

**Investment Corporation of Dubai
and its subsidiaries**

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

Investment Corporation of Dubai and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

<i>Contents</i>	<i>Pages</i>
Report on review of interim condensed consolidated financial statements	1
Interim condensed consolidated income statement	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of financial position	4 - 5
Interim condensed consolidated statement of cash flows	6 - 8
Interim condensed consolidated statement of changes in equity	9 - 10
Notes to the interim condensed consolidated financial statements	11 - 32



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 2023 and the related interim condensed consolidated income statement and the interim condensed consolidated statements of comprehensive income, cash flows and changes in equity 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 Limited Partnership Dubai Branch
18 October 2023

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

PricewaterhouseCoopers Limited Partnership Dubai Branch, License no. 102451
Emaar Square, Building 5, P O Box 11987, Dubai - United Arab Emirates
T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me

Jacques Fakhoury, Douglas O'Mahony, Wassim El Afchal, Murad Alnsour, Rami Sarhan and Virendra Dhirajlal Lodhia are registered as practicing 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 2023

	<i>Notes</i>	<i>Six-month period ended 30 June</i>	
		<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Revenue	22	145,142,523	121,104,215
Cost of revenue		(106,864,913)	(93,409,688)
Net gains from derivative financial instruments	3	2,290,513	2,413,203
General and administrative expenses		(12,409,807)	(10,689,351)
Net impairment losses on financial assets	4	(1,068,782)	(2,064,313)
Net impairment losses on non-financial assets		(18,829)	(303,371)
Net other operating income / (expense)	5	3,361,717	(1,268,604)
OPERATING PROFIT		30,432,422	15,782,091
Other finance income		1,554,342	391,176
Other finance costs		(4,880,709)	(3,143,740)
Share of results of associates and joint ventures	10	3,851,237	5,449,738
Other income – net	14	500,191	-
Hyperinflation adjustment on net monetary position	2.3	(1,352,247)	(1,869,776)
PROFIT FOR THE PERIOD BEFORE INCOME TAX		30,105,236	16,609,489
Income tax expense – net		(1,846,366)	(1,831,725)
PROFIT FOR THE PERIOD		28,258,870	14,777,764
Attributable to:			
The equity holder of Investment Corporation of Dubai (“ICD”)		22,556,810	12,150,033
Non-controlling interests		5,702,060	2,627,731
		28,258,870	14,777,764

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 2023

		<i>Six-month period ended 30 June</i>	
		2023	2022
<i>Notes</i>		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	PROFIT FOR THE PERIOD	28,258,870	14,777,764
	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	(946,825)	(570,045)
	- Net amount transferred to consolidated income statement	(273,949)	(55,376)
	Net movement in fair value of cash flow hedges:		
	- Net change in fair value	278,038	1,233,416
	- Net amount transferred to consolidated income statement	(171,448)	(845,471)
	Net movement in cost of hedging	141,936	57,879
	Net exchange differences on translation of foreign operations	(3,942,967)	(2,019,375)
	Group's share in other comprehensive income of equity accounted investees	(341,057)	(327,074)
	Hyperinflation adjustment	1,830,680	3,040,363
	Net other comprehensive income that may be reclassified to consolidated income statement in subsequent periods	(3,425,592)	514,317
	<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	381,392	39,862
	Actuarial loss on defined benefit plans	(233,417)	(115,184)
	Group's share in other comprehensive income of equity accounted investees	(24,748)	(15,329)
	Net other comprehensive income that will not be reclassified to consolidated income statement in subsequent periods	123,227	(90,651)
	Other comprehensive income for the period	(3,302,365)	423,666
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	24,956,505	15,201,430
	Attributable to:		
	The equity holder of ICD	20,582,519	12,632,993
	Non-controlling interests	4,373,986	2,568,437
		24,956,505	15,201,430

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 2023

		<i>30 June 2023</i>	<i>31 December 2022</i>
	<i>Notes</i>	<i>AED'000 (Unaudited)</i>	<i>AED'000 (Audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	158,224,743	161,760,118
Right-of-use assets	7	43,662,567	44,465,469
Intangible assets	8	28,399,419	28,134,257
Investment properties	9	25,961,988	26,694,220
Development properties		459,045	391,444
Investments in associates and joint ventures	10	62,004,711	60,760,145
Deferred tax assets		1,009,751	1,385,287
Positive fair value of derivatives	18	14,394,077	14,990,199
Investment securities	11	99,010,475	89,812,138
Other non-current assets		3,194,500	2,379,914
Loans and receivables	12	169,260,800	183,106,518
Cash and deposits with banks	13	5,034,626	3,475,737
		610,616,702	617,355,446
Current assets			
Customer acceptances		8,631,589	9,029,309
Inventories		16,143,401	17,567,118
Positive fair value of derivatives	18	8,499,757	3,241,305
Investment securities	11	69,090,118	58,925,338
Trade and other receivables		48,142,863	43,207,472
Loans and receivables	12	260,469,492	223,726,679
Cash and deposits with banks	13	230,836,776	201,934,506
		641,813,996	557,631,727
Assets held for sale	14	533,114	1,849,244
		642,347,110	559,480,971
TOTAL ASSETS		1,252,963,812	1,176,836,417

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 2023

	Notes	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to the equity holder of ICD			
Capital	15	85,918,683	85,914,627
Retained earnings		134,042,496	123,864,400
Other reserves	16	5,726,127	6,757,719
		<u>225,687,306</u>	<u>216,536,746</u>
Non-controlling interests	19	52,756,207	52,180,760
Total equity		<u>278,443,513</u>	<u>268,717,506</u>
Non-current liabilities			
Employees' end of service benefits		4,133,724	3,796,238
Deferred tax liabilities		2,246,671	2,145,209
Borrowings and lease liabilities	17	188,104,082	200,120,702
Negative fair value of derivatives	18	16,855,766	17,474,239
Other non-current payables		12,185,447	12,169,258
Customer deposits		8,011,396	4,797,235
		<u>231,537,086</u>	<u>240,502,881</u>
Current liabilities			
Customer acceptances		8,631,589	9,029,309
Employees' end of service benefits		11,588	19,440
Borrowings and lease liabilities	17	92,562,838	81,069,946
Negative fair value of derivatives	18	6,514,277	2,899,078
Trade and other payables		96,891,152	85,381,363
Customer deposits		536,366,605	485,728,151
Current income tax liabilities		2,005,164	2,717,503
		<u>742,983,213</u>	<u>666,844,790</u>
Liabilities related to assets held for sale	14	-	771,240
		<u>742,983,213</u>	<u>667,616,030</u>
Total liabilities		<u>974,520,299</u>	<u>908,118,911</u>
TOTAL EQUITY AND LIABILITIES		<u>1,252,963,812</u>	<u>1,176,836,417</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 2023

		<i>Six-month period ended</i> <i>30 June</i>	
		2023	2022
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Notes			
OPERATING ACTIVITIES			
	Profit for the period before income tax	30,105,236	16,609,489
Adjustments for:			
	Net impairment losses on non-financial assets	18,829	303,371
	Depreciation charge on property, plant and equipment, right-of-use assets and investment properties	14,793,184	12,769,716
6, 7 & 9			
	Amortisation charge on intangible assets	682,219	737,127
8			
	Hyperinflation adjustment on net monetary position	1,352,247	1,869,776
2.3			
	Net impairment losses on financial assets (excluding bad debt recovery – net of other losses)	1,561,922	2,244,868
4			
	Net (gains) / losses on disposal and write-off of property, plant and equipment, right-of-use assets, investment properties and intangible assets	(323,267)	1,846,251
5			
	Net gain on sale of debt securities measured at FVOCI	(273,949)	(55,376)
5			
	Net change in fair value of investments securities measured at fair value through profit or loss (“FVTPL”)	(153,714)	287,028
5			
	Provision for allowance on slow moving and obsolete inventories – net	462	74,488
	Other finance costs	4,880,709	3,143,740
	Other finance income	(1,554,342)	(391,176)
	Other income – net	(500,191)	-
14			
	Share of results of associates and joint ventures	(3,851,237)	(5,449,738)
10			
	Provision for employees’ end of service benefits	727,788	691,822
	Unrealised (gains) / losses on derivatives and fair value hedged items – net	(2,262,187)	15,543
		45,203,709	34,696,929
Changes in:			
	Inventories	2,637,875	(4,904,769)
	Trade and other receivables	(4,374,616)	(8,741,880)
	Trade and other payables	4,758,481	20,841,386
	Loans and receivables (banking operations)	(23,902,467)	(4,578,747)
	Statutory deposits (banking operations)	(2,613,522)	1,178,289
	Deposits with banks with original maturity over three months (banking operations)	(9,877,979)	(23,998,139)
	Customer deposits (banking operations)	53,843,124	8,744,194
	Due to banks with original maturity over three months (banking operations)	7,048,957	(2,172,867)
	Fair value of derivatives - net	685,819	540,791
	Other non-current assets	(814,586)	103,571
	Other non-current payables	(189,714)	832,678
		72,405,081	22,541,436
	Employees’ end of service benefits paid	(645,831)	(582,159)
	Income tax paid	(2,076,375)	(1,101,223)
	Other movements	(25,136)	(78,712)
	Net cash generated from operating activities	69,657,739	20,779,342

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 2023

	Notes	<i>Six-month period ended</i>	
		<i>30 June</i>	
		<i>2023</i>	<i>2022</i>
		<i>AED'000</i>	<i>AED'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
INVESTING ACTIVITIES			
Payments for addition in property, plant and equipment, intangible assets, investment properties and development properties		(9,534,912)	(8,591,454)
Proceeds from disposal of property, plant and equipment, intangible assets, investment properties and development properties		3,060,040	2,916,679
Acquisition of subsidiaries - net of cash and cash equivalents acquired		(102,553)	(14,019)
Proceeds from disposal of subsidiaries, net of cash disposed of	14	776,389	-
Acquisition of additional stake in subsidiaries from non-controlling interests		(2,415,527)	-
Other finance income received (non-banking operations)		1,103,169	302,372
Net other movement in investment securities		(19,766,900)	(8,009,536)
Investments made in associates and joint ventures	10	(143,482)	(62,290)
Dividend received from associates and joint ventures	10	2,285,498	1,277,714
Net movement in deposits with banks with original maturity over three months (non-banking operations)		(6,028,236)	69,765
Net cash used in investing activities		(30,766,514)	(12,110,769)
FINANCING ACTIVITIES			
Capital contributions from the Government of Dubai (the "Government")	15	4,056	1,004,841
Interest on Tier 1 Capital Notes		(255,354)	(255,354)
Distributions paid to the Government		(8,968,632)	(3,955,291)
Proceeds from borrowings		30,413,413	23,630,773
Repayment of borrowings and principal element of lease liabilities		(35,806,468)	(39,925,004)
Other finance costs paid (non-banking operations)		(4,802,672)	(3,657,567)
Dividend paid to non-controlling interests		(1,784,054)	(1,483,343)
Contributions from non-controlling interests		184	66
Net cash used in financing activities		(21,199,527)	(24,640,879)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
		17,691,698	(15,972,306)
Cash and cash equivalents at the beginning of the period		51,326,960	41,386,706
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
		69,018,658	25,414,400

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 2023

Cash and cash equivalents have been computed as presented below:

	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)	30 June 2022 AED'000 (Unaudited)
Cash and deposits with banks – current	230,836,776	201,934,506	169,077,386
Due to banks (note 17)	(38,219,571)	(37,278,985)	(45,804,240)
Bank overdrafts (note 17)	(492,131)	(362,300)	(196,249)
Cash and deposits with banks classified as assets held for sale	-	143,688	277,139
	192,125,074	164,436,909	123,354,036
Due to banks with original maturity of more than three months	27,610,573	20,561,616	25,844,094
Deposits with Central Banks for regulatory purposes (note 13)	(54,177,921)	(51,570,086)	(43,997,278)
Certificates of deposits with Central Banks with original maturity of more than three months	(1,000,000)	(1,000,000)	-
Due from other banks and deposits with other banks with original maturity of more than three months	(95,539,068)	(81,101,479)	(79,786,452)
Cash and cash equivalents	69,018,658	51,326,960	25,414,400

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 2023

	<i>Attributable to the equity holder of ICD</i>					
	<i>Capital AED'000 (note 15)</i>	<i>Retained earnings AED'000</i>	<i>Other reserves AED'000 (note 16)</i>	<i>Total AED'000</i>	<i>Non-controlling interests AED'000 (note 19)</i>	<i>Total equity AED'000</i>
Balance at 1 January 2023	85,914,627	123,864,400	6,757,719	216,536,746	52,180,760	268,717,506
Profit for the period	-	22,556,810	-	22,556,810	5,702,060	28,258,870
Other comprehensive income for the period	-	(245,479)	(1,728,812)	(1,974,291)	(1,328,074)	(3,302,365)
Total comprehensive income for the period	-	22,311,331	(1,728,812)	20,582,519	4,373,986	24,956,505
Contributions from the Government	4,056	-	-	4,056	-	4,056
Distributions to the Government	-	(10,728,632)	-	(10,728,632)	-	(10,728,632)
Interest on Tier 1 capital notes	-	-	-	-	(255,354)	(255,354)
Dividend paid to non-controlling interests	-	-	-	-	(1,784,054)	(1,784,054)
Change in Group's ownership in existing subsidiaries (note 19.2)	-	(1,294,089)	601,644	(692,445)	(1,723,082)	(2,415,527)
Transfers - net	-	(97,870)	97,870	-	-	-
Other movements	-	(12,644)	(2,294)	(14,938)	(36,049)	(50,987)
Balance at 30 June 2023	85,918,683	134,042,496	5,726,127	225,687,306	52,756,207	278,443,513

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 2023

	<i>Attributable to the equity holder of ICD</i>				<i>Non-controlling interests</i> AED'000 (note 19)	<i>Total equity</i> AED'000
	<i>Capital</i> AED'000 (note 15)	<i>Retained earnings</i> AED'000	<i>Other reserves</i> AED'000 (note 16)	<i>Total</i> AED'000		
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 - net	-	(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

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 Law No. 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 2023 have been approved by the Board of Directors on 18 October 2023.

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 2023 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 2022. Results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2023.

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;
- derivative financial instruments measured at fair value;
- recognised assets and liabilities that are hedged and measured at fair value in respect of the risk that is hedged;
- 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); and
- plan assets related to employees’ end of service benefits measured at fair value.

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, or in accordance with the relevant requirements of IFRS. These reclassifications had no impact on the total equity as at 31 December 2022 or on the profit for the period ended 30 June 2022.

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 2022, except for the adoption of amendments to the existing standards and interpretations effective as of 1 January 2023, including the amendments to IAS 12 as detailed 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 2023. The Group has not early adopted any other standards, interpretations and amendments that have been issued but are not yet effective.

Amendment to IAS 12 – International Tax Reform - Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (“OECD”) released the Inclusive Framework on Base Erosion and Profit Shifting Pillar Two Model Rules (“Pillar Two Model Rules” also referred to as Global Anti-Base Erosion Rules or “GloBE Rules”) to impose an additional level of taxation on qualifying Multinational Enterprises. On 23 May 2023, the IASB issued Amendments to IAS 12 – International Tax Reform - Pillar Two Model Rules (the “Amendments”) to clarify the application of IAS 12 - Income Taxes to income taxes arising on implementation of the Pillar Two Model rules (“Pillar Two Income Taxes”).

The Amendments include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two Income Taxes, particularly before its effective date.

The Group, where applicable, has adopted these amendments in the preparation of the interim condensed consolidated financial statements for the six-month period ended 30 June 2023.

2.3 IAS 29 – FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

During the prior period, Turkey was determined to be a hyperinflationary economy under IAS 29 as its three-year accumulated inflation exceeded 100%. As at 30 June 2023, the three-year cumulative inflation rate was 190% based on the Turkish Consumer Pricing Index (“CPI”). The CPI as at 1 January 2023 was 1,128 (1 January 2022: 687) and it closed at 1,352 as at 30 June 2023 (30 June 2022: 978) resulting in an increase of 20% during the current period (six month period ended 30 June 2023: 42%).

Accordingly, the financial position and the results 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 DenizBank before translation into the Group's functional currency.

During the current period, the 'hyperinflation adjustment on net monetary position' has been presented within profit before tax and the comparative figure has been reclassified accordingly, for better presentation. These hyperinflationary adjustments are not taxable or tax deductible, resulting in a permanent tax difference.

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 2022.

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>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Net gains on interest rate derivatives	1,501,055	839,015
Net gains on currency derivatives	696,350	1,987,014
Net gains / (losses) on commodity oil derivatives	58,206	(417,098)
Net gains on other derivatives	34,902	4,272
	<u>2,290,513</u>	<u>2,413,203</u>

4 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<i>Six-month period ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Impairment losses on loans and receivables - net of recoveries (note 12.2)	1,005,372	1,992,497
Impairment losses on unfunded exposures - net	536,767	10,246
Impairment losses on trade and other receivables - net of recoveries	36,209	197,297
Impairment reversals on other non-current assets - net of recoveries	-	(11,564)
Impairment (reversals) / losses on investment securities - net	(7,936)	6,402
Impairment (reversals) / losses on cash and deposits - net	(8,490)	49,990
Bad debt recovery - net of other losses	(493,140)	(180,555)
	<u>1,068,782</u>	<u>2,064,313</u>

5 NET OTHER OPERATING INCOME / (EXPENSE)

	<i>Six-month period ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Net foreign exchange gains / (losses)	893,609	(808,137)
Net gains / (losses) on disposal and write-off of property, plant and equipment, right-of-use assets, investment properties and intangible assets (note 6.2)	323,267	(1,846,251)
Net gain on sale of debt instruments measured at FVOCI	273,949	55,376
Net change in fair value of investment securities measured at FVTPL	153,714	(287,028)
Vendors' support fee income	131,630	84,185
Site rentals	113,525	119,317
Manufacturers' credits and liquidated damages	103,550	75,677
Grants from governments	4,554	73,117
Others	1,363,919	1,265,140
	<u>3,361,717</u>	<u>(1,268,604)</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 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 2023 (Unaudited)</i>							
Additions	110,264	420,256	1,331,158	1,664,951	722,326	3,927,995	8,176,950
Other transfers	3,251,508	499,315	1,724,648	-	1,797,178	(7,272,649)	-
Disposals / write-off	(22,459)	(14,780)	(44,592)	-	(2,362,542)	(341)	(2,444,714)
Depreciation charge	(782,907)	(452,614)	(2,472,298)	(1,350,026)	(4,490,486)	-	(9,548,331)
<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
Transfer from right-of-use assets (note 7)	-	-	-	-	463,204	-	463,204
Transfer (to) / from investment properties (notes 6.1 and 9)	(3,000,269)	-	-	-	-	268,790	(2,731,479)
Other transfers	354,885	263,864	117,435	-	3,878,845	(4,615,029)	-
Disposals / write-off (note 6.2)	(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)

6 PROPERTY, PLANT AND EQUIPMENT (continued)

- 6.1 The transfer to investment properties reported in the prior period included a transfer of AED 3,004,787 thousand recognised following 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.
- 6.2 During the prior period, one of the Group's subsidiaries operating in the aircraft leasing business wrote-off AED 2,118,704 thousand, representing its net exposure in respect of 19 aircraft that were leased in Russia. As at 30 June 2023, 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 these aircraft under a number of insurance policies and has filed insurance claims and a litigation claim to recover the amounts due under the policies.

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 2023 (Unaudited)</i>						
Additions	1,606,038	-	39,575	303,445	818,853	2,767,911
Remeasurement	(173,466)	-	(1,152)	-	2,122,458	1,947,840
Depreciation charge	(1,045,377)	(2,495)	(96,708)	(445,550)*	(3,728,207)	(5,318,337)
<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)
Depreciation charge	(841,215)	(2,227)	(98,527)	(372,796)*	(3,801,244)	(5,116,009)

* This includes depreciation charge of AED 341,419 thousand (30 June 2022: AED 288,873 thousand), which is recognised as an addition to the cost of 'oil and gas interests' within 'property, plant and equipment' during the period, as it is eligible for capitalisation. Accordingly, such amount is not included as an expense for the period in the interim condensed consolidated income statement.

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 2023 (Unaudited)</i>								
Additions	-	-	5,874	54,173	-	680,629	123,813	864,489
Acquired on business combination	-	157,175	-	15	-	37	-	157,227
Amortisation charge	(30,636)	-	(54,208)	(213,870)	(16,491)	(367,014)	-	(682,219)
<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)

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>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Additions	482,346	1,363,941
Transfer (to) / from property, plant and equipment (note 6)	(129,988)	2,731,479
Transfer to inventories	(610,842)	-
Disposals / write-off	(282,386)	(42,361)
Depreciation charge	(267,935)	(253,243)
Impairment reversal / (charge)	70,233	(253,671)

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Investments in associates	36,055,427	35,153,749
Investments in joint ventures	25,949,284	25,606,396
	62,004,711	60,760,145

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

	<i>Six-month period ended 30 June</i>	
	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Unaudited)</i>
Share of results of associates and joint ventures - net	3,851,237	5,449,738
Dividends	(2,285,498)	(2,379,674)
Investments made	143,482	62,290
Share of other comprehensive income – cumulative changes in fair value - net	(63,994)	186,845
Share of other comprehensive income – translation difference - net	(289,756)	(529,333)

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENT SECURITIES

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Measured at amortised cost	120,095,150	96,634,929
Measured at FVTPL	24,682,026	23,847,858
Measured at FVOCI	23,323,417	28,254,689
Total investment securities	168,100,593	148,737,476
Disclosed as follows:		
Non-current assets	99,010,475	89,812,138
Current assets	69,090,118	58,925,338
	168,100,593	148,737,476

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 2023 (Unaudited)				
Measured at FVTPL	24,682,026	14,300,664	2,363,044	8,018,318
Measured at FVOCI	23,323,417	22,866,352	354,601	102,464
Derivative financial instruments - net (note 18)	(476,209)	5,226	(481,729)	294
	47,529,234	37,172,242	2,235,916	8,121,076
31 December 2022 (Audited)				
Measured at FVTPL	23,847,858	13,232,721	2,962,952	7,652,185
Measured at FVOCI	28,254,689	27,606,946	545,305	102,438
Derivative financial instruments - net (note 18)	(2,141,813)	(106,703)	(2,111,028)	75,918
	49,960,734	40,732,964	1,397,229	7,830,541

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 securities and derivative financial instruments classified within level 3 of the fair value hierarchy:

	<i>Six-month period ended</i> <i>30 June</i>	
	<i>2023</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2022</i> <i>AED'000</i> <i>(Unaudited)</i>
Balance at 1 January	7,830,541	5,508,353
Investments made	635,817	1,327,688
Settlements / disposals of investments	(170,099)	(117,289)
Net fair value movement:		
- in income statement	(175,206)	166,313
- in other comprehensive income	23	(316)
Balance at 30 June	8,121,076	6,884,749

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 analysis of loans and receivables are as follows:

	<i>30 June</i> <i>2023</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2022</i> <i>AED'000</i> <i>(Audited)</i>
<i>Analysis by type:</i>		
Time loans	241,483,261	225,102,658
Overdrafts	103,142,352	103,602,274
Credit card receivables	21,103,800	18,679,279
Loans against trust receipts	10,553,821	9,389,147
Bills discounted	6,677,166	5,125,489
Gross conventional loans	382,960,400	361,898,847
Murabaha	59,097,974	58,042,781
Ijara	24,389,153	24,044,962
Credit card receivables	2,667,690	2,287,312
Istisna'a	1,494,868	1,306,557
Wakala	1,052,278	1,068,869
Others	136,908	271,366
Less: Deferred income	(2,742,170)	(2,682,725)
Gross Islamic financing receivables	86,096,701	84,339,122
Gross loans and receivables	469,057,101	446,237,969
Less: Allowance for impairment (note 12.2)	(39,326,809)	(39,404,772)
Net loans and receivables	429,730,292	406,833,197

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 LOANS AND RECEIVABLES (continued)

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Analysis by economic activity:		
Personal	122,015,114	114,701,863
Sovereign	112,449,359	112,696,509
Construction and real estate	56,040,393	59,235,269
Trade	31,803,726	29,009,829
Utilities and services	28,589,622	32,306,786
Financial institutions and investment companies	27,531,523	22,988,161
Manufacturing	24,667,704	23,962,168
Transport and communication	22,822,896	12,342,503
Management of companies and enterprises	19,232,096	15,554,374
Hotels and restaurants	9,666,480	9,230,431
Agriculture	4,302,545	5,053,860
Others	12,677,813	11,838,941
Total loans and receivables	471,799,271	448,920,694
Less: Deferred income	(2,742,170)	(2,682,725)
Less: Allowance for impairment (note 12.2)	(39,326,809)	(39,404,772)
Net loans and receivables	429,730,292	406,833,197
Disclosed as follows:		
Non-current assets	169,260,800	183,106,518
Current assets	260,469,492	223,726,679
Net loans and receivables	429,730,292	406,833,197

Loans and receivables include AED 108,105,073 thousand (31 December 2022: AED 107,490,704 thousand) due from the Government, Ministry of Finance of the UAE (“MOF”) and other related parties. It also includes AED 1,159,686 thousand (31 December 2022: AED 1,644,245 thousand) due from associates and joint ventures (note 21(b)).

As at 30 June 2023, Ijara assets of AED 2.9 billion (31 December 2022: AED 2.3 billion) held by the Bank were securitised for the purpose of issuance of Sukuk liability.

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

30 June 2023 (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>
Gross carrying value				
Balance at 1 January 2023	389,927,351	29,056,635	27,253,983	446,237,969
Transfers from stage 1	(5,406,618)	4,795,115	611,503	-
Transfers from stage 2	3,963,931	(4,878,263)	914,332	-
Transfers from stage 3	-	68,522	(68,522)	-
New financial assets, net of repayments and others	26,601,793	(1,860,525)	(812,991)	23,928,277
Amounts written off	-	-	(1,109,145)	(1,109,145)
Gross loans and receivables	415,086,457	27,181,484	26,789,160	469,057,101
Less: Allowance for impairment (note 12.2)	(5,427,172)	(7,709,626)	(26,190,011)	(39,326,809)
Net loans and receivables	409,659,285	19,471,858	599,149	429,730,292

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12 LOANS AND RECEIVABLES (continued)

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

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>
<i>Gross carrying value</i>				
Balance at 1 January 2022	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)
	<u>393,746,868</u>	<u>30,953,461</u>	<u>28,302,890</u>	<u>453,003,219</u>
Less: Allowance for impairment (note 12.2)	(3,751,381)	(7,263,557)	(26,721,330)	(37,736,268)
	<u>389,995,487</u>	<u>23,689,904</u>	<u>1,581,560</u>	<u>415,266,951</u>

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

30 June 2023 (*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 2023	4,819,205	7,785,378	26,800,189	39,404,772
Transfers from stage 1	(168,831)	113,675	55,156	-
Transfers from stage 2	299,558	(792,759)	493,201	-
Transfers from stage 3	-	23,149	(23,149)	-
Allowance for impairment made - net of recoveries (note 4)	649,990	445,529	(90,147)	1,005,372
Amounts written off	-	-	(1,109,145)	(1,109,145)
Exchange and other adjustments	(172,750)	134,654	63,906	25,810
	<u>5,427,172</u>	<u>7,709,626</u>	<u>26,190,011</u>	<u>39,326,809</u>

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 4)	(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)
	<u>3,751,381</u>	<u>7,263,557</u>	<u>26,721,330</u>	<u>37,736,268</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13 CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include reserve requirements maintained by the Bank with the central banks of the 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 as at 30 June 2023 include AED 24,796,876 thousand (31 December 2022: AED 21,687,461 thousand) due from associates and other related parties (note 21(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.

During the current period, the Group sold Aswaaq LLC and Columbus Centre Corporation (Cayman) that were classified as held for sale as at 31 December 2022. The ‘other income – net’ in the interim condensed consolidated income statement mainly includes gain realised on these disposals.

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</i> <i>30 June</i>	
	<i>2023</i>	<i>2022</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Balance at 1 January	85,914,627	84,909,786
Capital contributions from the Government	4,056	1,004,841
Balance at 30 June	85,918,683	85,914,627

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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>Translation reserve AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>30 June 2023 (Unaudited)</i>									
Balance at 1 January 2023	3,263,205	914,372	9,177,030	(400,528)	(146,985)	1,217,712	(7,527,251)	260,164	6,757,719
Other comprehensive income for the period	-	-	-	(371,246)	88,370	-	(1,445,936)	-	(1,728,812)
Change in Group's ownership in existing subsidiaries	40,524	-	734,379	(46,558)	-	-	(124,095)	(2,606)	601,644
Transfers - net	584	-	91,827	(670)	-	-	-	6,129	97,870
Other movements	(49)	-	-	(1)	(1)	-	(26)	(2,217)	(2,294)
Balance at 30 June 2023	3,304,264	914,372	10,003,236	(819,003)	(58,616)	1,217,712	(9,097,308)	261,470	5,726,127
<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	(7,130,889)	113,325	5,129,682
Other comprehensive income for the period	-	-	-	(387,882)	1,029,592	-	(43,651)	-	598,059
Transfers - net	6,754	61,049	-	236,719	-	-	-	46,380	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	(7,174,549)	161,055	6,079,941

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

17 BORROWINGS AND LEASE LIABILITIES

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
<u>Banking operations</u>		
Non-current liabilities		
Debt issued and other borrowed funds	42,769,126	44,885,354
Due to banks	5,066,579	5,195,308
Sukuk payable	4,571,835	3,647,770
Lease liabilities	408,105	328,856
(A)	52,815,645	54,057,288
Current liabilities		
Debt issued and other borrowed funds	14,565,185	8,601,473
Due to banks	33,152,992	32,083,677
Lease liabilities	104,483	122,713
(B)	47,822,660	40,807,863
Total banking operations (C = A + B)	100,638,305	94,865,151
<u>Non-banking operations</u>		
Non-current liabilities		
Bank and other borrowings	57,325,219	70,114,943
Bonds (including Sukuk)	23,189,549	23,713,133
Lease liabilities	33,906,257	35,157,299
Loans from associates and joint ventures (note 21(b))	11,497,775	7,708,391
Loan from Government, MOF and other related parties (note 21(b))	9,369,637	9,369,648
(D)	135,288,437	146,063,414
Current liabilities		
Bank and other borrowings	20,781,077	15,620,546
Bonds (including Sukuk)	11,532,237	10,469,181
Lease liabilities	10,000,751	9,918,457
Loans from associates and joint ventures (note 21(b))	1,127,215	3,085,206
Loans from Government, MOF and other related parties (note 21(b))	806,767	806,393
Bank overdrafts	492,131	362,300
(E)	44,740,178	40,262,083
Total non-banking operations (F = D + E)	180,028,615	186,325,497
Total borrowings and lease liabilities (C + F)	280,666,920	281,190,648
Disclosed as follows:		
Non-current liabilities (A+D)	188,104,082	200,120,702
Current liabilities (B+E)	92,562,838	81,069,946
	280,666,920	281,190,648

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 2023 (Unaudited)</i>			<i>31 December 2022 (Audited)</i>		
	<i>Positive fair value AED'000</i>	<i>Negative fair value AED'000</i>	<i>Notional amounts AED'000</i>	<i>Positive fair value AED'000</i>	<i>Negative fair value AED'000</i>	<i>Notional amounts AED'000</i>
<u>Banking operations</u>						
Derivatives held for trading	20,840,390	(17,598,357)	1,217,837,718	16,754,646	(15,334,137)	924,036,578
Derivatives held as cash flow hedges	327,635	(1,035,031)	28,147,130	136,493	(947,031)	20,762,762
Derivatives held as fair value hedges	474,676	(4,163,799)	52,354,864	277,264	(3,924,747)	28,094,676
Derivatives held as hedge of a net investment in foreign operations	-	(8,887)	622,828	37,408	-	733,597
(A)	21,642,701	(22,806,074)	1,298,962,540	17,205,811	(20,205,915)	973,627,613
<u>Non-banking operations</u>						
Derivatives held for trading	19,639	(283)	1,877,899	75,918	(106,703)	3,662,721
Derivatives held as cash flow hedges	1,231,494	(563,686)	64,020,699	949,775	(60,699)	20,509,209
(B)	1,251,133	(563,969)	65,898,598	1,025,693	(167,402)	24,171,930
Total (A+B)	22,893,834	(23,370,043)	1,364,861,138	18,231,504	(20,373,317)	997,799,543

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Disclosed as follows:

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
<i>Positive fair value of derivatives:</i>		
Non-current assets	14,394,077	14,990,199
Current assets	8,499,757	3,241,305
	<u>22,893,834</u>	<u>18,231,504</u>
<i>Negative fair value of derivatives:</i>		
Non-current liabilities	(16,855,766)	(17,474,239)
Current liabilities	(6,514,277)	(2,899,078)
	<u>(23,370,043)</u>	<u>(20,373,317)</u>
Net fair value of derivatives (note 11)	<u>(476,209)</u>	<u>(2,141,813)</u>

19 NON-CONTROLLING INTERESTS

19.1 Non-controlling interests as at 30 June 2023 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.

19.2 During the current period, Borse Dubai Limited (“Borse Dubai”), a subsidiary of ICD, repurchased its shares held by a non-controlling shareholder, thereby increasing the Group’s ownership in Borse Dubai from 89.72% to 100%. As a result, AED 1,714,681 thousand were transferred from ‘non-controlling interests’ to ‘equity attributable to the equity holder of ICD’ and included in ‘change in Group’s ownership in existing subsidiaries’ in the interim condensed consolidated statement of changes in equity.

20 COMMITMENTS AND CONTINGENCIES

a) Capital commitments

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

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Capital commitments in relation to aircraft	217,917,949	222,584,113
Capital commitments in relation to other non-financial assets	9,015,131	4,154,922
Group’s share of associates’ and joint ventures’ capital commitments	3,566,930	3,300,501
	<u>230,500,010</u>	<u>230,039,536</u>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 COMMITMENTS AND CONTINGENCIES (continued)

b) Investment commitments

The Group has contractual commitments of AED 3,530,642 thousand as at 30 June 2023 (31 December 2022: AED 3,446,883 thousand) in relation to investment securities.

c) Contingencies

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

	<i>30 June 2023 AED'000 (Unaudited)</i>	<i>31 December 2022 AED'000 (Audited)</i>
Financial guarantees	<u>59,487,073</u>	<u>56,484,415</u>
Letters of credit	<u>18,345,821</u>	<u>20,618,478</u>
Performance bonds	<u>6,346,159</u>	<u>5,329,075</u>
Liabilities on risk participation	<u>646,631</u>	<u>187,569</u>
Group's share of financial guarantees issued by associates and joint ventures	<u>6,714,076</u>	<u>7,255,644</u>
Group's share of letters of credit issued by associates and joint ventures	<u>1,031,800</u>	<u>1,176,267</u>

In addition to above, 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 65,096,441 thousand outstanding at 30 June 2023 (31 December 2022: AED 67,872,127 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 / or as conditions precedent to the drawdowns have to be fulfilled, the total contract amounts do not necessarily represent the exact future cash requirements.

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the owner, directors and key management personnel of the Group, and entities controlled or jointly controlled by such parties. These also represents entities that are significantly influenced by the owner. Further, related parties also include associates and joint ventures of the Group and their subsidiaries. Transactions between the related parties are carried out at mutually agreed terms.

The Group enters into transactions with entities related to Government other than those that are already disclosed in these interim condensed consolidated financial statements. These transactions mainly include investments in publicly traded instruments issued by such entities, utility supply, regulatory and airport services, and banking activities undertaken by the Bank. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions that are entered with these entities in the normal course of business and the resultant balances.

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 2023 (Unaudited)</i>				
Associates and joint ventures	<u>1,881,307</u>	<u>1,610,279</u>	<u>521,499</u>	<u>292,915</u>
Government, MOF and other related parties	<u>15,949</u>	<u>470,442</u>	<u>5,311</u>	<u>292,343</u>
<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>

Investment Corporation of Dubai and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21 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 2023 (Unaudited)</i>		<i>31 December 2022 (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*	27,311,357	15,075,211	25,050,654	12,999,727
Government, MOF and other related parties	2,181,940	12,913,958	2,275,932	10,977,242
	29,493,297	27,989,169	27,326,586	23,976,969

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

- (i) In addition to the above, there are amounts of AED 106,692,653 thousand (31 December 2022: AED 105,984,325 thousand) that represent loans and receivables provided by the Bank to the Government and AED 26,171,156 thousand (31 December 2022: AED 5,777,386 thousand) that represent customer deposits placed by the Government with the Bank on normal commercial terms.
- (ii) Impairment provisions of AED 120,293 thousand (31 December 2022: AED 152,872 thousand) and AED 50,907 thousand (31 December 2022: AED 57,997 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, the Group's share of results of associates and joint ventures and the dividends 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 889,000 thousand.
- e) The Bank's investment in Government bonds amounted to AED 6,339,380 thousand (31 December 2022: AED 6,354,232 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 of which were wholly owned subsidiaries of ICD. DIEZ is 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 was treated as a common control transaction.

Investment Corporation of Dubai and its subsidiaries

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 2023 and 30 June 2022:

	<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>
Six-month period ended 30 June 2023 (Unaudited)					
Total revenue	29,872,363	71,668,804	34,892,475	15,761,486	152,195,128
Intra-segment revenue	(3,317)	(2,015,210)	-	(515,204)	(2,533,731)
Inter-segment revenue	(328,974)	(96,871)	(4,021,832)	(71,197)	(4,518,874)
Total revenue from external customers	29,540,072	69,556,723	30,870,643	15,175,085	145,142,523
Interest and similar income	25,370,360	-	-	-	25,370,360
Lease revenue	33,410	1,818,376	153,255	968,027	2,973,068
Revenue from contracts with customers – IFRS 15:					
- Over a period of time	12,124	62,270,923	-	5,505,937	67,788,984
- Single point in time	4,124,178	5,467,424	30,717,388	8,584,648	48,893,638
Other revenue	-	-	-	116,473	116,473
Total revenue from external customers	29,540,072	69,556,723	30,870,643	15,175,085	145,142,523
Profit for the period before income tax	15,581,115	8,107,203	1,916,520	4,500,398	30,105,236
	<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>
Six-month period ended 30 June 2022 (Unaudited)					
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	17,164,434	51,520,583	39,436,669	12,982,529	121,104,215
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	17,164,434	51,520,583	39,436,669	12,982,529	121,104,215
Profit for the period before income tax	7,151,134	185,974	4,220,906	5,051,475	16,609,489

Investment Corporation of Dubai and its subsidiaries

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 2023 and 31 December 2022:

	<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>
30 June 2023 (Unaudited)*					
Total assets	<u>844,264,657</u>	<u>221,940,239</u>	<u>48,523,055</u>	<u>137,702,747</u>	<u>1,252,430,698</u>
Total liabilities	<u>720,910,220</u>	<u>169,014,477</u>	<u>27,000,324</u>	<u>57,595,278</u>	<u>974,520,299</u>
31 December 2022 (Audited)*					
Total assets	<u>773,022,597</u>	<u>220,856,324</u>	<u>48,330,471</u>	<u>132,777,781</u>	<u>1,174,987,173</u>
Total liabilities	<u>652,881,369</u>	<u>170,433,554</u>	<u>28,182,848</u>	<u>55,849,900</u>	<u>907,347,671</u>

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

23 INTEREST RATE BENCHMARK REFORM

The Group continues to monitor and manage the transition to the alternate benchmark interest rates. In doing so, the Bank also monitors the market and the output from various industry working groups managing the transition to new benchmark interest rates.

As at 30 June 2023, the exposures to GBP, JPY, CHF and EUR IBORs have been transitioned to alternative benchmarks. The Group's exposure to USD LIBOR has either transitioned to or is in the process of transitioning to an alternative benchmark rate.

24 INCOME TAXES

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "Corporate Tax Law"), introducing a federal tax on corporations and business profits in the UAE ("Corporate Tax"). The Corporate Tax will apply at a rate of 9% on taxable income exceeding a particular threshold specified in the Cabinet Decision No. 116 of 2022. The Corporate Tax Law also provides exemptions or a lower tax rate in certain circumstances. The Corporate Tax Law is effective for financial years beginning on or after 1 June 2023. Therefore, the Group will be subject to the Corporate Tax for accounting periods beginning on or after 1 January 2024. The deferred tax charge recognised in relation to the Corporate Tax had no material impact on the interim condensed consolidated financial statements as at 30 June 2023.

Furthermore, the UAE has not yet adopted the Pillar Two Model Rules (as defined in note 2.2). However, these rules are considered enacted in certain jurisdictions where the Group operates. ICD will not be subject to the Pillar Two Model Rules as it is considered a sovereign wealth fund. However, the Group's subsidiaries that meet the required conditions will be subject to the Pillar Two Model Rules. The Group's subsidiaries that are affected by the Pillar Two Model Rules have applied the mandatory temporary exception as per the Amendments to IAS 12 and have therefore not recognised the deferred tax assets and liabilities that arise from the jurisdictional implementation of the Pillar Two Model Rules.