

EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023



EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors
Emirates NBD Bank PJSC
Dubai
United Arab Emirates**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Emirates NBD Bank PJSC, Dubai, United Arab Emirates** (the “Bank”) and its **Subsidiaries** (together referred to as the “Group”) as at 31 March 2023 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Musa Ramahi
Registration No.: 872
26 April 2023
Dubai
United Arab Emirates

EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 (UNAUDITED)

		Unaudited 31 March 2023	Audited 31 December 2022
	Notes	AED 000	AED 000
ASSETS			
Cash and deposits with Central Banks	3	73,806,620	74,617,905
Due from banks	4	88,070,623	73,466,575
Investment securities	5	137,675,965	125,806,964
Loans and receivables	6	429,722,073	416,604,392
Positive fair value of derivatives	18	15,615,494	17,205,811
Customer acceptances		8,273,573	9,029,309
Property and equipment		4,550,325	4,105,853
Goodwill and intangibles		5,720,797	5,779,053
Other assets	7	18,741,310	15,345,691
TOTAL ASSETS		782,176,780	741,961,553
LIABILITIES			
Due to banks		36,679,769	37,278,985
Customer deposits		537,882,905	502,953,216
Debt issued and other borrowed funds	8	54,509,642	53,486,827
Sukuk payable	9	4,672,500	3,672,500
Negative fair value of derivatives	18	17,912,212	20,205,915
Customer acceptances		8,273,573	9,029,309
Other liabilities	10	26,448,958	22,030,652
TOTAL LIABILITIES		686,379,559	648,657,404
EQUITY			
Issued capital		6,316,598	6,316,598
Treasury shares		(46,175)	(46,175)
Tier I capital notes	12	9,128,652	9,128,652
Share premium reserve		17,954,164	17,954,164
Legal and statutory reserve		3,158,299	3,158,299
Other reserves		2,945,393	2,945,393
Fair value reserve		(1,387,282)	(1,296,468)
Currency translation reserve		(6,867,299)	(7,308,184)
Retained earnings		64,443,880	62,345,938
TOTAL EQUITY ATTRIBUTABLE TO EQUITY AND NOTE HOLDERS OF THE GROUP		95,646,230	93,198,217
Non-controlling interest		150,991	105,932
TOTAL EQUITY		95,797,221	93,304,149
TOTAL LIABILITIES AND EQUITY		782,176,780	741,961,553

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements.
The independent auditors' report on review of the Group condensed consolidated interim financial statements is set out on page 1.



Director

26 APR 2023



Chief Executive Officer

EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

		Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
	Notes		
Interest and similar income		10,167,874	5,643,044
Interest and similar expense		(4,217,379)	(2,037,118)
Net interest income		5,950,495	3,605,926
Income from Islamic financing and investment products		1,624,304	747,899
Distribution on Islamic deposits and profit paid to Sukuk holders		(381,078)	(97,613)
Net income from Islamic financing and investment products		1,243,226	650,286
Net interest income and net income from Islamic financing and investment products		7,193,721	4,256,212
Fee and commission income		2,015,515	1,526,810
Fee and commission expense		(896,831)	(607,297)
Net fee and commission income		1,118,684	919,513
Net gain on trading securities		111,633	10,118
Other operating income	13	2,039,144	1,188,608
Total operating income		10,463,182	6,374,451
General and administrative expenses	14	(2,642,062)	(1,964,911)
Operating profit before impairment		7,821,120	4,409,540
Net impairment loss on financial assets	15	(471,394)	(1,404,460)
Operating profit before taxation and others		7,349,726	3,005,080
Hyperinflation adjustment on net monetary position	2	(831,928)	-
Profit for the period before taxation		6,517,798	3,005,080
Taxation charge		(495,725)	(259,798)
Profit for the period		6,022,073	2,745,282
Attributable to:			
Equity holders of the Group		6,012,036	2,740,863
Non-controlling interest		10,037	4,419
Profit for the period		6,022,073	2,745,282
Earnings per share	17	0.93	0.41

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements.
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EMIRATES NBD BANK PJSC

**GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Profit for the period	6,022,073	2,745,282
Other comprehensive income		
Items that will not be reclassified subsequently to the statement of income:		
Movement in fair value reserve (equity instruments):		
- Net change in fair value	(63,779)	(8,448)
Items that may be reclassified subsequently to the statement of income:		
Cost of hedging for forward element of a forward and currency basis spread excluded from hedge effectiveness testing:		
Net changes in the cost of hedging	91,365	(98,647)
Cash flow hedges:		
- Effective portion of changes in fair value	254,531	(421,178)
Fair value reserve (debt instruments):		
- Net change in fair value	(216,855)	403,058
- Net amount transferred to income statement	(282,288)	(45,312)
- Related deferred tax	126,212	(141,577)
Currency translation reserve	(755,933)	(1,071,231)
Hedge of a net investment in foreign operations	(22,519)	(2,366)
Hyperinflation adjustment (note 2)	1,219,337	-
Other comprehensive income / (loss) for the period	350,071	(1,385,701)
Total comprehensive income for the period	6,372,144	1,359,581
Attributable to:		
Equity holders of the Group	6,362,107	1,355,162
Non-controlling interest	10,037	4,419
Total comprehensive income for the period	6,372,144	1,359,581

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements. The independent auditors' report on review of the Group condensed consolidated interim financial statements is set out on page 1.

EMIRATES NBD BANK PJSC

**GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**

		Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Notes			
<u>OPERATING ACTIVITIES</u>			
		6,517,798	3,005,080
	21	1,063,573	1,158,015
		7,581,371	4,163,095
		2,355,329	2,498,263
		(37,380)	2,000,000
		(5,321,270)	(10,306,022)
		1,792,900	(1,462,623)
		(1,470,093)	(531,834)
		1,685,837	549,413
		1,913,694	(744,337)
		(2,293,703)	2,293,087
		34,929,689	12,489,625
		(13,682,619)	(4,522,384)
		27,453,755	6,426,283
		(285,701)	38,765
		27,168,054	6,465,048

EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

		Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Notes			
<u>INVESTING ACTIVITIES</u>			
		(11,839,327)	749,088
		(59,791)	(63,221)
		1,628	4,692
	Net cash flows generated from / (used in) investing activities	(11,897,490)	690,559
<u>FINANCING ACTIVITIES</u>			
		4,267,425	3,722,410
		(3,439,532)	(5,369,348)
		1,000,000	-
		(127,677)	(127,677)
		(3,786,417)	(3,155,347)
	Net cash flows generated from / (used in) financing activities	(2,086,201)	(4,929,962)
	Increase / (decrease) in cash and cash equivalents (refer Note 21)	13,184,363	2,225,645

The attached notes 1 to 25 form an integral part of these Group condensed consolidated interim financial statements. The independent auditors' report on review of the Group condensed consolidated interim financial statements is set out on page 1.

EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

	ATTRIBUTABLE TO EQUITY AND NOTE HOLDERS OF THE GROUP										Non-controlling interest AED 000	Group Total AED 000
	Issued capital	Treasury shares	Tier I capital notes	Share premium reserve	Legal and statutory reserve	Other reserve	Fair value reserve	Currency translation reserve	Retained earnings	Total		
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000		
Balance as at 1 January 2023	6,316,598	(46,175)	9,128,652	17,954,164	3,158,299	2,945,393	(1,296,468)	(7,308,184)	62,345,938	93,198,217	105,932	93,304,149
Profit for the period	-	-	-	-	-	-	-	-	6,012,036	6,012,036	10,037	6,022,073
Other comprehensive income for the period	-	-	-	-	-	-	(90,814)	440,885	-	350,071	-	350,071
Interest on Tier 1 capital notes	-	-	-	-	-	-	-	-	(127,677)	(127,677)	-	(127,677)
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	35,022	35,022
Dividends paid*	-	-	-	-	-	-	-	-	(3,786,417)	(3,786,417)	-	(3,786,417)
Balance as at 31 March 2023	6,316,598	(46,175)	9,128,652	17,954,164	3,158,299	2,945,393	(1,387,282)	(6,867,299)	64,443,880	95,646,230	150,991	95,797,221
Balance as at 1 January 2022	6,316,598	(46,175)	9,128,652	17,954,164	3,158,299	2,945,393	(725,815)	(8,299,265)	53,088,213	83,520,064	59,625	83,579,689
Profit for the period	-	-	-	-	-	-	-	-	2,740,863	2,740,863	4,419	2,745,282
Other comprehensive income for the period	-	-	-	-	-	-	(312,104)	(1,073,597)	-	(1,385,701)	-	(1,385,701)
Interest on Tier 1 capital notes	-	-	-	-	-	-	-	-	(127,677)	(127,677)	-	(127,677)
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid*	-	-	-	-	-	-	-	-	(3,155,347)	(3,155,347)	-	(3,155,347)
Balance as at 31 March 2022	6,316,598	(46,175)	9,128,652	17,954,164	3,158,299	2,945,393	(1,037,919)	(9,372,862)	52,546,052	81,592,202	64,044	81,656,246

*Dividend paid is net of the amount attributable to treasury shares.

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

The independent auditors' report on review of the Group condensed consolidated interim financial statements is set out on page 1.

1 CORPORATE INFORMATION

Emirates NBD Bank PJSC (the “Bank”) was incorporated in the United Arab Emirates on 16 July 2007 consequent to the merger between Emirates Bank International PJSC (“EBI”) and National Bank of Dubai PJSC (“NBD”), under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended) as a Public Joint Stock Company. Federal Law No. 32 of 2021 on Commercial Companies has come into effect from 2 January 2022, replacing the existing Federal Law No. 2 of 2015.

The condensed consolidated interim financial statements for the period ended 31 March 2023 comprise the interim financial statements of the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The Bank is listed on the Dubai Financial Market (TICKER: “EMIRATESNBD”). The Group’s principal business activities are corporate and institutional banking, retail banking, treasury and Islamic banking. The Bank’s website is www.emiratesnbd.com.

The registered address of the Bank is Post Box 777, Dubai, United Arab Emirates (“UAE”).

The parent of the Group is Investment Corporation of Dubai, in which the Government of Dubai is the majority shareholder.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The accounting policies, including those pertaining to financial assets, cash and cash equivalents, Islamic financing and investing assets and investment properties, applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied by the Group in the annual consolidated financial statements for the year ended 31 December 2022.

These condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s financial statements as at and for the year ended 31 December 2022. In addition, results for the three months period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2023.

In preparing these condensed consolidated interim financial statements, significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Comparative figures have been reclassified wherever necessary to conform to the presentation adopted in the current period.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Hyperinflation**

Turkey has been determined a hyperinflationary economy under IAS 29 (Financial Reporting in Hyperinflationary Economies) with the previous three-year accumulated inflation exceeding 100 per cent. IAS 29 requires non-monetary assets and liabilities of DenizBank A.S. ('DenizBank'), the Group's subsidiary in Turkey, to be restated to reflect their current prices using the Consumer Pricing Index (CPI) in the local currency of DenizBank before translation to the Group's functional currency.

As at 31 March 2023, the three-year cumulative inflation rate has been 182% based on the Turkish CPI. The consumer price index at the beginning of the reporting period was 1,128 and closed at 1,270 resulting in an increase of 13%.

- The Group has recognised in other comprehensive income (OCI) an amount of AED 0.6 billion which represents the impact of indexing of 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.
- Net non-monetary position (excluding equity) has been indexed by applying the difference in CPI from 31 December 2022 to 31 March 2023 resulting in a gain of AED 0.4 billion in the statement of income to the extent determined to be recoverable.
- 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 and for the net monetary position, a hyperinflation adjustment is made in the statement of income, amounting to AED 1.2 billion with an equal corresponding credit to OCI.
- Group consolidated statement of income is indexed using the respective period index movement for the period. For the period ended 31 March 2023, the indexation impact on the Group consolidated statement of income is as follows:

31 March 2023 In AED Billion	Hyperinflation Impact
Total operating income	0.03
General administrative expenses	(0.05)
Net impairment loss on financial assets	0.01
Taxation charge	(0.03)

During the three months period ended 31 March 2023, the loss due to hyperinflation accounting for DenizBank was AED 0.8 billion and is recognised in the condensed consolidated interim statement of income as hyperinflation adjustment on net monetary position. Overall, the hyperinflation adjustment results in a credit of AED 0.4 billion in OCI after netting off loss on net monetary position recognised in the Group condensed consolidated interim statement of income.

The hyperinflationary adjustments are not taxable or tax deductible in either Turkey or the UAE, resulting in a permanent tax difference.

The positive impact of 23 bps, arising from the AED 1.5 billion non-monetary items credit adjustment to equity partially offset by AED 1.8 billion indexation impact on risk-weighted assets, has been excluded from the capital adequacy computations.

IAS 29 became applicable during Q2 2022 and was first applied for the period ended 30 June 2022. The profit and loss impact for the three months and six months period ended 30 June 2022 was recorded in Q2 2022 and H1 2022, respectively. The Q1 2022 condensed consolidated interim statement of income has not been restated and presented as reported in Q1 2022 as the Group is not required to restate the comparatives as a result of application of IAS 29.

EMIRATES NBD BANK PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

3 CASH AND DEPOSITS WITH CENTRAL BANKS

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Cash	5,260,039	5,980,818
Statutory and other deposits with Central Banks	49,213,736	51,570,086
Interest bearing placements with Central Banks	270,218	219,699
Murabahas and interest-bearing certificates of deposits with Central Banks	19,065,823	16,849,685
Less: Expected credit losses	(3,196)	(2,383)
	<u>73,806,620</u>	<u>74,617,905</u>

The reserve requirements which are kept with the Central Banks of the countries in which the Group operates are not available for use in the Group's day to day operations and cannot be withdrawn without the approval of the respective Central Banks. The level of reserves required changes periodically in accordance with the directives of the respective Central Banks.

4 DUE FROM BANKS

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Due from banks in UAE	10,831,418	10,873,595
Due from foreign banks	77,321,123	62,674,982
Less: Expected credit losses	(81,918)	(82,002)
	<u>88,070,623</u>	<u>73,466,575</u>

EMIRATES NBD BANK PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**5 INVESTMENT SECURITIES****Unaudited 31 March 2023****TRADING SECURITIES
MEASURED AT FVTPL**

	Domestic*	Regional**	International***	Total
	AED 000	AED 000	AED 000	AED 000
Government Bonds	1,466,671	1,224,102	371,823	3,062,596
Corporate Bonds	593,993	675,745	173,807	1,443,545
Equity	-	-	95,999	95,999
Others	-	-	668,115	668,115
	2,060,664	1,899,847	1,309,744	5,270,255

DESIGNATED AS AT FVTPL

Equity	106,600	73,964	1,777	182,341
Others	-	2,265	79,195	81,460
	106,600	76,229	80,972	263,801

**MEASURED AT AMORTISED
COST**

Government Bonds	68,443,885	14,076,573	14,781,017	97,301,475
Corporate Bonds	3,351,749	2,627,615	3,009,412	8,988,776
	71,795,634	16,704,188	17,790,429	106,290,251
Less: Expected credit losses				(22,672)
				106,267,579

**MEASURED AT FVOCI - DEBT
INSTRUMENTS**

Government Bonds	-	983,476	16,987,769	17,971,245
Corporate Bonds	4,323,965	1,161,002	1,990,586	7,475,553
	4,323,965	2,144,478	18,978,355	25,446,798
Less: Expected credit losses				(52,559)
				25,394,239

**MEASURED AT FVOCI - EQUITY
INSTRUMENTS**

Equity	97,389	67,398	315,304	480,091
	97,389	67,398	315,304	480,091
Gross Investment securities	78,384,252	20,892,140	38,474,804	137,751,196
Net Investment securities				137,675,965

*Domestic: These are securities issued within the UAE.

**Regional: These are securities issued within the Middle East excluding the UAE.

***International: These are securities issued outside the Middle East region.

As at 31 March 2023, the fair value of investment securities measured at amortized cost amounted to AED 103,625 million (31 December 2022: AED 91,802 million).

EMIRATES NBD BANK PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**5 INVESTMENT SECURITIES (CONTINUED)**

	Domestic*	Regional**	International***	Total
<u>Audited 31 December 2022</u>	AED 000	AED 000	AED 000	AED 000
<u>TRADING SECURITIES</u>				
<u>MEASURED AT FVTPL</u>				
Government Bonds	2,821,321	820,219	507,535	4,149,075
Corporate Bonds	1,052,159	626,523	106,263	1,784,945
Equity	-	-	89,784	89,784
Others	-	-	233,495	233,495
	3,873,480	1,446,742	937,077	6,257,299
<u>DESIGNATED AS AT FVTPL</u>				
Equity	106,600	73,957	1,777	182,334
Others	-	2,818	77,953	80,771
	106,600	76,775	79,730	263,105
<u>MEASURED AT AMORTISED COST</u>				
Government Bonds	59,182,411	14,964,183	13,417,250	87,563,844
Corporate Bonds	3,122,158	1,887,039	2,181,367	7,190,564
	62,304,569	16,851,222	15,598,617	94,754,408
Less: Expected credit losses				(23,125)
				94,731,283
<u>MEASURED AT FVOCI - DEBT INSTRUMENTS</u>				
Government Bonds	-	1,374,145	16,014,849	17,388,994
Corporate Bonds	4,009,892	969,557	1,687,534	6,666,983
	4,009,892	2,343,702	17,702,383	24,055,977
Less: Expected credit losses				(44,680)
				24,011,297
<u>MEASURED AT FVOCI - EQUITY INSTRUMENTS</u>				
Equity	97,388	68,952	377,640	543,980
	97,388	68,952	377,640	543,980
Gross Investment securities	70,391,929	20,787,393	34,695,447	125,874,769
Net Investment securities				125,806,964

*Domestic: These are securities issued within the UAE.

**Regional: These are securities issued within the Middle East excluding the UAE.

***International: These are securities issued outside the Middle East region.

6 LOANS AND RECEIVABLES

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Gross loans and receivables	469,536,580	456,009,164
Less: Expected credit losses	(39,814,507)	(39,404,772)
Net loans and receivables	429,722,073	416,604,392

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
<u>At Amortised Cost</u>		
Overdrafts	107,805,468	103,602,274
Time loans	239,127,541	233,249,784
Loans against trust receipts	9,670,519	9,389,147
Bills discounted	6,423,493	5,125,489
Credit card receivables	20,713,239	18,679,279
Gross loans - conventional	383,740,260	370,045,973
Murabaha	59,213,050	59,666,850
Ijara	24,117,646	24,044,962
Wakala	1,027,591	1,068,869
Istisna'a	1,372,553	1,306,557
Credit cards receivable	2,601,598	2,287,312
Others	272,736	271,366
Less: Deferred income	(2,808,854)	(2,682,725)
Gross Islamic financing receivables	85,796,320	85,963,191
Gross loans and receivables	469,536,580	456,009,164
Total of credit impaired loans and receivables	26,150,914	27,253,983

Ijara assets amounting to AED 2.9 billion (2022: AED 2.3 billion) were securitised for the purpose of issuance of Sukuk liability (refer Note 9).

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

6 LOANS AND RECEIVABLES (CONTINUED)

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
<u>Analysis by economic activity</u>		
Manufacturing	25,531,334	23,962,168
Construction	12,859,402	12,497,888
Trade	31,890,832	30,644,042
Transport and communication	17,176,982	17,005,663
Utilities and services	29,807,539	32,306,786
Sovereign	115,833,228	112,696,509
Personal	122,084,700	114,701,863
Real estate	45,572,781	48,484,643
Hotels and restaurants	9,953,607	9,430,950
Management of companies and enterprises	18,213,005	15,554,374
Financial institutions and investment companies	24,546,967	23,088,161
Agriculture	5,583,169	5,053,860
Others	13,291,888	13,264,982
Gross loans and receivables	472,345,434	458,691,889
Less: Deferred Income	(2,808,854)	(2,682,725)
Less: Expected credit losses	(39,814,507)	(39,404,772)
Net loans and receivables	429,722,073	416,604,392

7 OTHER ASSETS

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Accrued interest receivable	4,868,480	4,245,902
Islamic profit receivable	256,819	226,875
Prepayments and other advances	1,613,148	1,292,363
Sundry debtors and other receivables	3,024,494	2,014,308
Inventory	4,154,563	3,263,847
Deferred tax asset	920,023	1,051,673
Investment properties	445,354	453,587
Others	3,458,429	2,797,136
	18,741,310	15,345,691

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

8 DEBT ISSUED AND OTHER BORROWED FUNDS

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Medium term note programme	46,877,530	45,739,355
Term loans from banks	6,417,390	6,415,051
Borrowings raised from loan securitisations	1,214,722	1,332,421
	<u>54,509,642</u>	<u>53,486,827</u>

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Balance as at 1 January	53,486,827	63,387,228
New issuances	4,267,425	6,994,466
Repayments	(3,439,532)	(12,962,943)
Other movements*	194,922	(3,931,924)
Balance at end of period / year	<u>54,509,642</u>	<u>53,486,827</u>

*Represents exchange rate and fair value movements on debts issued in foreign currency. The Group hedges the foreign currency risk on public issuances through derivative financial instruments.

As at 31 March 2023, the outstanding medium term notes and borrowings totalling AED 54,510 million (31 December 2022: AED 53,487 million) are falling due as below:

	Unaudited 31 March 2023 AED millions	Audited 31 December 2022 AED millions
2023	5,912	8,601
2024	11,075	10,893
2025	7,913	7,691
2026	7,021	5,940
2027	3,985	3,972
Beyond 2027	18,604	16,390
	<u>54,510</u>	<u>53,487</u>

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

9 SUKUK PAYABLE

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Balance as at 1 January	3,672,500	3,672,500
New issuances*	1,000,000	-
Balance at end of period	4,672,500	3,672,500

*During the period, the Group issued Sukuk amounting to AED 1 billion under a Shariah compliant Sukuk financing arrangement with the maturity falling due in February 2026.

As at 31 March 2023, the outstanding Sukuk payable totalling AED 4,673 million (31 December 2022: AED 3,673 million) are falling due as follows:

	Unaudited 31 March 2023 AED million	Audited 31 December 2022 AED million
2025	1,836	1,836
2026	2,837	1,837
	4,673	3,673

10 OTHER LIABILITIES

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
Accrued interest payable	3,547,445	2,844,425
Profit payable to Islamic depositors	387,848	139,371
Managers' cheques	3,056,006	2,409,426
Trade and other payables	6,756,066	5,808,539
Staff related liabilities	1,148,400	1,572,680
Provision for taxation	1,187,094	865,820
Others	10,366,099	8,390,391
	26,448,958	22,030,652

11 EQUITY HOLDER FUNDS

At the Annual General Meeting held on 22 February 2023, shareholders approved payment of a cash dividend of 60% of the issued and paid up capital (AED 0.60 per share) amounting to AED 3,790 million which has been recognised in the Group condensed consolidated interim financial statements as of 31 March 2023.

12 TIER 1 CAPITAL NOTES

The Group has issued a number of regulatory Tier 1 capital notes with details mentioned in the table below. The notes are perpetual, subordinated and unsecured. The Group can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and such event will not be considered an event of default. The notes carry no maturity date and have been classified as equity.

Issuance Month/year	Issued Amount	Coupon rate
May 2021	USD 750 million (AED 2.75 billion)	Fixed interest rate with a reset after six years
July 2020	USD 750 million (AED 2.75 billion)	Fixed interest rate with a reset after six years
March 2019	USD 1 billion (AED 3.67 billion)	Fixed interest rate with a reset after six years

13 OTHER OPERATING INCOME

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Dividend income on equity investment measured at FVOCI	1	192
Dividend income on equity investments measured at FVTPL	1,627	4,500
Gain from sale of debt investment securities measured at FVOCI	282,288	45,312
Gain / (loss) from investment securities designated at fair value through profit or loss	2,780	(5,684)
Rental income	10,722	5,546
Gain / (loss) on sale of investment properties / inventories	16,488	(396)
Foreign exchange and derivative income / (loss)*	1,441,053	921,758
Other income (net)	284,185	217,380
	<u>2,039,144</u>	<u>1,188,608</u>

* Foreign exchange income / (loss) comprises trading and translation gain / (loss) and gain / (loss) on dealings with customers.

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 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)
14 GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Staff cost	1,567,318	1,192,357
Occupancy cost	71,610	63,678
Equipment & supplies	60,006	44,385
Information technology cost	136,258	87,917
Communication cost	83,063	67,980
Service, legal and professional fees	58,439	50,966
Marketing related expenses	33,902	26,640
Depreciation	207,438	176,231
Amortisation of intangibles	28,168	40,824
Others	395,860	213,933
	<u>2,642,062</u>	<u>1,964,911</u>

15 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

The charge to the Group condensed consolidated interim statement of income for the net impairment loss on financial assets is made up as follows:

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Net impairment of cash and deposits with Central Banks	1,021	883
Net impairment of due from banks / other assets	1,784	47,250
Net impairment of investment securities	7,319	8,233
Net impairment of loans and receivables	564,938	1,444,272
Net impairment of unfunded exposures	294,239	24,971
Bad debt written off / (recovery) - net	(397,907)	(121,149)
Net impairment loss for the period	<u>471,394</u>	<u>1,404,460</u>

16 COMMITMENTS AND CONTINGENCIES

The Group's commitments and contingencies are as follows:

	Unaudited	Audited
	31 March 2023	31 December 2022
	AED 000	AED 000
Letters of credit	18,869,612	18,981,083
Guarantees	59,110,679	55,266,154
Liability on risk participations	668,655	187,569
Irrevocable loan commitments*	59,324,438	59,823,665
	<u>137,973,384</u>	<u>134,258,471</u>

* Irrevocable loan commitments represent a contractual commitment to permit draw downs on a facility within a defined period subject to conditions precedent and termination clauses. Since commitments may expire without being drawn down, and as conditions precedent to draw down have to be fulfilled the total contract amounts do not necessarily represent exact future cash requirements.

17 EARNINGS PER SHARE

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders (further adjusted for interest expense on Tier 1 capital notes) of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all diluted potential ordinary shares.

	Unaudited three months period ended	Unaudited three months period ended
	31 March 2023	31 March 2022
	AED 000	AED 000
Profit for the period attributable to equity holders	6,012,036	2,740,863
Deduct : Interest on Tier 1 capital notes	(127,677)	(127,677)
Net profit attributable to equity holders	5,884,359	2,613,186
Weighted average number of equity shares in issue ('000)	6,310,696	6,310,696
Earnings per share* (AED)	0.93	0.41
Adjusted earnings per share** (AED)	1.06	0.41

*The diluted and basic earnings per share were the same for the three months period ended 31 March 2023.

**Adjusted EPS for the period ended 31 March 2023 represents net profit for the period attributable to equity holders excluding the non-cash impact of hyperinflation adjustment on net monetary position divided by weighted average number of equity shares in issue.

18 DERIVATIVES

	Unaudited 31 March 2023			Audited 31 December 2022		
	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Derivatives held for trading	15,010,671	(13,426,866)	923,501,272	16,754,646	(15,334,137)	924,036,578
Derivatives held as cash flow hedges	358,574	(909,373)	26,652,929	136,493	(947,031)	20,762,762
Derivatives held as fair value hedges	231,258	(3,575,871)	27,185,570	277,264	(3,924,747)	28,094,676
Derivatives held as hedge of a net investment in foreign operations	14,991	(102)	708,837	37,408	-	733,597
Total	15,615,494	(17,912,212)	978,048,608	17,205,811	(20,205,915)	973,627,613

19 OPERATING SEGMENTS

The Group is organised into the following main businesses:

- Corporate and Institutional Banking represents current and savings accounts, customer deposits, overdrafts, trade finance and term loans for government, corporate customers, investment banking, Islamic products (including Emirates Islamic) and structured financing primarily in the UAE, Egypt and KSA;
- Retail banking and Wealth Management represents retail loans and deposits, private banking and wealth management, Islamic products (including Emirates Islamic), equity broking services, asset management and consumer financing primarily in the UAE, Egypt and KSA;
- Global Markets and Treasury activities comprise of managing the Group's portfolio of investments, funds management, Islamic products (including Emirates Islamic) and interbank treasury operations primarily in the UAE, Egypt and KSA;
- DenizBank is managed as a separate operating segment; and
- Other operations of the Group include Tanfeeth, property management, operations and support functions.

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

19 OPERATING SEGMENTS (CONTNUED)**Unaudited 31 March 2023**

	Corporate and Institutional banking	Retail banking and Wealth Management	Global Markets and Treasury	DenizBank	Others	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Net interest income and income from Islamic products net of distribution to depositors	1,438,231	2,707,343	934,085	1,356,045	758,017	7,193,721
Net fees, commission and other income	652,780	1,147,966	211,159	1,224,129	33,427	3,269,461
Total operating income	2,091,011	3,855,309	1,145,244	2,580,174	791,444	10,463,182
General and administrative expenses	(167,732)	(948,775)	(52,064)	(906,997)	(566,494)	(2,642,062)
Net impairment loss on financial assets	252,750	(872,733)	(8,972)	432,426	(274,865)	(471,394)
Hyperinflation adjustment on net monetary position	-	-	-	(831,928)	-	(831,928)
Profit for the period before taxation	2,176,029	2,033,801	1,084,208	1,273,675	(49,915)	6,517,798
Taxation charge	(31,331)	1,703	(15,352)	(412,455)	(38,290)	(495,725)
Profit for the period	2,144,698	2,035,504	1,068,856	861,220	(88,205)	6,022,073
Segment Assets	331,173,354	121,772,345	197,568,183	132,523,805	(860,907)	782,176,780
Segment Liabilities and Equity	207,660,983	281,007,637	30,554,023	120,016,029	142,938,108	782,176,780

Business activities of Emirates Islamic, which were previously disclosed separately, have been realigned with Corporate and Institutional Banking, Retail Banking and Wealth Management and Global Markets and Treasury to reflect a consolidated view of the respective segments and better presentation.

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

19 OPERATING SEGMENTS (CONTNUED)

<u>Unaudited 31 March 2022</u>	Corporate and Institutional banking AED 000	Retail banking and Wealth Management AED 000	Global Markets and Treasury AED 000	DenizBank AED 000	Others AED 000	Total AED 000
Net interest income and income from Islamic products net of distribution to depositors	1,006,809	1,807,298	76,988	1,226,046	139,071	4,256,212
Net fees, commission and other income	470,799	957,768	120,138	593,461	(23,927)	2,118,239
Total operating income	1,477,608	2,765,066	197,126	1,819,507	115,144	6,374,451
General and administrative expenses	(157,474)	(780,437)	(43,443)	(520,782)	(462,775)	(1,964,911)
Net impairment loss on financial assets	(345,935)	(137,260)	(22,978)	(486,918)	(411,369)	(1,404,460)
Profit for the period before taxation	974,199	1,847,369	130,705	811,807	(759,000)	3,005,080
Taxation charge	(33,805)	(15,173)	(25,159)	(183,026)	(2,635)	(259,798)
Profit for the period	940,394	1,832,196	105,546	628,781	(761,635)	2,745,282
Segment Assets	329,087,530	105,770,034	149,537,714	109,832,387	(192,345)	694,035,320
Segment Liabilities and Equity	200,057,276	234,291,754	23,776,497	101,078,836	134,830,957	694,035,320

20 RELATED PARTY TRANSACTIONS

Emirates NBD Group is partly owned by Investment Corporation of Dubai (55.75%), an entity in which the Government of Dubai is the majority shareholder.

Deposits from and loans to government related entities, other than those that have been individually disclosed, amount to 5% (December 2022: 4%) and 9% (December 2022: 9%) respectively, of the total deposits and loans of the Group.

These entities are independently run business entities, and all financial dealings with the Group are on normal commercial terms.

The Group has also entered into transactions with certain other related parties who are non-government related entities. Such transactions were also made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with third parties and do not involve more than a normal amount of risk.

Related party balances and transactions are carried out on normal commercial terms and are as follows:

	Unaudited 31 March 2023 AED 000	Audited 31 December 2022 AED 000
<u>Loans and receivables:</u>		
To majority shareholder of the parent	109,745,152	105,984,325
To parent	1,274,664	1,274,664
To directors and related companies	1,447,550	1,506,379
	<u>112,467,366</u>	<u>108,765,368</u>
<u>Customer and Islamic deposits:</u>		
From majority shareholder of the parent	15,568,737	5,777,386
From parent	474,483	1,399,212
	<u>16,043,220</u>	<u>7,176,598</u>
Investment in Government of Dubai bonds	6,338,317	6,354,232

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

20 RELATED PARTY TRANSACTIONS (CONTINUED)

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
Fees received in respect of funds managed by the Group	11,335	6,562
Directors sitting fee	3,037	3,129

The total amount of compensation paid to key management personnel of the Group during the period is as follows:

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
<u>Key management compensation:</u>		
Short term employment benefits	62,009	63,956
Post employment benefits	1,061	648

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

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NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)
21 NOTES TO THE GROUP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of period	36,366,138	28,732,343
Net cash inflow/(outflow)	13,184,363	2,225,645
Balance at end of period	49,550,501	30,957,988
(b) Analysis of cash and cash equivalents		
Cash and deposits with Central Banks	73,806,620	67,690,034
Due from banks	88,070,623	53,812,350
Due to banks	(36,679,769)	(39,712,836)
	125,197,474	81,789,548
Less: deposits with Central Banks for regulatory purposes	(49,213,736)	(42,677,110)
Less: certificates of deposits with Central Banks maturing after three months	(1,037,380)	(1,000,000)
Less: amounts due from banks maturing after three months	(47,750,373)	(33,708,788)
Add: amounts due to banks maturing after three months	22,354,516	26,554,338
	49,550,501	30,957,988

EMIRATES NBD BANK PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (UNAUDITED)**21 NOTES TO THE GROUP CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)**

	Unaudited three months period ended 31 March 2023 AED 000	Unaudited three months period ended 31 March 2022 AED 000
(c) Adjustment for non cash and other items		
Impairment loss / (reversal) on cash and deposits with Central Banks	1,021	883
Impairment loss / (reversal) on due from banks	1,784	47,250
Impairment loss / (reversal) on investment securities	7,319	8,233
Impairment loss / (reversal) on loans and receivables	564,938	1,444,272
Impairment loss / (reversal) on unfunded exposures	294,239	24,971
Amortisation of fair value	24,769	29,527
(Discount) / premium on Investment securities	(491,103)	(41,838)
Unrealised foreign exchange loss / (gain)	(668,540)	418,398
Amortisation of intangibles	28,168	40,824
Depreciation / impairment on property and equipment / Investment property	211,393	180,541
Dividend income on equity investments	(1,628)	(4,692)
Unrealised (gain) / loss on investments	17,400	23,766
Unrealised (gain) / loss on FV hedged item	258,373	(1,014,516)
(Gain) / loss on sale of investment properties / inventories	(16,488)	396
Hyperinflation adjustment on net monetary position	831,928	-
	<u>1,063,573</u>	<u>1,158,015</u>

22 ASSETS AND LIABILITIES MEASURED AT FAIR VALUEFair Value of assets and liabilities

The table below analyses assets and liabilities measured at fair value on a recurring basis. The different levels in the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in principal markets for identified assets or liabilities.
- Level 2: valuation using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: valuation using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Unaudited 31 March 2023**Investment Securities**

	Level 1 AED 000	Level 2 AED 000	Level 3 AED 000	Total AED 000
Trading securities at FVTPL	5,270,255	-	-	5,270,255
FVOCI - debt instruments	25,426,010	20,788	-	25,446,798
FVOCI - equity instruments	376,720	872	102,499	480,091
Designated at FVTPL	91,102	106,600	66,099	263,801
	31,164,087	128,260	168,598	31,460,945

DerivativesPositive fair value of derivatives

Derivatives held for trading	-	15,010,671	-	15,010,671
Derivatives held as cash flow hedges	-	358,574	-	358,574
Derivatives held as fair value hedges	-	231,258	-	231,258
Derivatives held as hedge of a net investment in foreign operations	-	14,991	-	14,991
	-	15,615,494	-	15,615,494

Negative fair value of derivatives

Derivatives held for trading	-	(13,426,866)	-	(13,426,866)
Derivatives held as cash flow hedges	-	(909,373)	-	(909,373)
Derivatives held as fair value hedges	-	(3,575,871)	-	(3,575,871)
Derivatives held as hedge of a net investment in foreign operations	-	(102)	-	(102)
	-	(17,912,212)	-	(17,912,212)
	31,164,087	(2,168,458)	168,598	29,164,227

Audited 31 December 2022

30,824,523	(2,872,778)	168,512	28,120,257
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22 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

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

	Trading securities at FVTPL	Designated at FVTPL	FVOCI – debt instrument	FVOCI– equity instrument	Total
	AED 000	AED 000	AED 000	AED 000	AED 000
Balance as at 1 January 2023	-	66,074	-	102,438	168,512
Total gains or losses:					
- in profit or loss	-	7,123	-	-	7,123
- in other comprehensive income	-	-	-	61	61
Purchases	-	-	-	-	-
Settlements and other adjustments	-	(7,098)	-	-	(7,098)
Balance as at 31 March 2023 (unaudited)	-	66,099	-	102,499	168,598
Balance as at 31 December 2022 (audited)	-	66,074	-	102,438	168,512

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of an active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental.

During the period ended 31 March 2023 no financial assets measured at fair value were transferred from Level 1 to Level 2 or from Level 2 to Level 1 (2022: AED Nil).

For comparative information please refer to the Group's consolidated financial statements for the year ended 31 December 2022.

23 RISK MANAGEMENT

The Group financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2022.

Stage-wise financing exposures and the related Expected Credit Losses (ECL) as at 31 March 2023 are given below:

(Gross carrying amounts)
Loans and receivables

AED 000

31 March 2023

	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	Total
Balance at 1 January	399,698,546	29,056,635	27,253,983	456,009,164
Transfers from stage 1	(4,379,937)	4,340,840	39,097	-
Transfers from stage 2	2,191,561	(2,554,658)	363,097	-
Transfers from stage 3	-	7,996	(7,996)	-
New financial assets, net of repayments and others	16,902,334	(1,877,651)	(1,145,856)	13,878,827
Amounts written off during the period	-	-	(351,411)	(351,411)
Total gross loans and receivables*	414,412,504	28,973,162	26,150,914	469,536,580
Expected credit losses	(5,705,927)	(7,744,217)	(26,364,363)	(39,814,507)
Carrying amount	408,706,577	21,228,945	(213,449)	429,722,073

AED 000

31 March 2022

	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	Total
Balance at 1 January	399,020,797	31,277,352	29,159,717	459,457,866
Transfers from stage 1	(3,605,161)	3,523,121	82,040	-
Transfers from stage 2	1,903,347	(3,452,649)	1,549,302	-
Transfers from stage 3	-	166,428	(166,428)	-
New financial assets, net of repayments and others	4,680,601	228,117	(882,266)	4,026,452
Amounts written off during the period	-	-	(254,065)	(254,065)
Total gross loans and receivables*	401,999,584	31,742,369	29,488,300	463,230,253
Expected credit losses	(3,766,730)	(6,970,864)	(27,142,157)	(37,879,751)
Carrying amount	398,232,854	24,771,505	2,346,143	425,350,502

*The credit-impaired loans and receivables of AED 26,151 million (2022: AED 27,254 million) comprises of AED 25,355 million (2022: AED 26,439 million) credit-impaired loans and receivables and AED 796 million (2022: AED 815 million) classified as purchase or originated credit impaired (POCI) acquired at fair value.

23 RISK MANAGEMENT (CONTINUED)**Amounts arising from ECL**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

AED 000
31 March 2023

	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	Total
Balance at 1 January	4,819,205	7,785,378	26,800,189	39,404,772
Transfers from stage 1	(74,507)	73,285	1,222	-
Transfers from stage 2	100,225	(200,353)	100,128	-
Transfers from stage 3	-	4,572	(4,572)	-
Allowances / (reversals) made during the period	895,940	63,671	1,075,252	2,034,863
Write back / recoveries made during the period	-	-	(1,469,925)	(1,469,925)
Amounts written off during the period	-	-	(351,411)	(351,411)
Exchange and other adjustments	(34,936)	17,664	213,480	196,208
Closing Balance	5,705,927	7,744,217	26,364,363	39,814,507

AED 000
31 March 2022

	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired	Total
Balance at 1 January	3,847,334	6,929,276	26,408,866	37,185,476
Transfers from stage 1	(160,711)	159,500	1,211	-
Transfers from stage 2	212,175	(1,005,970)	793,795	-
Transfers from stage 3	-	89,100	(89,100)	-
Allowances / (reversals) made during the period	(78,346)	952,511	1,027,978	1,902,143
Write back / recoveries made during the period	-	-	(457,871)	(457,871)
Amounts written off during the period	-	-	(254,065)	(254,065)
Exchange and other adjustments	(53,722)	(153,553)	(288,657)	(495,932)
Closing Balance	3,766,730	6,970,864	27,142,157	37,879,751

24 IBOR TRANSITION (INTEREST RATE BENCHMARK REFORMS)

The Group closely monitors the market and the output from the various industry working groups managing the transition to new benchmark interest rates. GBP LIBOR has already transitioned to SONIA and management continues to run the project on the Group's transition activities on USD LIBOR to SOFR 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 Group's exposures to USD and GBP LIBOR including hedging instruments and hedged items is not materially different from those disclosed in the Group consolidated financial statements as at 31 December 2022.

25 CORPORATE TAX IN UAE

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime will become effective for accounting periods beginning on or after 1 June 2023.

As the Group's accounting year ends on 31 December, accordingly the effective implementation date for the Group will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The CT Law confirms the rate of 9% to be applied to taxable income exceeding a specified threshold. The Group may be subject to application of Global Minimum Tax rate of 15% which is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and a top-up tax regime by UAE MOF.

The Group's assessment of the possible impact of the CT Law on the Group consolidated financial statements, from current and deferred tax perspective, is pending on certain clarifications and guidance on the implementation of CT Law which are still awaited.