

**Investment Corporation of Dubai
and its subsidiaries**

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2022

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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 2022 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
19 October 2022

Douglas O'Mahony
Registered Auditor Number: 834
Dubai, United Arab Emirates

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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 2022

		<i>Six-month period ended 30 June</i>	
	<i>Notes</i>	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Revenue	21	121,104,215	75,204,036
Cost of revenue		(93,409,688)	(62,661,554)
Net gains from derivative financial instruments	3	2,413,203	968,409
General and administrative expenses		(10,689,351)	(9,302,384)
Impairment losses on non-financial assets	4	(303,371)	(643,334)
Net impairment losses on financial assets	5	(2,064,313)	(2,826,583)
Net other operating (expense) / income	6.3	(1,268,604)	2,370,761
OPERATING PROFIT		15,782,091	3,109,351
Other finance income		391,176	326,482
Other finance costs		(3,143,740)	(3,613,029)
Share of results of associates and joint ventures – net	10	5,449,738	2,329,813
Other expense		-	(30,318)
PROFIT FOR THE PERIOD BEFORE INCOME TAX		18,479,265	2,122,299
Income tax expense – net		(1,831,725)	(684,708)
PROFIT FOR THE PERIOD AFTER INCOME TAX		16,647,540	1,437,591
Hyperinflation adjustment on net monetary position	2.3	(1,869,776)	-
PROFIT FOR THE PERIOD		14,777,764	1,437,591
Attributable to:			
The equity holder of Investment Corporation of Dubai (“ICD”)		12,150,033	(885,518)
Non-controlling interests		2,627,731	2,323,109
		14,777,764	1,437,591

The accompanying notes 1 to 24 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 2022

	<i>Six-month period ended 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
PROFIT FOR THE PERIOD	14,777,764	1,437,591
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	(570,045)	(144,405)
- Net amount transferred to consolidated income statement	(55,376)	(155,356)
Net movement in fair value of cash flow hedges:		
- Net change in fair value	1,233,416	2,280,378
- Net amount transferred to consolidated income statement	(845,471)	(274,061)
Net movement in cost of hedging	57,879	29,618
Net exchange differences on translation of foreign operations	(2,019,375)	(1,461,827)
Group's share in other comprehensive income of equity accounted investees	(327,074)	(592,537)
Hyperinflation adjustment	2.3 3,040,363	-
Net other comprehensive income that may be reclassified to consolidated income statement in subsequent periods	514,317	(318,190)
<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	39,862	340,023
Actuarial (loss) / gain on defined benefit plans	(115,184)	61,195
Group's share in other comprehensive income of equity accounted investees	(15,329)	(27,474)
Net other comprehensive income that will not be reclassified to consolidated income statement in subsequent periods	(90,651)	373,744
Other comprehensive income for the period	423,666	55,554
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,201,430	1,493,145
Attributable to:		
The equity holder of ICD	12,632,993	(80,816)
Non-controlling interests	2,568,437	1,573,961
	15,201,430	1,493,145

The accompanying notes 1 to 24 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 2022

	<i>Notes</i>	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	157,562,764	164,358,813
Right-of-use assets	7	45,383,639	47,803,803
Intangible assets	8	28,078,880	27,797,320
Investment properties	9	30,088,592	26,395,657
Development properties		529,274	462,206
Investments in associates and joint ventures	10	59,317,805	56,561,277
Deferred tax assets		1,144,901	1,191,272
Positive fair value of derivatives	17	11,267,809	7,345,057
Investment securities	11	75,938,159	64,779,933
Other non-current assets		2,351,584	2,940,567
Loans and receivables	12	172,813,888	164,608,305
Cash and deposits with banks	13	7,169,475	2,724,209
		<u>591,646,770</u>	<u>566,968,419</u>
Current assets			
Customer acceptances		11,204,940	11,343,522
Inventories		17,597,083	12,287,634
Positive fair value of derivatives	17	3,215,607	3,934,875
Investment securities	11	54,549,318	59,709,279
Trade and other receivables		43,748,166	34,098,428
Loans and receivables	12	242,453,063	248,072,396
Cash and deposits with banks	13	169,077,386	162,654,472
		<u>541,845,563</u>	<u>532,100,606</u>
Assets held for sale	14	2,471,259	2,008,948
		<u>544,316,822</u>	<u>534,109,554</u>
TOTAL ASSETS		<u><u>1,135,963,592</u></u>	<u><u>1,101,077,973</u></u>

The accompanying notes 1 to 24 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 2022

	Notes	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to the equity holder of ICD			
Capital	15	85,914,627	84,909,786
Retained earnings		107,826,847	100,568,822
Other reserves	16	6,079,941	5,129,682
		<u>199,821,415</u>	<u>190,608,290</u>
Non-controlling interests	18	48,625,304	47,773,951
Total equity		<u>248,446,719</u>	<u>238,382,241</u>
Non-current liabilities			
Employees' end of service benefits		3,930,957	3,721,650
Deferred tax liabilities		1,995,941	2,100,421
Borrowings and lease liabilities		208,776,256	222,989,992
Negative fair value of derivatives	17	13,311,383	6,833,593
Other non-current payables		13,261,388	12,431,836
Customer deposits		4,953,455	5,625,839
		<u>246,229,380</u>	<u>253,703,331</u>
Current liabilities			
Customer acceptances		11,204,940	11,343,522
Employees' end of service benefits		11,073	11,549
Borrowings and lease liabilities		84,860,644	86,726,094
Negative fair value of derivatives	17	2,886,756	2,926,383
Trade and other payables		90,678,171	66,564,807
Customer deposits		448,459,341	439,042,763
Current income tax liabilities		1,986,221	1,206,715
		<u>640,087,146</u>	<u>607,821,833</u>
Liabilities related to assets held for sale	14	1,200,347	1,170,568
		<u>641,287,493</u>	<u>608,992,401</u>
Total liabilities		<u>887,516,873</u>	<u>862,695,732</u>
TOTAL EQUITY AND LIABILITIES		<u>1,135,963,592</u>	<u>1,101,077,973</u>

Director

Director

The accompanying notes 1 to 24 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 2022

		<i>Six-month period ended 30 June</i>	
	<i>Notes</i>	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
OPERATING ACTIVITIES			
Profit for the period before income tax		18,479,265	2,122,299
Adjustments for:			
Impairment losses on non-financial assets	4	303,371	643,334
Depreciation charge on property, plant and equipment, right-of-use assets and investment properties		12,769,716	13,068,406
Amortisation charge on intangible assets	8	737,127	732,748
Impairment loss on loans and receivables - net of recoveries	5	1,992,497	2,810,548
Impairment loss on trade and other receivables - net of recoveries	5	197,297	196,557
Impairment (reversal) / loss on other non-current assets - net of recoveries	5	(11,564)	7,591
Impairment loss / (reversal) on investment securities - net	5	6,402	(9,454)
Impairment loss / (reversal) on cash and deposits with banks - net	5	49,990	(38,714)
Impairment loss / (reversal) on unfunded exposures - net	5	10,246	(49,864)
Net loss / (gain) on disposal / write-off of property, plant and equipment, right-of-use assets, investment properties and intangible assets		1,846,251	(184,845)
Net gain on sale of debt securities measured at FVOCI		(55,376)	(155,356)
Net change in fair value of investments securities measured at fair value through profit or loss ("FVTPL")		287,028	(828,395)
Provision for / (reversal of) allowance on slow moving and obsolete inventories - net		74,488	(7,607)
Other finance costs		3,143,740	3,613,029
Other finance income		(391,176)	(326,482)
Other expense		-	30,318
Share of results of associates and joint ventures - net	10	(5,449,738)	(2,329,813)
Provision for employees' end of service benefits		691,822	504,766
Unrealised losses / (gains) on derivatives and fair value hedged items - net		15,543	(158,164)
		34,696,929	19,640,902
Changes in:			
Inventories		(4,904,769)	(1,834,850)
Trade and other receivables		(8,741,880)	(4,931,639)
Trade and other payables		20,841,386	2,756,667
Loans and receivables (banking operations)		(4,578,747)	3,184,951
Statutory deposits (banking operations)		1,178,289	(5,494,371)
Deposits with banks with original maturity over three months (banking operations)		(23,998,139)	21,384,507
Customer deposits (banking operations)		8,744,194	(3,566,594)
Due to banks with original maturity over three months (banking operations)		(2,172,867)	4,828
Fair value of derivatives - net		540,791	(218,390)
Other non-current assets		103,571	4,394,808
Other non-current payables		832,678	1,526
		22,541,436	35,322,345

The accompanying notes 1 to 24 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 2022

		<i>Six-month period ended 30 June</i>	
	<i>Notes</i>	2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
OPERATING ACTIVITIES (continued)			
Employees' end of service benefits paid		(582,159)	(447,276)
Income tax paid		(1,101,223)	(365,042)
Foreign exchange and other movements		(78,712)	(193,517)
Net cash generated from operating activities		20,779,342	34,316,510
INVESTING ACTIVITIES			
Purchase of property, plant and equipment, intangible assets, investment properties and development properties		(8,591,454)	(11,271,873)
Proceeds from disposal of property, plant and equipment, intangible assets, investment properties and development properties		2,916,679	2,135,044
Acquisition of subsidiaries - net of cash and cash equivalents acquired		(14,019)	72,116
Proceeds from disposal of investments in associates and joint ventures		-	105,393
Other finance income received (non-banking operations)		302,372	389,428
Net movement in investment securities		(8,009,536)	(15,120,211)
Investments made in associates and joint ventures	10	(62,290)	(133,925)
Dividend received from associates and joint ventures		1,277,714	944,089
Net movement in deposits with banks with original maturity over three months (non-banking operations)		69,765	3,218,080
Net cash used in investing activities		(12,110,769)	(19,661,859)
FINANCING ACTIVITIES			
Capital contributions from the Government of Dubai (the "Government")	15	1,004,841	4,858
Interest on Tier 1 Capital Notes		(255,354)	(336,879)
Repayment of Tier 1 Capital Notes	18	-	(4,000,000)
Issuance of Tier 1 Capital Notes	18	-	2,748,866
Distributions paid to the Government		(3,955,291)	(6,217,256)
Proceeds from borrowings		23,630,773	44,878,831
Repayment of borrowings and principal element of lease liabilities		(39,925,004)	(38,008,858)
Other finance costs paid (non-banking operations)		(3,657,567)	(3,709,718)
Dividend paid to non-controlling interests		(1,483,343)	(1,197,809)
Contributions from non-controlling interests		66	16,202
Net cash used in financing activities		(24,640,879)	(5,821,763)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(15,972,306)	8,832,888
Cash and cash equivalents at the beginning of the period		41,386,706	37,171,154
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		25,414,400	46,004,042

The accompanying notes 1 to 24 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 2022

Cash and cash equivalents have been computed as presented below:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)	30 June 2021 AED'000 (Unaudited)
Cash and deposits with banks – current	169,077,386	162,654,472	165,122,785
Due to banks	(45,804,240)	(43,755,207)	(51,403,348)
Bank overdrafts	(196,249)	(188,283)	(139,254)
Cash and deposits with banks classified as assets held for sale	277,139	196,029	-
	123,354,036	118,907,011	113,580,183
Due to banks with original maturity of more than three months	25,844,094	28,016,961	33,977,074
Deposits with Central Banks for regulatory purposes (note 13)	(43,997,278)	(45,176,256)	(48,435,735)
Murabaha and interest-bearing certificates of deposits with Central Banks with original maturity of more than three months	-	(3,000,000)	(12,000,000)
Due from other banks and deposits with other banks with original maturity of more than three months	(79,786,452)	(57,361,010)	(41,117,480)
Cash and cash equivalents	25,414,400	41,386,706	46,004,042

The accompanying notes 1 to 24 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 2022

	<i>Attributable to the equity holder of ICD</i>			<i>Non-controlling interests</i> <i>AED'000</i> <i>(note 18)</i>	<i>Total equity</i> <i>AED'000</i>	
	<i>Capital</i> <i>AED'000</i> <i>(note 15)</i>	<i>Retained earnings</i> <i>AED'000</i>	<i>Other reserves</i> <i>AED'000</i> <i>(note 16)</i>			<i>Total</i> <i>AED'000</i>
Balance at 1 January 2022	84,909,786	100,568,822	5,129,682	190,608,290	47,773,951	238,382,241
Profit for the period	-	12,150,033	-	12,150,033	2,627,731	14,777,764
Other comprehensive income for the period	-	(115,099)	598,059	482,960	(59,294)	423,666
Total comprehensive income for the period	-	12,034,934	598,059	12,632,993	2,568,437	15,201,430
Contributions from the Government	1,004,841	-	-	1,004,841	-	1,004,841
Distributions to the Government	-	(4,380,291)	-	(4,380,291)	-	(4,380,291)
Interest on Tier 1 capital notes	-	-	-	-	(255,354)	(255,354)
Dividend paid to non-controlling interests	-	-	-	-	(1,483,343)	(1,483,343)
Transfers	-	(350,902)	350,902	-	-	-
Other movements	-	(45,716)	1,298	(44,418)	21,613	(22,805)
Balance at 30 June 2022	85,914,627	107,826,847	6,079,941	199,821,415	48,625,304	248,446,719

The accompanying notes 1 to 24 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 2022

	<i>Attributable to the equity holder of ICD</i>			<i>Non-controlling interests</i> <i>AED'000</i> <i>(note 18)</i>	<i>Total equity</i> <i>AED'000</i>	
	<i>Capital</i> <i>AED'000</i> <i>(note 15)</i>	<i>Retained earnings</i> <i>AED'000</i>	<i>Other reserves</i> <i>AED'000</i> <i>(note 16)</i>			<i>Total</i> <i>AED'000</i>
Balance at 1 January 2021	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	-	(573,574)	573,574	-	-	-
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 24 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 (the "Government"), 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 invest in attractive opportunities to achieve appropriate risk-adjusted returns over the long-term.

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 2022 have been approved by the Board of Directors on 19 October 2022.

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 2022 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 2021. Results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2022.

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. The balances of these subsidiaries 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.

c) Comparative information

Certain comparative figures have been reclassified either to conform to the current period's classification for better presentation of the interim condensed consolidated financial statements, where certain items of similar nature are aggregated, or in accordance with the relevant requirement of IFRS. These reclassifications had no impact on the total equity as at 31 December 2021 or on the profit for the period ended 30 June 2021.

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 2021, except for the adoption of amendments to the existing standards and interpretations effective as of 1 January 2022. 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 2022. The Group has not early adopted any other standards, interpretations and amendments that have been issued but are not yet effective.

2.3 APPLICATION OF IAS 29 – FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

Turkey has been determined to be a hyperinflationary economy under IAS 29 with the three-year accumulated inflation exceeding 100%. As at 30 June 2022, the three-year cumulative inflation rate has been 133% based on the Turkish Consumer Pricing Index ("CPI"). The CPI at the beginning of the reporting period was 687 and it closed at 978, resulting in an increase of 42%.

Accordingly, the non-monetary assets and liabilities of DenizBank A.S. ("DenizBank"), a Turkish banking subsidiary of Emirates NBD Bank PJSC, have been restated to reflect their current prices using the CPI in the local currency of the reporting unit before translation to the Group's functional currency:

- a) The net non-monetary position (excluding equity) has been indexed by applying the difference in CPI from 31 December 2021 to 30 June 2022 resulting in a gain of AED 0.5 billion in the interim condensed consolidated income statement to the extent determined to be recoverable.
- b) The Group has recognised in other comprehensive income ("OCI") a credit of AED 0.6 billion which represents the impact of indexing non-monetary items from the date these were acquired by applying fluctuation in the CPI from the date of acquisition to 31 December 2021 to the extent determined to be recoverable.
- c) Monetary assets and liabilities are already reported at the current measuring unit and are not adjusted for inflation. However, the CPI index is applied to measure the loss of purchasing power. For the net monetary position, a hyperinflation adjustment of AED 2.4 billion has been made in the interim condensed consolidated income statement with an equal corresponding credit to the OCI.
- d) The current period's income statement is indexed using the index movement for the six-month period ended 30 June 2022, resulting in an immaterial impact to the Group's profit for the period after income tax.

These hyperinflationary adjustments are not taxable or tax deductible, resulting in a permanent tax difference.

During the period ended 30 June 2022, a loss of AED 1.9 billion (notes (a) and (c) above) has been recognised in the interim condensed consolidated income statement as hyperinflation adjustment on net monetary position. On net basis, the hyperinflation adjustments resulted in a credit of AED 1.1 billion in the interim condensed consolidated statement of comprehensive income for the period ended 30 June 2022.

2.4 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 similar to those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 NET GAINS FROM DERIVATIVE FINANCIAL INSTRUMENTS

	<i>Six-month period ended 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Net gains on currency derivatives	1,987,014	1,138,448
Net losses on commodity oil derivatives	(417,098)	(541,335)
Net gains on interest rate derivatives	839,015	336,716
Net gains on other derivatives	4,272	34,580
	<u>2,413,203</u>	<u>968,409</u>

4 IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS

	<i>Six-month period ended 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Impairment on property, plant and equipment (note 6)	46,860	429,611
Impairment on right-of-use assets (note 7)	-	104,363
Impairment on intangible assets	2,778	54,211
Impairment on investment properties (note 9)	253,671	43,686
Impairment on investment in associates and joint ventures	62	11,463
	<u>303,371</u>	<u>643,334</u>

5 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<i>Six-month period ended 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Impairment loss on loans and receivables - net of recoveries (note 12(b))	1,992,497	2,810,548
Impairment loss on trade and other receivables - net of recoveries	197,297	196,557
Impairment (reversal) / loss on other non-current assets - net of recoveries	(11,564)	7,591
Impairment loss / (reversal) on investment securities - net	6,402	(9,454)
Impairment loss / (reversal) on cash and deposits - net	49,990	(38,714)
Impairment loss / (reversal) unfunded exposures - net	10,246	(49,864)
Bad debt recovery - net of other losses	(180,555)	(90,081)
	<u>2,064,313</u>	<u>2,826,583</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

Significant movements in the net book value of 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 (note 6.1) 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 2022 (Unaudited)</i>							
Additions	71,963	252,182	846,958	3,025,896	600,329	3,861,360	8,658,688
Other transfers (net book value)	354,885	263,864	117,435	-	3,878,845	(4,615,029)	-
Transfer from right-of-use assets (note 7)	-	-	-	-	463,204	-	463,204
Transfer (to) / from investment properties (notes 6.2 and 9)	(3,000,269)	-	-	-	-	268,790	(2,731,479)
Transfer to assets held for sale (note 14)	-	-	-	-	(396,992)	-	(396,992)
Translation differences	(104,660)	(67,698)	(60,537)	-	(15)	2,101	(230,809)
Hyperinflation adjustment (note 2.3)	30,024	454,498	56	-	-	-	484,578
Disposals / write-off (note 6.3)	(12,456)	(5,253)	(93,334)	-	(5,146,297)	(1,615)	(5,258,955)
Depreciation charge	(664,935)	(453,299)	(1,145,768)	(974,390)	(4,450,945)	-	(7,689,337)
<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	1,106,164	178,132	165,431	-	2,507,385	(3,957,112)	-
Transfer from assets held for sale	(498,076)	(22,557)	-	-	(1,069,634)	-	(1,590,267)
Disposals / write-off	(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 (note 4)	(17,678)	(88)	(90,491)	-	(319,983)	(1,371)	(429,611)

6 PROPERTY, PLANT AND EQUIPMENT (continued)

- 6.1 For the purpose of arriving at the carrying value of the Group's oil and gas related production and development assets in Turkmenistan, the Group continued with the assumption that the Production Sharing Agreement ("PSA") expiring in the year 2025 would be extended on similar terms up to 2035. Subsequent to the period end, on 5 July 2022, the PSA amendment has been signed and the term extended up to April 2035.
- 6.2 The transfer to investment properties reported in the current period includes a transfer of AED 3,004,787 thousand recognised due to the reassessment of the threshold applied for determining the significance of ancillary services income from the property that primarily distinguishes property, plant and equipment from investment property.
- 6.3 One of the Group's subsidiaries operating in the aircraft leasing business has written-off AED 2,118,704 thousand, representing its net exposure in respect of 19 aircraft that are currently in Russia and were previously leased to airlines based in Russia. This covers aircraft held for lease, maintenance reserves, security deposits and other assets and liabilities. The subsidiary has no control over these aircraft and is unable to determine whether these aircraft will be returned at any point in the future.

The subsidiary has maintained insurance cover in respect of the 19 aircraft under a number of insurance policies and has filed insurance claims to recover the amounts due under the policies.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7 RIGHT-OF-USE ASSETS

Significant movements in the net book value of 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 2022 (Unaudited)</i>						
Additions	794,430	1,617	84,280	838,396	976,557	2,695,280
Remeasurement	(18,645)	(70)	(8,540)	-	729,429	702,174
Transfer to property, plant and equipment (note 6)	-	-	-	-	(463,204)	(463,204)
Translation differences	(185,570)	(221)	(10,831)	1	-	(196,621)
Depreciation charge	(841,215)	(2,227)	(98,527)	(372,796)	(3,801,244)	(5,116,009)
<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 (note 4)	(14,508)	-	-	-	(89,855)	(104,363)

8 INTANGIBLE ASSETS

Significant movements in the net book value of 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 2022 (Unaudited)</i>								
Additions	-	-	7,758	134,905	30,914	950,143	143,993	1,267,713
Amortisation charge	(31,279)	-	(65,897)	(197,750)	(25,688)	(416,513)	-	(737,127)
Translation differences	(26,722)	(139,265)	(2,842)	(35,957)	417	(35,068)	(977)	(240,414)
<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)

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9 INVESTMENT PROPERTIES

Significant movements in the net book value of investment properties during the period are as follows:

	<i>Six-month period ended 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Additions	<u>1,363,941</u>	<u>1,276,316</u>
Transfer from property, plant and equipment (note 6)	<u>2,731,479</u>	<u>-</u>
Transfers from development properties	<u>-</u>	<u>189,242</u>
Depreciation charge	<u>(253,243)</u>	<u>(170,735)</u>
Impairment charge (note 4)	<u>(253,671)</u>	<u>(43,686)</u>
Hyperinflation adjustment (note 2.3)	<u>190,367</u>	<u>-</u>

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
	Investments in associates	<u>34,540,129</u>
Investments in joint ventures	<u>24,777,676</u>	<u>22,463,169</u>
	<u>59,317,805</u>	<u>56,561,277</u>

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

	<i>Six-month period ended 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Share of results of associates and joint ventures - net	<u>5,449,738</u>	<u>2,329,813</u>
Dividend income	<u>(2,379,674)</u>	<u>(972,539)</u>
Investments made	<u>62,290</u>	<u>133,925</u>
Share of other comprehensive income – cumulative changes in fair value - net	<u>186,845</u>	<u>(494,405)</u>
Share of other comprehensive income – translation difference - net	<u>(529,333)</u>	<u>(108,634)</u>
Conversion to subsidiaries	<u>(371)</u>	<u>(188,759)</u>
Disposals	<u>-</u>	<u>(163,273)</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENT SECURITIES

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Measured at amortised cost	88,432,112	88,201,987
Measured at FVOCI	24,491,139	20,774,969
Measured at FVTPL	17,564,226	15,512,256
Total investment securities	130,487,477	124,489,212
Disclosed as follows:		
Non-current assets	75,938,159	64,779,933
Current assets	54,549,318	59,709,279
	130,487,477	124,489,212

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

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

	<i>Total AED'000</i>	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>
30 June 2022 (Unaudited)				
Measured at FVOCI	24,491,139	23,860,449	524,764	105,926
Measured at FVTPL	17,564,226	8,462,279	2,314,330	6,787,617
Derivative financial instruments - net (note 17)	(1,714,723)	100,327	(1,806,256)	(8,794)
	40,340,642	32,423,055	1,032,838	6,884,749
31 December 2021 (Audited)				
Measured at FVOCI	20,774,969	20,176,624	491,771	106,574
Measured at FVTPL	15,512,256	7,397,334	2,736,362	5,378,560
Derivative financial instruments - net (note 17)	1,519,956	(56,801)	1,553,538	23,219
	37,807,181	27,517,157	4,781,671	5,508,353

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENT SECURITIES (continued)

During the current and 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 30 June</i>	
	<i>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Balance at beginning of the period	5,508,353	2,622,958
Investments made	1,327,688	1,221,496
Settlements / disposals of investments	(117,289)	(52,847)
Net fair value movement:		
- in income statement	166,313	531,810
- in other comprehensive income	(316)	(267)
Transfers to level 1 of the fair value hierarchy	-	(170,740)
Balance at the end of the period	<u>6,884,749</u>	<u>4,152,410</u>

12 LOANS AND RECEIVABLES

Loans and receivables represent the receivables arising from the banking operations of the Group carried out through Emirates NBD Bank PJSC and its subsidiaries (the "Bank"). The details of loans and receivables are as follows:

	<i>30 June 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Overdrafts	114,414,598	141,178,599
Time loans	225,808,770	219,478,540
Loans against trust receipts	11,010,340	9,236,631
Bills discounted	4,424,680	3,892,605
Credit card receivables	14,850,247	13,353,455
Gross conventional loans	<u>370,508,635</u>	<u>387,139,830</u>
Murabaha	58,283,339	39,508,668
Ijara	22,783,106	20,862,452
Wakala	842,598	975,081
Istisna'a	985,880	873,178
Credit card receivables	1,804,467	1,646,713
Others	242,078	675,088
Less: Deferred income	(2,446,884)	(1,814,833)
Gross Islamic financing receivables	<u>82,494,584</u>	<u>62,726,347</u>
Gross loans and receivables	453,003,219	449,866,177
Less: Allowance for impairment (note 12(b))	(37,736,268)	(37,185,476)
Net loans and receivables	<u>415,266,951</u>	<u>412,680,701</u>
Disclosed as follows:		
Non-current assets	172,813,888	164,608,305
Current assets	242,453,063	248,072,396
Net loans and receivables	<u>415,266,951</u>	<u>412,680,701</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 LOANS AND RECEIVABLES (continued)

Loans and receivables include AED 118,827,210 thousand (31 December 2021: AED 148,990,386 thousand) due from the Government, Ministry of Finance of the UAE (“MOF”) and other related parties. It also includes AED 1,515,145 thousand (31 December 2021: AED 2,352,306 thousand) due from associates and joint ventures (note 20(b)).

AED 2.2 billion of Corporate Ijara assets (31 December 2021: AED 2.3 billion) held by the Bank were securitised for the purpose of issuance of Sukuk liability.

	30 June 2022 AED’000 (Unaudited)	31 December 2021 AED’000 (Audited)
<i>Analysis by economic activity:</i>		
Utilities and services	25,632,579	15,231,685
Personal	103,666,752	98,184,765
Sovereign	123,611,885	152,416,647
Construction and real estate	63,256,256	65,202,122
Manufacturing	23,790,746	20,508,463
Trade	30,914,172	30,772,106
Transport and communication	15,598,160	7,413,737
Hotels and restaurants	10,243,941	11,075,791
Management of companies and enterprises	14,928,652	12,689,036
Financial institutions and investment companies	25,657,131	20,903,075
Agriculture	5,528,666	5,825,162
Others	12,621,163	11,458,421
Total loans and receivables	455,450,103	451,681,010
Less: Deferred income	(2,446,884)	(1,814,833)
Less: Allowance for impairment (note 12(b))	(37,736,268)	(37,185,476)
Net loans and receivables	415,266,951	412,680,701

a) The following table sets out information about the credit quality of loans and receivables:

30 June 2022 (Unaudited)

	12-month ECL AED’000	Lifetime ECL not credit- impaired AED’000	Lifetime ECL credit- impaired AED’000	Total AED’000
<i>Gross carrying value</i>				
Balance at 1 January 2021	389,429,108	31,277,352	29,159,717	449,866,177
Transfers from stage 1	(3,744,228)	3,425,170	319,058	-
Transfers from stage 2	1,900,563	(3,923,453)	2,022,890	-
Transfers from stage 3	-	113,942	(113,942)	-
New financial assets, net of repayments and others	6,161,425	60,450	(2,463,240)	3,758,635
Amounts written off	-	-	(621,593)	(621,593)
Gross loans and receivables	393,746,868	30,953,461	28,302,890	453,003,219
Less: Allowance for impairment (note 12(b))	(3,751,381)	(7,263,557)	(26,721,330)	(37,736,268)
Net loans and receivables	389,995,487	23,689,904	1,581,560	415,266,951

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 LOANS AND RECEIVABLES (continued)

a) The following table sets out information about the credit quality of loans and receivables (*continued*):

30 June 2021 (Unaudited)

	<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>
<i>Gross carrying value</i>				
Balance at 1 January 2021	414,437,761	26,974,892	29,817,914	471,230,567
Transfers from stage 1	(8,811,064)	8,588,038	223,026	-
Transfers from stage 2	3,143,870	(5,921,013)	2,777,143	-
Transfers from stage 3	-	258,596	(258,596)	-
New financial assets, net of repayments and others	(3,475,064)	1,732,797	(1,924,892)	(3,667,159)
Amounts written off	-	-	(920,305)	(920,305)
	<u>405,295,503</u>	<u>31,633,310</u>	<u>29,714,290</u>	<u>466,643,103</u>
Gross loans and receivables	405,295,503	31,633,310	29,714,290	466,643,103
Less: Allowance for impairment (note 12(b))	(3,817,745)	(6,865,681)	(25,709,421)	(36,392,847)
Net loans and receivables	<u><u>401,477,758</u></u>	<u><u>24,767,629</u></u>	<u><u>4,004,869</u></u>	<u><u>430,250,256</u></u>

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

30 June 2022 (Unaudited)

	<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>
Balance at 1 January 2022	3,847,334	6,929,276	26,408,866	37,185,476
Transfers from stage 1	(203,552)	156,619	46,933	-
Transfers from stage 2	209,369	(1,246,360)	1,036,991	-
Transfers from stage 3	-	54,448	(54,448)	-
Allowance for impairment made - net of recoveries (note 5)	(25,343)	1,380,817	637,023	1,992,497
Amounts written off	-	-	(621,593)	(621,593)
Exchange and other adjustments	(76,427)	(11,243)	(732,442)	(820,112)
Balance at 30 June 2022	<u><u>3,751,381</u></u>	<u><u>7,263,557</u></u>	<u><u>26,721,330</u></u>	<u><u>37,736,268</u></u>

30 June 2021 (Unaudited)

	<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>
Balance at 1 January 2021	4,612,683	5,697,198	24,674,930	34,984,811
Transfers from stage 1	(250,022)	234,492	15,530	-
Transfers from stage 2	366,721	(1,984,408)	1,617,687	-
Transfers from stage 3	-	54,571	(54,571)	-
Allowance for impairment made - net of recoveries (note 5)	(877,378)	2,995,053	692,873	2,810,548
Amounts written off	-	-	(920,305)	(920,305)
Exchange and other adjustments	(34,259)	(131,225)	(316,723)	(482,207)
Balance at 30 June 2021	<u><u>3,817,745</u></u>	<u><u>6,865,681</u></u>	<u><u>25,709,421</u></u>	<u><u>36,392,847</u></u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 LOANS AND RECEIVABLES (continued)

As at 30 June 2022, the total deferrals provided to the customers by the Bank were AED 10.8 billion (31 December 2021: AED 10.7 billion), out of which AED 8.9 billion have been repaid. Total active deferrals amounted to AED 1.9 billion (31 December 2021: AED 2.5 billion). Active deferrals for Corporate and Institutional Banking segment amounted to AED 1.1 billion and AED 0.8 billion for Retail Banking and Wealth Management segment.

The total number of customers supported under the deferral scheme is 134,178 customers out of which 133,614 relate to Retail Banking and Wealth Management and 564 relate to Corporate and Institutional Banking.

13 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.

Cash and deposits with banks include AED 26,245,066 thousand (31 December 2021: AED 20,901,135 thousand) due from associates and other related parties (note 20(b)).

14 ASSETS HELD FOR SALE AND RELATED LIABILITIES

The Group follows the guidance of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations to assess whether an asset or disposal group satisfies the criteria in IFRS 5 to be classified as held for sale. The Group exercises certain judgments in such assessments, including the evaluation of whether any significant changes will be made to the plan to sell or that it will be withdrawn.

The assets held for sale and the related liabilities as at 30 June 2022 and 31 December 2021 include certain subsidiaries of the Group operating in the hospitality sector.

As at 30 June 2022, it also includes three aircraft classified as held for sale by a subsidiary of the Group operating in the aircraft leasing business.

15 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>2022 AED'000 (Unaudited)</i>	<i>2021 AED'000 (Unaudited)</i>
Balance at the beginning of the period	84,909,786	82,404,928
Capital contributions from the Government	1,004,841	4,858
Balance at the end of the period	85,914,627	82,409,786

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16 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 2022 (Unaudited)</i>										
Balance at 1 January 2022	3,140,123	851,876	9,177,030	(819,686)	(1,372,196)	1,170,099	15,435	(7,130,889)	97,890	5,129,682
Other comprehensive income for the period	-	-	-	(387,882)	1,029,592	-	-	(43,651)	-	598,059
Transfers	6,754	61,049	-	236,719	-	-	2,265	-	44,115	350,902
Other movements	(39)	-	-	(4)	-	-	-	(9)	1,350	1,298
Balance at 30 June 2022	3,146,838	912,925	9,177,030	(970,853)	(342,604)	1,170,099	17,700	(7,174,549)	143,355	6,079,941
<i>30 June 2021 (Unaudited)</i>										
Balance at 1 January 2021	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	(48)	-	-	572,871	-	-	751	-	-	573,574
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

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17 DERIVATIVE FINANCIAL INSTRUMENTS

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

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Positive fair value AED'000	Negative fair value AED'000	Notional amounts AED'000	Positive fair value AED'000	Negative fair value AED'000	Notional amounts AED'000
<u>Banking operations</u>						
Derivatives held for trading	13,426,087	(11,834,603)	936,168,295	10,133,018	(7,966,273)	757,094,774
Derivatives held as cash flow hedges	158,898	(730,214)	21,529,916	238,462	(121,895)	29,221,176
Derivatives held as fair value hedges	197,865	(3,619,570)	28,090,520	287,445	(1,088,283)	30,004,652
Derivatives held as hedge of a net investment in foreign operations	11,816	-	733,597	-	(9,870)	452,876
(A)	13,794,666	(16,184,387)	986,522,328	10,658,925	(9,186,321)	816,773,478
<u>Non-banking operations</u>						
Derivatives held for trading	98,843	(11,121)	8,185,302	59,848	(55,981)	5,088,409
Derivatives held as cash flow hedges	589,907	(2,631)	17,643,711	561,159	(517,674)	16,875,980
(B)	688,750	(13,752)	25,829,013	621,007	(573,655)	21,964,389
Total (A+B)	14,483,416	(16,198,139)	1,012,351,341	11,279,932	(9,759,976)	838,737,867

Disclosed as follows:

	30 June 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<i>Positive fair value of derivatives:</i>		
Non-current assets	11,267,809	7,345,057
Current assets	3,215,607	3,934,875
Total	14,483,416	11,279,932
<i>Negative fair value of derivatives:</i>		
Non-current liabilities	(13,311,383)	(6,833,593)
Current liabilities	(2,886,756)	(2,926,383)
Total	(16,198,139)	(9,759,976)
Net fair value of derivatives (note 11)	(1,714,723)	1,519,956

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18 NON-CONTROLLING INTERESTS

Non-controlling interests as at 30 June 2022 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 as ‘non-controlling interests’ under equity.

During the prior 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.

19 COMMITMENTS AND CONTINGENCIES

a) Capital commitments

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

	<i>30 June 2022 AED’000 (Unaudited)</i>	<i>31 December 2021 AED’000 (Audited)</i>
Capital commitments in relation to aircraft	223,056,432	220,729,803
Capital commitments in relation to other non-financial assets	5,474,793	6,050,800
Group’s share of capital commitments of associates and joint ventures	3,225,933	2,937,926
	<u>231,757,158</u>	<u>229,718,529</u>

b) Investment securities commitments

The Group has contractual commitments in relation to investment securities of AED 2,659,174 thousand as at 30 June 2022 (31 December 2021: AED 2,165,858 thousand).

c) Contingencies

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

	<i>30 June 2022 AED’000 (Unaudited)</i>	<i>31 December 2021 AED’000 (Audited)</i>
Financial guarantees	58,120,227	58,774,476
Letters of credit	21,185,023	20,320,984
Performance bonds	10,153,359	9,582,072
Liabilities on risk participation	214,210	218,757
Group’s share of financial guarantees issued by associates and joint ventures	5,891,636	7,472,426
Group’s share of letters of credit issued by associates and joint ventures	1,083,003	1,090,378
Third party claims*	1,114,644	833,598

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19 COMMITMENTS AND CONTINGENCIES (continued)

* 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 53,766,324 thousand outstanding at 30 June 2022 (31 December 2021: AED 47,841,494 thousand). This represents a contractual commitment to permit drawdowns on a facility within a defined period, subject to conditions precedent and termination clauses, where applicable. Since commitments may expire without being drawn down, and / or as conditions precedent to the drawdowns have to be fulfilled, the total contract amounts do not necessarily represent the exact future cash requirements.

20 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. These also represent entities that are significantly influenced by the owner. Pricing 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.

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 2022 (Unaudited)</i>				
Associates and joint ventures	<u>2,236,412</u>	<u>2,115,116</u>	<u>134,664</u>	<u>82,278</u>
Government, MOF and other related parties	<u>37,538</u>	<u>421,659</u>	<u>3,663</u>	<u>101,107</u>
<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, MOF and other related parties	<u>41,470</u>	<u>292,549</u>	<u>49,255</u>	<u>90,993</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- 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 2022 (Unaudited)</i>		<i>31 December 2021 (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*	30,571,759	11,364,316	24,668,060	11,359,871
Government, MOF and other related parties	1,681,883	17,152,936	1,813,252	16,206,088
	<u>32,253,642</u>	<u>28,517,252</u>	<u>26,481,312</u>	<u>27,565,959</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 117,966,722 thousand (31 December 2021: AED 148,117,393 thousand) that represents loans and receivables provided by the Bank to the Government on normal commercial terms.
- (ii) Impairment provisions of AED 138,167 thousand (31 December 2021: AED 168,028 thousand) and AED 53,045 thousand (31 December 2021: AED 53,045 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, 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 15 to the interim condensed consolidated financial statements. Subsequent to the period-end, the Board of Directors of ICD approved dividend of AED 1,070,000 thousand.
- e) The Bank's investment in Government bonds amounted to AED 6,426,790 thousand (31 December 2021: AED 6,481,084 thousand).
- f) During 2021, pursuant to Dubai Law No. 16 of 2021 (the "Law"), Dubai Integrated Economic Zones Authority ("DIEZ") was established and resulted in the merger of the operations of Dubai Silicon Oasis Authority ("DSO") and Dubai Airport Free Zone Authority ("DAFZA"), both wholly owned subsidiaries of ICD. DIEZ is also wholly owned by ICD and effective 1 January 2022, all assets and liabilities of DSO and DAFZA were transferred to DIEZ in accordance with the Law. This merger has been treated as a common control transaction.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21 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 2022 and 30 June 2021:

	<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 2022 (Unaudited)</i>					
Total revenue	17,211,059	53,111,975	43,301,026	13,878,837	127,502,897
Intra-segment revenue	(56)	(1,527,025)	-	(871,935)	(2,399,016)
Inter-segment revenue	(46,569)	(64,367)	(3,864,357)	(24,373)	(3,999,666)
Total revenue from external customers	<u>17,164,434</u>	<u>51,520,583</u>	<u>39,436,669</u>	<u>12,982,529</u>	<u>121,104,215</u>
Interest and similar income	13,686,311	-	-	-	13,686,311
Lease revenue	25,171	1,567,641	136,232	896,004	2,625,048
Revenue from contracts with customers – IFRS 15					
- Over a period of time	4,891	46,448,745	-	6,269,424	52,723,060
- Single point in time	3,448,061	3,504,197	39,300,437	5,707,903	51,960,598
Other revenue	-	-	-	109,198	109,198
Total revenue from external customers	<u>17,164,434</u>	<u>51,520,583</u>	<u>39,436,669</u>	<u>12,982,529</u>	<u>121,104,215</u>
Profit for the period before income tax	<u>9,020,910</u>	<u>185,974</u>	<u>4,220,906</u>	<u>5,051,475</u>	<u>18,479,265</u>
<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	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 income 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>

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21 OPERATING SEGMENTS (continued)

The following table presents the assets and liabilities related information of the Group's operating segments as at 30 June 2022 and 31 December 2021:

	<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 2022 (Unaudited)*</i>					
Total assets	<u>739,822,320</u>	<u>211,587,306</u>	<u>52,176,206</u>	<u>129,906,501</u>	<u>1,133,492,333</u>
Total liabilities	<u>627,055,896</u>	<u>172,145,888</u>	<u>31,788,870</u>	<u>55,325,872</u>	<u>886,316,526</u>
<i>31 December 2021 (Audited)*</i>					
Total assets	<u>717,503,325</u>	<u>216,184,655</u>	<u>40,561,288</u>	<u>124,819,757</u>	<u>1,099,069,025</u>
Total liabilities	<u>608,103,379</u>	<u>175,147,907</u>	<u>22,069,406</u>	<u>56,204,472</u>	<u>861,525,164</u>

* Assets held for sale and the related liabilities have not been considered for IFRS 8 – Operating Segments disclosures.

22 INTEREST RATE BENCHMARK REFORM

The Bank closely monitors the market and the output from various industry working groups managing the transition to new benchmark interest rates. GBP LIBOR has already transitioned to SONIA (Sterling Overnight Index Average) and the Bank continues to run the project on its transition activities on USD LIBOR to SOFR (Secured Overnight Financing Rate) and engages 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.

The non-banking subsidiaries of the Group continue to monitor the impact of the interest rate benchmark reform on their contracts and arrangements on an ongoing basis and have either transitioned or are in the process of transitioning to alternative benchmark rates.

The table below shows the Group's exposure as at 30 June 2022 to significant benchmark interest rate subject to reform that have yet to transition to alternative benchmark interest rates:

	<i>Non-derivative financial assets - Carrying value AED'000</i>	<i>Non-derivative financial liabilities - Carrying value AED'000</i>	<i>Derivatives financial instruments - Notional amount AED'000</i>
USD LIBOR	<u>40,600,932</u>	<u>99,708,644</u>	<u>312,993,326</u>
Cross-currency swaps			<u>17,075,606</u>

The derivative financial instruments above include cash flow hedging instruments with a notional amount of AED 14,308,741 thousand and fair value hedging instruments with a notional amount of AED 23,281,644 thousand that are exposed to USD LIBOR.

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23 INCOME TAXES

The Global Anti-Base Erosion Rules introduced under the Organisation for Economic Co-operation and Development's Inclusive Framework on Base Erosion and Profit Shifting will impose tax on the profits of groups operating in multiple jurisdictions with an annual consolidated group revenues above the prescribed threshold. Several jurisdictions where the Group operates are in the process of implementing these rules in their domestic laws ("GloBE Rules"). It is expected that these rules will be relevant to the Group.

In January 2022, the UAE's Ministry of Finance announced the introduction of a Corporate Tax on business profits for financial years beginning on or after 1 June 2023 ("UAE Corporate Tax").

On the date of approval of these interim condensed consolidated financial statements, the GloBE Rules and UAE Corporate Tax have not been enacted and accordingly, the Group is unable to determine its potential impact.

24 SUBSEQUENT EVENTS

- a) Subsequent to the period-end, one of the subsidiaries of the Group operating in the aircraft leasing business, has signed a definitive agreement to acquire 100% of Sky Fund I Irish, Ltd. and its subsidiaries ("Sky Fund I"). Sky Fund I owns and is committed to own 36 aircraft. This transaction is subject to required regulatory approvals.
- b) Subsequent to the period end, the Board of Directors and shareholders of Emaar Properties PJSC ("Emaar"), an associate of the Group, have approved to fully acquire Dubai Creek Harbour LLC ("DCH"), the owner of a major project development located along the Dubai Creek's waterfront. The acquisition of DCH will be in exchange for cash, deferred cash consideration and issuance of a mandatory convertible bond by Emaar which will be convertible into 659,050,967 new Emaar shares. This transaction is subject to certain regulatory approvals.
- c) Subsequent to the period-end, ICD has entered into an agreement to sell its entire shareholding in Aswaaq LLC which primarily operate a chain of supermarkets in UAE.
- d) Subsequent to the period-end, ICD has entered into an agreement to sell its controlling interest in Ssangyong Engineering & Construction Co. Ltd which primarily operate in engineering and construction contracting business.