidity issues that will be addressed by payment deferrals.

For these customers, there is sufficient deterioration in credit risk to trigger an IFRS 9 stage migration. The Group continues to monitor the creditworthiness of these customers, particularly indications of potential inability to pay any of their obligations as and when they become due.

Customers expected to be significantly impacted by COVID-19 in the long term and that are expected to face substantial deterioration in their creditworthiness have been migrated to Stage 2 and categorised in Group 2. In exceptional circumstances, Stage 3 migration may have also been triggered where a customer’s business, income streams and interest servicing capacity were expected to be permanently impaired. Such customers have also been categorised in Group 2.

The impact of COVID-19 crisis continues to filter through into the real economy. In view of this, the Bank has taken a proactive approach whereby on an ongoing basis for all customers, the Bank continues to consider the severity and extent of potential COVID-19 impact on economic sectors and outlook, cash flow, financial strength, agility and change in risk profile along with the past track record and ongoing adaptation. Accordingly, all staging and grouping decisions are subject to regular review to ensure these reflect an accurate view of the Bank’s assessment of the customers’ creditworthiness, staging and grouping as of the reporting date.

The accounting impact of the extension of credit facilities due to COVID-19 has been assessed and has been treated as per the requirements of IFRS 9 for modification of terms of arrangement.

Forward Looking Information

The Bank has assessed the macro-economic scenarios and associated weights and analysed their impact on their ECL estimates for the period. Accordingly, updated macro-economic variables were used with the associated weights remaining unchanged from those used at year-end 2020. The Bank has also applied portfolio-level ECL adjustments to retail customers availing deferrals based upon employment status and level of salary inflows. The Bank continues to assess individually significant exposures for any adverse movements due to COVID-19.

As with any economic forecasts, the projections are subject to inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Consideration in respect of COVID-19 (continued)

Banking (continued)

Analysis of UAE customers benefiting from payment deferrals

Deferral amount and outstanding balances of UAE customers

During 2020, the Bank drew down AED 6,906 million of Zero Cost Funding (“ZCF”) under the Central Bank’s TESS program. The Bank repaid AED 4,260 million to date (including AED 2,596 million repaid during the six-month period ended 30 June 2021). After repayment, the balance as at 30 June 2021 amounted to AED 2,646 million (31 December 2020: AED 5,242 million). As of 30 June 2021, the Bank has repaid 62% of the total allocated ZCF.

The table below contains an analysis of the number of UAE customers benefiting from deferrals, and their deferral amount, gross exposures and related ECL in relation to loans and Islamic financing receivables:

	<i>30 June 2021 (Unaudited)</i>			
	<i>Corporate and Institutional banking AED’000</i>	<i>Retail banking and Wealth Management AED’000</i>	<i>Total AED’000</i>	
Deferral amount	9,018,053	1,638,184	10,656,237	
Less: Repayments	(6,131,965)	(694,811)	(6,826,776)	
	2,886,088	943,373	3,829,461	
	<i>30 June 2021 (Unaudited)</i>			
	<i>Number of deferral customers</i>	<i>Deferral amount AED’000</i>	<i>Gross exposures AED’000</i>	<i>Expected Credit Losses AED’000</i>
<u>Corporate and Institutional banking</u>				
Stage 1	448	7,120,342	28,741,239	848,720
Stage 2	75	1,407,621	7,379,783	2,911,493
Stage 3	42	490,090	2,054,106	1,318,424
	565	9,018,053	38,175,128	5,078,637
Group 1	471	7,454,454	30,731,969	1,736,081
Group 2	94	1,563,599	7,443,159	3,342,556
	565	9,018,053	38,175,128	5,078,637
<u>Retail banking and Wealth Management</u>				
Stage 1	111,984	1,373,786	11,490,258	384,658
Stage 2	7,746	216,774	837,504	216,377
Stage 3	33	47,624	222,036	96,449
	119,763	1,638,184	12,549,798	697,484
Group 1	112,315	1,403,404	11,591,498	418,623
Group 2	7,448	234,780	958,300	278,861
	119,763	1,638,184	12,549,798	697,484
Total	120,328	10,656,237	50,724,926	5,776,121

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Consideration in respect of COVID-19 (continued)

Banking (continued)

Analysis of UAE customers benefiting from payment deferrals (continued)

Stage migrations of gross exposure

	<i>Six-month period ended 30 June 2021 (Unaudited)</i>			
	<i>12-month ECL AED'000</i>	<i>Lifetime ECL not credit- impaired AED'000</i>	<i>Lifetime ECL credit- impaired AED'000</i>	<i>Total AED'000</i>
<u>Corporate and Institutional banking</u>				
Exposure as at 1 January 2021 (audited)	28,534,720	6,437,747	1,237,660	36,210,127
Transferred from 12-month ECL	(1,736,414)	1,684,514	51,900	-
Transferred from lifetime ECL not credit-impaired	255,384	(1,029,548)	774,164	-
Transferred from lifetime ECL credit-impaired	-	-	-	-
Other movements – net	1,687,549	287,070	(9,618)	1,965,001
Exposure as at 30 June 2021	28,741,239	7,379,783	2,054,106	38,175,128
<u>Retail banking and Wealth Management</u>				
Exposure as at 1 January 2021 (audited)	13,366,814	921,620	153,645	14,442,079
Transferred from 12-month ECL	(600,311)	521,462	78,849	-
Transferred from lifetime ECL not credit-impaired	242,246	(250,869)	8,623	-
Transferred from lifetime ECL credit-impaired	-	505	(505)	-
Other movements - net	(1,518,491)	(355,214)	(18,576)	(1,892,281)
Exposure as at 30 June 2021	11,490,258	837,504	222,036	12,549,798

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2 ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Consideration in respect of COVID-19 (continued)

Banking (continued)

Analysis of UAE customers benefiting from payment deferrals (continued)

Stage migrations of ECL

	<i>Six-month period ended 30 June 2021 (Unaudited)</i>			
	<i>12-month ECL AED'000</i>	<i>Lifetime ECL not credit- impaired AED'000</i>	<i>Lifetime ECL credit- impaired AED'000</i>	<i>Total AED'000</i>
<u>Corporate and Institutional banking</u>				
ECL as at 1 January 2021 (audited)	778,827	2,567,740	842,599	4,189,166
Transferred from 12-month ECL	(65,165)	60,329	4,836	-
Transferred from lifetime ECL not credit-impaired	26,030	(563,281)	537,251	-
Transferred from lifetime ECL credit-impaired	-	-	-	-
Other movements - net	109,028	846,705	(66,262)	889,471
ECL as at 30 June 2021	848,720	2,911,493	1,318,424	5,078,637
<u>Retail banking and Wealth Management</u>				
ECL as at 1 January 2021 (audited)	443,152	297,655	67,139	807,946
Transferred from 12-month ECL	(42,011)	37,226	4,785	-
Transferred from lifetime ECL not credit-impaired	65,095	(66,174)	1,079	-
Transferred from lifetime ECL credit-impaired	-	86	(86)	-
Other movements - net	(81,578)	(52,416)	23,532	(110,462)
ECL as at 30 June 2021	384,658	216,377	96,449	697,484

Aviation

The outbreak of COVID-19 continues to have a negative impact on the airline and travel sectors. Emergence and rapid spread of new variants of the virus has held back the rebound that the travel industry was hoping for. During the current period, governments of countries where new variants have emerged or are widely spread continued to reintroduce preventive measures including closing their borders. Since Emirates, one of the Group's significant subsidiaries, only operates internationally, these border closures and hassle-bound travel requirements caused significant strain on Emirates' revenue generating activities and hence, revenues for the period fell significantly below pre-COVID levels resulting in another period of operating losses.

While vaccinations are currently being administered globally, various countries are at different stages of their vaccination programmes and hence the uncertainties surrounding full recovery in global connectivity to pre-COVID levels still loom large. Despite these challenges, Emirates has benefited from the resumption of international passenger flights, albeit with limited capacity, to over 100 destinations with strict precautionary measures in place.

In contrast, Emirates' cargo operations remained robust during the period and its unique world class product offerings ensure that Emirates will be able to maintain this position going forward.

Emirates carried on with various measures to navigate through this difficult period, including: implementing numerous cost saving measures and delivering efficiencies across operational areas, availing various relief and support schemes throughout its network, reducing discretionary capital expenditure, securing additional working capital facilities and, negotiating waivers and deferral of payments with regards to its financial obligations.

2 ACCOUNTING POLICIES (continued)**2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Consideration in respect of COVID-19 (continued)***Aviation (continued)*

During 2020, the Government announced its full support to Emirates and committed to provide equity injections during the COVID-19 pandemic and had provided equity injections adding up to AED 11.3 billion as part of its commitment. Subsequent to the period-end, the Government provided further equity injections of AED 2.5 billion as part of its commitment to Emirates. These contributions are routed through ICD.

Further, given the longer than expected disruption caused by COVID-19, Emirates has carried out an update on its impairment review of its non-financial assets. Excluding certain specific aircraft related impairment recognised under ‘property, plant and equipment’ and ‘right-of-use assets’ of AED 410 million and AED 90 million respectively (see notes 6 and 7), no impairment has been recognised in respect of the Emirates airline network, its primary cash generating unit (“CGU”). Given the rapidly changing environment, Emirates’ management is constantly reviewing its plans for the entire airline fleet and the impairment test will be regularly updated based on new information and projections.

Oil and gas

Whilst the adverse impact of COVID-19 on the energy demand continued in 2021, the global oil prices and demand has shown signs of recovery since the third quarter of 2020, resulting in an improvement in the financial performance of the Group’s oil and gas operations during the current period (see note 22). Given the improvement in the macroeconomic conditions, this business does not foresee significant challenges to its operations and execution of its investment program and continues to monitor the situation closely to ensure a prompt response to the rapidly changing environment.

Other

COVID-19 has had an immediate impact on sectors such as hospitality, tourism, retail and real estate. It also affected supply chains and the production of goods throughout the world and the lower economic activity resulted in reduced demand for many goods and services. Given the circumstances then, the Group had performed an impairment assessment exercise on its real estate, hospitality and leisure assets and recorded impairment charges in the interim condensed consolidated financial statements during the prior period (see notes 6 and 9). There were no material impairment charges recorded as a result of the impairment review carried out during the current period with respect to these assets.

Whilst the impact of COVID-19 lingered during the current period, these sectors marked a relatively better financial performance compared to the prior period due to the easing of restrictions and measures that were imposed at the onset of the pandemic and gradual recovery of the economy (see note 22).

3 NET GAINS / (LOSSES) FROM DERIVATIVE FINANCIAL INSTRUMENTS

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED’000</i>	<i>AED’000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net losses on commodity oil derivative contracts	(541,335)	(1,104,532)
Net gains on currency derivatives	1,138,448	857,163
Net gains / (losses) on interest rate swaps	336,716	148,124
Net gains on other derivatives	34,580	(29,158)
	968,409	(128,403)

4 IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Impairment on property, plant and equipment (see note 6)	429,611	1,893,506
Impairment on right-of-use assets (note 7)	104,363	-
Impairment on intangible assets (see note 8)	54,211	1,055,322
Impairment on investment properties (see note 9)	43,686	678,866
Impairment on development properties	-	186,752
Impairment on investment in associates and joint ventures	11,463	-
	643,334	3,814,446

5 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

This mainly includes impairment losses (net of recoveries) amounting to AED 2,810,483 thousand (six-month period ended 30 June 2020: AED 4,102,899 thousand) relating to 'Islamic financing and investment products' and 'loans and receivables' mainly held by the Bank (see notes 12 and 13). This also includes impairment losses (net of recoveries) amounting to AED 196,557 thousand (six-month period ended 30 June 2020: AED 325,754 thousand) relating to 'trade and other receivables'. These impairment losses were offset by AED 111,608 thousand (six-month period ended 30 June 2020: AED 74,811 thousand) mainly representing the recovery of bad debts previously written off by the Bank.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

Significant movements in property, plant and equipment during the period are as follows:

	<i>Land, buildings and leasehold improvements AED'000</i>	<i>Furniture, fixtures and office equipment AED'000</i>	<i>Plant, machinery, equipment and vehicles AED'000</i>	<i>Oil and gas interests AED'000</i>	<i>Aircraft, aircraft engines and parts AED'000</i>	<i>Capital work-in- progress AED'000</i>	<i>Total AED'000</i>
<i>Six-month period ended 30 June 2021 (Unaudited)</i>							
Additions	129,272	132,799	463,709	646,528	1,819,744	5,176,861	8,368,913
Other transfers (net book value)	1,106,164	178,132	165,431	-	2,507,385	(3,957,112)	-
Transfer to assets held for sale (net book value)	(498,076)	(22,557)	-	-	(1,069,634)	-	(1,590,267)
Disposals / write-off (net book value)	(4,052)	(38,516)	(62,011)	-	(1,489,037)	(52,058)	(1,645,674)
Depreciation charge	(803,359)	(488,057)	(1,452,425)	(1,023,561)	(4,321,928)	-	(8,089,330)
Impairment charge (see note 4)	(17,678)	(88)	(90,491)	-	(319,983)	(1,371)	(429,611)
<i>Six-month period ended 30 June 2020 (Unaudited)</i>							
Additions	152,291	190,780	697,519	548,402	174,148	1,821,881	3,585,021
Other transfers (net book value)	991,020	195,097	536,424	-	157,748	(1,880,289)	-
Transfer from assets held for sale (net book value)	-	-	-	-	305,209	-	305,209
Arising on business combination (net book value)	80,228	13,763	76,467	-	-	25,303	195,761
Disposals / write-off (net book value)	(24,523)	(28,594)	(32,738)	-	(134,220)	(31,776)	(251,851)
Depreciation charge	(701,224)	(398,210)	(1,824,712)	(967,933)	(4,342,202)	-	(8,234,281)
Impairment charge (see note 4)	(602,435)	-	-	-	-	(1,291,071)	(1,893,506)

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7 RIGHT-OF-USE ASSETS

Significant movements in right-of-use assets during the period are as follows:

	<i>Land, buildings and leasehold improvements AED'000</i>	<i>Furniture, fixtures and office equipment AED'000</i>	<i>Plant, machinery, equipment and vehicles AED'000</i>	<i>Oil and gas interests AED'000</i>	<i>Aircraft, aircraft engines and parts AED'000</i>	<i>Total AED'000</i>
<i>Six-month period ended 30 June 2021 (Unaudited)</i>						
Additions	878,183	7,306	273,930	95,984	217,531	1,472,934
Depreciation charge	(885,198)	(3,585)	(128,190)	(321,724)	(3,695,010)	(5,033,707)
Impairment charge (see note 4)	(14,508)	-	-	-	(89,855)	(104,363)
<i>Six-month period ended 30 June 2020 (Unaudited)</i>						
Additions	2,127,859	9,870	85,655	123,590	1,388	2,348,362
Remeasurements	(149,318)	-	608	-	(645,964)	(794,674)
Depreciation charge	(1,109,007)	(12,609)	(133,222)	(192,831)	(4,007,016)	(5,454,685)

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8 INTANGIBLE ASSETS

Significant movements in intangible assets during the period are as follows:

	<i>Licences and exclusive rights AED'000</i>	<i>Goodwill AED'000</i>	<i>Customer relationships and order backlog AED'000</i>	<i>Computer software AED'000</i>	<i>Service rights AED'000</i>	<i>Brands, trade names and contractual rights AED'000</i>	<i>Capital work-in- progress AED'000</i>	<i>Total AED'000</i>
<i>Six-month period ended 30 June 2021 (Unaudited)</i>								
Additions	-	-	10,915	49,284	191,809	1,365,859	77,551	1,695,418
Arising on business combination (net book value)	-	141,464	-	2,071	-	12,390	-	155,925
Disposals / write-off (net book value)	-	-	-	(20,930)	(241,493)	(864)	-	(263,287)
Amortisation charge	(32,230)	-	(108,900)	(206,227)	(45,006)	(340,385)	-	(732,748)
Impairment charge (see note 4)	-	(36,348)	(5,302)	(12,561)	-	-	-	(54,211)
<i>Six-month period ended 30 June 2020 (Unaudited)</i>								
Additions	-	-	452	128,554	143,733	710,342	156,987	1,140,068
Other transfers	-	-	-	427,700	-	-	(427,700)	-
Arising on business combination (net book value)	-	208,679	109,049	3,502	-	17,904	-	339,134
Amortisation charge	(31,708)	-	(104,884)	(266,017)	(41,496)	(153,613)	-	(597,718)
Impairment charge (see note 4)*	-	(729,018)	(63,000)	(129,948)	(130,397)	(2,959)	-	(1,055,322)

* The impairment charge for the period ended 30 June 2020 mainly arose from the airport operations, inflight catering and travel services CGUs of one of the Group's subsidiaries.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 INVESTMENT PROPERTIES

Significant movements in investment properties during the period are as follows:

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Additions	1,276,316	1,586,969
Transfers from development properties	189,242	1,350,823
Depreciation charge	(170,735)	(155,905)
Impairment charge (see note 4)	(43,686)	(678,866)

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Investments in associates	33,931,683	33,939,775
Investments in joint ventures	20,909,401	20,459,911
	54,841,084	54,399,686

Significant movements in investments in associates and joint ventures during the period are as follows:

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Share of results of associates and joint ventures – net	2,329,813	1,223,243
Dividends received	(972,539)	(974,132)
Investments made	133,925	403,601
Share of other comprehensive income of associates and joint ventures – cumulative changes in fair value – net	(494,405)	(290,014)
Share of other comprehensive income of associates and joint ventures – translation difference - net	(108,634)	(128,568)
Change in ownership interest – net (see note 10(a))	-	272,321
Conversion to subsidiaries	(188,759)	30,213
Disposals	(163,273)	(1,925)

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

- a) During the prior period, Dubai Islamic Bank PJSC (“DIB”), an associate of the Group, acquired Noor Bank PJSC (“Noor Bank”), a subsidiary of another associate of the Group. The acquisition was completed through a share swap transaction whereby DIB issued new shares to the Noor Bank’s shareholders. Consequently, the Group’s shareholding in DIB was diluted from 28.37% as at 31 December 2020 to 25.82% upon acquisition.

The transaction resulted in a net increase of AED 272,321 thousand in the Group’s share of DIB’s equity during the prior period. The resultant gain was recognised as ‘other income’ in the interim condensed consolidated income statement during the prior period.

During the current period, the Group received a certain number of DIB shares from the aforementioned associate in form of return of capital, resulting in an increase in the Group’s ownership in DIB to 27.97%.

11 INVESTMENT SECURITIES

	<i>30 June 2021 AED’000 (Unaudited)</i>	<i>31 December 2020 AED’000 (Audited)</i>
Measured at amortised cost	66,265,197	51,539,258
Measured at FVOCI	20,968,208	21,143,055
Measured at FVTPL	15,217,458	13,540,388
Total investment securities	102,450,863	86,222,701
Disclosed as follows:		
Non-current assets	64,462,399	64,882,820
Current assets	37,988,464	21,339,881
	102,450,863	86,222,701

As at 31 December 2020, certain investment securities held by the Bank with a carrying value of AED 184 million were collateralised for the purpose of obtaining ZCF from the Central Bank (under the TESS program) presented under ‘borrowings and lease liabilities’ in the interim condensed consolidated statement of financial position. There were no such collateralised investment securities as at 30 June 2021.

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments. The different levels in the fair value hierarchy have been defined as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENT SECURITIES (continued)

As at the reporting date, investment securities and derivative financial instruments measured at fair value are categorised as follows:

	<i>Total</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
30 June 2021 (Unaudited)				
Measured at FVOCI	20,968,208	20,259,203	697,901	11,104
Measured at FVTPL	15,217,458	9,359,777	3,246,615	2,611,066
Derivative financial instruments – net (note 18)	2,560,812	(69,348)	2,630,222	(62)
	<u>38,746,478</u>	<u>29,549,632</u>	<u>6,574,738</u>	<u>2,622,108</u>
31 December 2020 (Audited)				
Measured at FVOCI	21,143,055	20,397,653	734,147	11,255
Measured at FVTPL	13,540,388	10,221,252	1,249,574	2,069,562
Derivative financial instruments – net (note 18)	1,119,335	(139,679)	1,276,732	(17,718)
	<u>35,802,778</u>	<u>30,479,226</u>	<u>3,260,453</u>	<u>2,063,099</u>

During the current or prior period, there were no transfers between level 1 and level 2 of the 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:

	<i>Six-month period ended</i> <i>30 June</i>	
	<i>2021</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2020</i> <i>AED'000</i> <i>(Unaudited)</i>
Balance at the beginning of the period (audited)	2,063,099	1,972,341
Investments made during the period	251,053	584,497
Settlements / disposals of investments during the period	(52,847)	(101,037)
Net fair value movement during the period:		
- in income statement	531,810	(164,447)
- in other comprehensive income	(267)	(75)
Transfers to level 1 of the fair value hierarchy	(170,740)	-
Balance at the end of the period	<u>2,622,108</u>	<u>2,291,279</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Murabaha	39,659,633	38,615,364
Ijara	20,247,752	20,263,477
Wakala	22,716,089	21,031,138
Mudaraba	1,121,011	758,134
Istisna'a	1,125,042	1,291,483
Credit cards receivable	1,515,431	1,483,910
Others	2,307,395	1,283,944
Gross Islamic financing and investment products	88,692,353	84,727,450
Less: Deferred income	(1,541,941)	(1,721,350)
Less: Allowance for impairment (see note 12(a))	(6,719,486)	(6,454,897)
Net Islamic financing and investment products	80,430,926	76,551,203

Islamic financing and investment products include AED 955,782 thousand (31 December 2020: AED 955,782 thousand) due from Government, MOF and other related parties and AED 20,511,608 thousand (31 December 2020: AED 18,278,532 thousand) due from associates and joint ventures (see note 21(b)).

Corporate Ijara assets amounting to AED 1.1 billion (31 December 2020: Corporate Ijara assets amounting to AED 4.6 billion and Murabaha assets amounting to AED 0.2 billion) of the Bank were securitised for the purpose of issuance of Sukuk liability.

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Analysis by economic activity:		
Manufacturing	3,298,645	2,301,059
Construction and real estate	8,578,295	9,825,039
Trade	7,135,133	7,674,079
Transport and communication	539,226	538,598
Services	1,561,541	1,500,560
Sovereign	809,285	946,762
Personal	32,686,523	31,650,560
Hotels and restaurants	429,902	430,400
Management of companies and enterprises	3,276,191	2,614,556
Financial institutions and investment companies	27,344,782	24,135,576
Others	3,032,830	3,110,261
Gross Islamic financing and investment products	88,692,353	84,727,450
Less: Deferred income	(1,541,941)	(1,721,350)
Less: Allowance for impairment (see note 12(a))	(6,719,486)	(6,454,897)
Net Islamic financing and investment products	80,430,926	76,551,203
Disclosed as follows:		
Non-current assets	26,091,015	30,663,807
Current assets	54,339,911	45,887,396
Net Islamic financing and investment products	80,430,926	76,551,203

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

a) The following table sets out the movement in the allowance for impairment during the period:

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Movement in allowance for impairment:</i>		
Balance at the beginning of the period (audited)	6,454,897	5,788,475
Allowance for impairment made - net of recoveries (see note 5)	610,219	733,073
Amounts written-off	(345,044)	(634,173)
Exchange and other adjustments	(586)	(32,125)
Balance at the end of the period	6,719,486	5,855,250

b) The exposures by stage and the related ECL at the reporting date are given below:

	<i>30 June 2021 (Unaudited)</i>			<i>31 December 2020 (Audited)</i>		
	<i>Gross carrying value</i>	<i>Allowance for impairment</i>	<i>Net carrying value</i>	<i>Gross carrying value</i>	<i>Allowance for impairment</i>	<i>Net carrying value</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
12-month ECL	75,649,776	(807,163)	74,842,613	72,637,424	(953,537)	71,683,887
Lifetime ECL not credit-impaired	4,831,054	(665,990)	4,165,064	4,199,680	(425,869)	3,773,811
Lifetime ECL credit-impaired	6,669,582	(5,246,333)	1,423,249	6,168,996	(5,075,491)	1,093,505
Total	87,150,412	(6,719,486)	80,430,926	83,006,100	(6,454,897)	76,551,203

13 LOANS AND RECEIVABLES

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

	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Overdrafts	147,441,849	147,606,488
Time loans	231,336,261	238,906,612
Credit card receivables	13,208,498	12,842,426
Loans against trust receipts	9,188,254	7,915,401
Bills discounted	3,834,357	3,594,752
Gross loan and receivables	405,009,219	410,865,679
Less: Allowance for impairment (see note 13(a))	(29,988,990)	(28,845,608)
Net loans and receivables	375,020,229	382,020,071
Disclosed as follows:		
Non-current assets	140,290,632	148,056,954
Current assets	234,729,597	233,963,117
Net loans and receivables	375,020,229	382,020,071

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 LOANS AND RECEIVABLES (continued)

Loans and receivables include AED 157,020,909 thousand (31 December 2020: AED 158,573,871 thousand) due from the Government, MOF and other related parties (see note 21(b)).

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
<i>Analysis by economic activity:</i>		
Manufacturing	18,578,988	19,483,494
Construction and real estate	59,548,452	63,964,812
Trade	21,406,391	22,744,139
Transport and communication	7,897,364	8,397,263
Services	15,256,325	15,366,827
Sovereign	159,495,603	160,224,042
Personal	63,471,284	60,076,977
Hotels and restaurants	11,870,808	14,026,803
Management of companies and enterprises	8,283,795	8,788,924
Financial institutions and investment companies	17,857,375	17,400,058
Agriculture	8,274,256	8,579,836
Others	13,068,578	11,812,504
Gross loan and receivables	405,009,219	410,865,679
Less: Allowance for impairment (see note 13(a))	(29,988,990)	(28,845,608)
Net loans and receivables	375,020,229	382,020,071

a) The following table sets out the movement in the allowance for impairment during the period:

	<i>Six-month period ended 30 June</i>	
	<i>2021 AED'000 (Unaudited)</i>	<i>2020 AED'000 (Unaudited)</i>
<i>Movement in allowances for impairment:</i>		
Balance at the beginning of the period (audited)	28,845,608	23,790,153
Allowance for impairment made - net of recoveries (see note 5)	2,200,264	3,369,826
Amounts written-off	(575,261)	(342,371)
Exchange and other adjustments	(481,621)	(73,123)
Balance at the end of the period	29,988,990	26,744,485

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 LOANS AND RECEIVABLES (continued)

b) The exposures by stage and the related ECL at the reporting date are given below:

	<i>30 June 2021 (Unaudited)</i>			<i>31 December 2020 (Audited)</i>		
	<i>Gross carrying value AED'000</i>	<i>Allowance for impairment AED'000</i>	<i>Net carrying value AED'000</i>	<i>Gross carrying value AED'000</i>	<i>Allowance for impairment AED'000</i>	<i>Net carrying value AED'000</i>
12-month ECL	354,494,317	(3,010,692)	351,483,625	363,773,708	(3,659,321)	360,114,387
Lifetime ECL not credit-impaired	27,121,900	(6,199,691)	20,922,209	23,094,760	(5,271,329)	17,823,431
Lifetime ECL credit-impaired	21,550,332	(19,707,129)	1,843,203	21,938,329	(19,037,235)	2,901,094
Purchased / originated credit impaired	1,842,670	(1,071,478)	771,192	2,058,882	(877,723)	1,181,159
	405,009,219	(29,988,990)	375,020,229	410,865,679	(28,845,608)	382,020,071

14 CASH AND DEPOSITS WITH BANKS

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

Murabahas and certificates of deposits with Central Banks for an amount of AED 2,750 million (31 December 2020: AED 5,150 million) were collateralised for the purpose of obtaining AED 2,646 million (31 December 2020: AED 5,058 million) of ZCF from the Central Bank (under the TESS program) presented under 'Borrowings and lease liabilities' in the interim condensed consolidated statement of financial position.

Cash and deposits with banks include AED 4,055,130 thousand (31 December 2020: AED 6,016,823 thousand) due from associates and other related parties (see note 21(b)).

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As at 30 June 2021, the assets held for sale mainly include aircraft held for sale. A subsidiary of the Group had entered into agreements for the sale of 6 aircraft that met the criteria of IFRS 5 to be classified as held for sale. As at 31 December 2020, there were no assets classified as held for sale.

16 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 to the Government. The movement in the capital of ICD during the period is as follows:

	<i>Six-month period ended 30 June</i>	
	<i>2021 AED'000 (Unaudited)</i>	<i>2020 AED'000 (Unaudited)</i>
Balance at the beginning of the period (audited)	82,404,928	68,185,180
Capital contributions from the Government	4,858	7,365,381
Balance at the end of the period	82,409,786	75,550,561

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17 OTHER RESERVES

	<i>Legal and statutory reserve AED'000</i>	<i>Capital reserve AED'000</i>	<i>Merger reserve AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Hedge reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Asset replacement reserve AED'000</i>	<i>Translation reserve AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>30 June 2021 (Unaudited)</i>										
Balance at 1 January 2021 (audited)	3,122,294	935,064	9,177,030	(1,480,066)	(2,965,715)	1,265,375	12,956	(4,411,252)	34,970	5,690,656
Other comprehensive income for the period	-	-	-	107,471	1,578,947	-	-	(925,939)	-	760,479
Transfers (to) / from retained earnings – net	(48)	-	-	-	-	-	751	-	-	703
Transfers upon disposal of equity instruments measured at FVOCI	-	-	-	572,871	-	-	-	-	-	572,871
Change in Group's ownership in existing subsidiaries	-	-	-	-	-	-	-	23,817	-	23,817
Other movements	1	(83,208)	-	(4)	(1,259)	-	-	16,273	(321)	(68,518)
Balance at 30 June 2021	3,122,247	851,856	9,177,030	(799,728)	(1,388,027)	1,265,375	13,707	(5,297,101)	34,649	6,980,008
<i>30 June 2020 (Unaudited)</i>										
Balance at 1 January 2020 (audited)	3,137,399	927,088	9,177,030	(1,081,040)	(638,012)	1,193,419	12,216	(3,742,211)	110,114	9,096,003
Other comprehensive income for the period	-	-	-	(1,133,568)	(3,843,803)	-	-	(958,564)	-	(5,935,935)
Transfers from / (to) retained earnings – net	-	-	-	43,763	-	-	1,532	-	(65,066)	(19,771)
Transfers upon disposal of equity instruments measured at FVOCI	-	-	-	14,825	-	-	-	-	-	14,825
Other movements	3	7,845	-	1	(26)	-	-	18,213	12,558	38,594
Balance at 30 June 2020	3,137,402	934,933	9,177,030	(2,156,019)	(4,481,841)	1,193,419	13,748	(4,682,562)	57,606	3,193,716

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18 DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the positive and negative fair values of derivative financial instruments together with notional amounts.

	<i>30 June 2021 (Unaudited)</i>			<i>31 December 2020 (Audited)</i>		
	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amounts</i>	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amounts</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<u>Banking operations</u>						
Derivatives held for trading	9,507,576	(7,361,288)	731,267,540	11,720,619	(9,826,150)	727,686,505
Derivatives held as cash flow hedges	449,481	(51,926)	35,824,445	549,448	(106,004)	40,741,351
Derivatives held as fair value hedges	729,626	(873,969)	31,247,960	1,427,332	(804,474)	26,699,467
Derivatives held as hedge of a net investment in foreign operations	-	(9,355)	452,876	-	(38,603)	520,792
(A)	10,686,683	(8,296,538)	798,792,821	13,697,399	(10,775,231)	795,648,115
<u>Non-banking operations</u>						
Derivatives held for trading	30,679	(141,550)	8,722,690	28,088	(184,125)	7,265,515
Derivatives held as cash flow hedges	1,094,771	(813,233)	19,250,440	11,250	(1,658,046)	24,414,435
(B)	1,125,450	(954,783)	27,973,130	39,338	(1,842,171)	31,679,950
Total (A+B)	11,812,133	(9,251,321)	826,765,951	13,736,737	(12,617,402)	827,328,065

Disclosed as follows:

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
<i>Positive fair value of derivatives:</i>		
Non-current assets	8,369,468	10,697,320
Current assets	3,442,665	3,039,417
Total	11,812,133	13,736,737
<i>Negative fair value of derivatives:</i>		
Non-current liabilities	(7,219,305)	(9,060,691)
Current liabilities	(2,032,016)	(3,556,711)
Total	(9,251,321)	(12,617,402)
Net fair value of derivatives (see note 11)	2,560,812	1,119,335

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19 NON-CONTROLLING INTERESTS

Non-controlling interests as at 30 June 2021 include three series of regulatory Tier 1 capital notes (“Capital Notes”) issued in 2019 (“2019 Notes”), 2020 (“2020 Notes”) and 2021 (“2021 Notes”) by the Bank for an amount of USD 1 billion (AED 3.66 billion (net of issuance cost)), USD 750 million (AED 2.75 billion (net of issuance cost)) and USD 750 million (AED 2.75 billion (net of issuance cost)) respectively. These Capital Notes were issued at a fixed interest rate with a reset after six years and are perpetual, subordinated and unsecured. The Bank can elect not to pay a coupon at its own discretion. Noteholders will not have a right to claim the coupon and such event will not be considered an event of default. These Capital Notes carry no maturity dates and have been classified under equity as ‘non-controlling interests’.

During the period, the Bank issued the aforementioned 2021 Notes and exercised its option to redeem Tier 1 capital notes issued in 2009 for an amount of AED 4 billion.

20 COMMITMENTS AND CONTINGENCIES

a) Investment commitments

The Group has the following contractual investment commitments at the reporting date:

	30 June 2021 AED’000 (Unaudited)	31 December 2020 AED’000 (Audited)
Investment securities	1,833,921	1,474,990
Investments in associates and joint ventures	465,750	323,436

b) Capital commitments

Capital expenditure contracted for and still outstanding at the reporting date, is as follows:

	30 June 2021 AED’000 (Unaudited)	31 December 2020 AED’000 (Audited)
Capital commitments for the purchase of aircraft	228,408,607	263,291,137
Capital commitments in relation to other non-financial assets	7,170,944	8,532,347
Group’s share of capital commitments of associates and joint ventures	4,027,839	4,526,995
	239,607,390	276,350,479

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 COMMITMENTS AND CONTINGENCIES (continued)

c) Contingencies

The Group has the following contingent liabilities at the reporting date:

	<i>30 June 2021 AED'000 (Unaudited)</i>	<i>31 December 2020 AED'000 (Audited)</i>
Financial guarantees	<u>59,985,459</u>	<u>60,500,111</u>
Letters of credit	<u>17,652,233</u>	<u>12,824,485</u>
Performance bonds	<u>9,364,590</u>	<u>9,092,224</u>
Liabilities on risk participation	<u>145,355</u>	<u>113,037</u>
Group's share of financial guarantees issued by associates and joint ventures	<u>7,693,936</u>	<u>8,286,665</u>
Group's share of letters of credit issued by associates and joint ventures	<u>1,160,312</u>	<u>981,592</u>
Third party claims*	<u>1,124,087</u>	<u>1,122,430</u>

* There are various claims against the subsidiaries and equity accounted investees of the Group initiated by their respective contractors, customers and other counterparties in respect of alleged delays in work or non-fulfilment of contractual obligations. Once the relevant assessments of these claims are completed by the relevant subsidiaries and equity accounted investees of the Group, and the amount of potential loss is reasonably estimated, an appropriate adjustment is made to account for any adverse effects on their financial standing. Proper controls and policies to manage such claims are in place. Consequently, at the reporting date, it is believed that any adverse outcome from these claims is remote and no liability is recognised in respect of these contingencies.

d) Undrawn loan commitments

The Group's banking operations (including the Group's share of associates) have undrawn loan commitments of AED 46,024,897 thousand outstanding at 30 June 2021 (31 December 2020: AED 43,124,491 thousand). This represents a contractual commitment to permit drawdowns on a facility within a defined period, subject to conditions precedent and termination clauses. Since commitments may expire without being drawn down, and as conditions precedent to the drawdowns have to be fulfilled, the total contract amounts do not necessarily represent the exact future cash requirements.

e) Assets held in a fiduciary capacity

The Group's financial services subsidiaries hold assets in a fiduciary capacity and provide custodian services to 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.

21 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the owner, associates, joint ventures, directors and key management personnel of the Group, and entities controlled or jointly controlled by such parties. It also represents entities that are significantly influenced by the owner. Pricing policies and terms of these transactions are approved by the management of individual Group's subsidiaries.

The Group enters into transactions with Government-owned entities in the normal course of business. Such entities include various utility companies, port authorities, etc. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions that are entered in the normal course of business with the said related Government entities.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

a) Significant transactions with related parties during the period are as follows:

	<i>Purchase of goods and services (including cost of revenue) AED'000</i>	<i>Sale of goods and services (including revenue) AED'000</i>	<i>Other finance income AED'000</i>	<i>Other finance costs AED'000</i>
<i>Six-month period ended 30 June 2021 (Unaudited)</i>				
Associates and joint ventures	<u>1,384,002</u>	<u>1,285,128</u>	<u>115,740</u>	<u>130,974</u>
Government, Ministry of Finance of the UAE ("MOF") and other related parties	<u>41,470</u>	<u>292,549</u>	<u>49,255</u>	<u>90,993</u>
<i>Six-month period ended 30 June 2020 (Unaudited)</i>				
Associates and joint ventures	<u>962,345</u>	<u>1,005,957</u>	<u>210,765</u>	<u>202,522</u>
Government, MOF and other related parties	<u>47,673</u>	<u>207,131</u>	<u>84,450</u>	<u>163,747</u>

b) Significant amounts due from and due to related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>30 June 2021 (Unaudited)</i>		<i>31 December 2020 (Audited)</i>	
	<i>Receivables AED'000</i>	<i>Payables AED'000</i>	<i>Receivables AED'000</i>	<i>Payables AED'000</i>
Associates and joint ventures*	<u>25,253,948</u>	<u>10,437,961</u>	<u>24,975,742</u>	<u>14,469,550</u>
Government, MOF and other related parties	<u>3,031,159</u>	<u>16,854,590</u>	<u>7,468,527</u>	<u>15,289,917</u>
	<u>28,285,107</u>	<u>27,292,551</u>	<u>32,444,269</u>	<u>29,759,467</u>

* Significant portion of these receivables and payables represents balances due from or due to associates.

(i) In addition to the above, there is an amount of AED 156,177,170 thousand (31 December 2020: AED 157,723,504 thousand) that represents loans and receivables provided by the Bank to the Government on normal commercial terms.

(ii) Impairment provisions of AED 168,071 thousand (31 December 2020: AED 203,731 thousand) and AED 25,795 thousand (31 December 2020: AED 90,783 thousand) have been made against amounts receivable from Government, MOF and other related parties, and associates and joint ventures respectively. These amounts are included in 'other non-current assets' and 'trade and other receivables' at the period end.

c) The investments made in, changes in ownership and disposals of associates and joint ventures, conversion of associates and joint ventures to subsidiaries, the Group's share of results of associates and joint ventures and the dividends received from them during the current and prior period are disclosed in note 10 to these interim condensed consolidated financial statements.

d) The contributions from and distributions to the Government have been disclosed in the interim condensed consolidated statement of changes in equity and note 16 to the interim condensed consolidated financial statements.

21 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- e) The Bank's investment in Government bonds amounted to AED 6,485,834 thousand (31 December 2020: AED 6,474,854 thousand).
- f) Historically, a subsidiary of the Group was required to provide retail gasoline at a fixed price in the UAE. During the year 2015, the UAE Ministry of Energy announced a new pricing policy linked to the global price. Effective 1 August 2015, the prices of retail gasoline and diesel were set based on the average of international fuel price trackers and the addition of a margin for distribution companies.

As at 31 December 2020, the receivables from the Government in respect of such cost overruns for the years 2008 to 2015 amounted to AED 4.1 billion, which was settled in full by the Government during the current period. These receivables were included in 'other non-current assets' as at 31 December 2020.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22 OPERATING SEGMENTS

The following table presents certain consolidated income statement related information of the Group's operating segments for the six-month period ended 30 June 2021 and 30 June 2020:

	<i>Banking and other financial services AED'000</i>	<i>Transportation and related services AED'000</i>	<i>Oil and gas products / services AED'000</i>	<i>Other AED'000</i>	<i>Total AED'000</i>
<i>Six-month period ended 30 June 2021 (Unaudited)</i>					
Total revenue	16,771,779	25,772,663	25,653,076	10,194,878	78,392,396
Intra-segment revenue	(1,030)	(1,064,830)	-	(917,334)	(1,983,194)
Inter-segment revenue	(59,426)	(34,068)	(1,099,965)	(11,707)	(1,205,166)
Total revenue from external customers	<u>16,711,323</u>	<u>24,673,765</u>	<u>24,553,111</u>	<u>9,265,837</u>	<u>75,204,036</u>
Interest and similar income / income from Islamic financing and Investment products	13,154,917	-	-	-	13,154,917
Lease revenue	29,462	1,688,983	139,955	657,235	2,515,635
Revenue from contracts with customers – IFRS 15:					
- Over a period of time	5,064	21,109,063	-	5,342,736	26,456,863
- Single point in time	3,521,880	1,875,719	24,413,156	3,138,796	32,949,551
Other revenue	-	-	-	127,070	127,070
Total revenue from external customers	<u>16,711,323</u>	<u>24,673,765</u>	<u>24,553,111</u>	<u>9,265,837</u>	<u>75,204,036</u>
Profit / (Loss) for the period before tax	<u>6,176,668</u>	<u>(7,733,443)</u>	<u>1,491,576</u>	<u>2,187,498</u>	<u>2,122,299</u>
<i>Six-month period ended 30 June 2020 (Unaudited)</i>					
Total revenue	18,349,916	31,878,878	17,957,446	9,188,356	77,374,596
Intra-segment revenue	(1,448)	(1,198,464)	-	(818,594)	(2,018,506)
Inter-segment revenue	(79,583)	(54,422)	(1,445,132)	(54,312)	(1,633,449)
Total revenue from external customers	<u>18,268,885</u>	<u>30,625,992</u>	<u>16,512,314</u>	<u>8,315,450</u>	<u>73,722,641</u>
Interest and similar income / income from Islamic financing and Investment products	15,093,469	-	-	-	15,093,469
Lease revenue	29,138	1,942,889	110,970	541,304	2,624,301
Revenue from contracts with customers – IFRS 15:					
- Over a period of time	5,060	26,329,651	-	4,806,900	31,141,611
- Single point in time	3,141,218	2,353,452	16,401,344	2,792,017	24,688,031
Other revenue	-	-	-	175,229	175,229
Total revenue from external customers	<u>18,268,885</u>	<u>30,625,992</u>	<u>16,512,314</u>	<u>8,315,450</u>	<u>73,722,641</u>
Profit / (Loss) for the period before tax	<u>5,485,430</u>	<u>(10,208,926)</u>	<u>(910,434)</u>	<u>(3,456,437)</u>	<u>(9,090,367)</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22 OPERATING SEGMENTS (continued)

The following table presents the assets and liabilities related information of the Group's operating segments as at 30 June 2021 and 31 December 2020:

	<i>Banking and other financial services AED'000</i>	<i>Transportation and related services AED'000</i>	<i>Oil and gas products / Services AED'000</i>	<i>Other AED'000</i>	<i>Total AED'000</i>
<i>30 June 2021 (Unaudited)</i>					
Total assets*	<u>722,701,447</u>	<u>217,242,055</u>	<u>40,999,389</u>	<u>125,510,421</u>	<u>1,106,453,312</u>
Total liabilities*	<u>613,750,409</u>	<u>181,246,983</u>	<u>23,225,567</u>	<u>56,538,030</u>	<u>874,760,989</u>
<i>31 December 2020 (Audited)</i>					
Total assets	<u>725,006,605</u>	<u>220,410,693</u>	<u>40,614,466</u>	<u>124,568,980</u>	<u>1,110,600,744</u>
Total liabilities	<u>612,595,414</u>	<u>179,577,828</u>	<u>21,397,683</u>	<u>55,770,926</u>	<u>869,341,851</u>

* Assets and liabilities classified as held for sale as at 30 June 2021 have not been considered for IFRS 8 – Operating Segments disclosures.

23 SUBSEQUENT EVENTS

- 23.1 Subsequent to the period-end, the Government of Dubai issued Law No. (16) of 2021 (the Law) establishing Dubai Integrated Economic Zones Authority (“DIEZA”) that will be wholly owned by ICD, which will come into force on 1 January 2022 and the Chairman of DIEZA will issue the resolutions required for the implementation of the provisions of this Law. Pursuant to this law, all the rights and obligations of Dubai Silicon Oasis Authority and Dubai Airport Free Zone Authority, existing wholly owned subsidiaries of ICD, will be transferred to DIEZA.
- 23.2 During the current period, the Board of Directors of Emaar Properties PJSC and Emaar Malls PJSC recommended an all share merger to their respective shareholders. Subsequent to the reporting date, the initial regulatory approval and shareholders' approval in this regard have been obtained and the merger is expected to come into effect before 31 December 2021. As part of the transaction, the existing business of Emaar Malls PJSC will be reconstituted in a wholly owned subsidiary of Emaar Properties PJSC.