

EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017



EMIRATES NBD BANK PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF EMIRATES NBD BANK PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Emirates NBD Bank PJSC (the “Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated interim statement of financial position as at 30 June 2017 and the related consolidated interim statements of income and comprehensive income for the three month and six month periods then ended and consolidated interim statement of cash flows and changes in equity for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

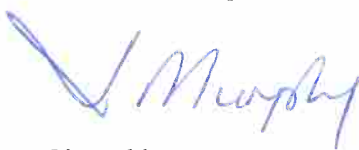
Scope of Review

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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young



Signed by:
Joseph Murphy
Partner
Registration No. 492

18 July 2017
Dubai, United Arab Emirates

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017 (UNAUDITED)

	Notes	Unaudited	Audited
		30 June 2017 AED 000	31 December 2016 AED 000
ASSETS			
Cash and deposits with Central Bank	3	63,079,476	57,214,660
Due from banks	4	46,892,650	57,082,148
Trading securities		2,295,966	1,575,279
Investment securities	5	14,837,199	13,573,622
Loans and receivables	6	256,733,121	242,612,617
Islamic financing receivables	7	47,286,976	47,783,692
Investments in associates and joint ventures		1,656,478	1,680,362
Positive fair value of derivatives	20	2,622,760	3,153,972
Investment properties		545,812	553,812
Customer acceptances		5,687,195	6,941,585
Property and equipment		2,389,776	2,397,196
Goodwill and intangibles	8	5,702,644	5,827,150
Other assets	9	6,491,825	7,607,917
TOTAL ASSETS		456,221,878	448,004,012
LIABILITIES			
Due to banks		22,055,732	18,856,571
Customer deposits		264,950,532	254,698,202
Islamic customer deposits		54,915,809	56,054,237
Repurchase agreements with banks		409,183	45,906
Debt issued and other borrowed funds	10	36,063,780	38,695,734
Sukuk payable	11	5,529,269	7,368,138
Negative fair value of derivatives	20	2,125,501	2,824,708
Customer acceptances		5,687,195	6,941,585
Other liabilities	12	9,204,535	8,658,013
TOTAL LIABILITIES		400,941,536	394,143,094
EQUITY			
Issued capital		5,557,775	5,557,775
Treasury shares		(46,175)	(46,175)
Tier I capital notes	14	9,477,076	9,477,076
Share premium reserve		12,270,124	12,270,124
Legal and statutory reserve		2,778,888	2,778,888
Other reserves		2,869,533	2,869,533
Fair value reserve		278,754	110,791
Currency translation reserve		(1,231,232)	(1,103,009)
Retained earnings		23,317,918	21,938,659
TOTAL EQUITY ATTRIBUTABLE TO EQUITY AND NOTE HOLDERS OF THE GROUP		55,272,661	53,853,662
Non-controlling interest		7,681	7,256
TOTAL EQUITY		55,280,342	53,860,918
TOTAL LIABILITIES AND EQUITY		456,221,878	448,004,012

The attached notes 1 to 24 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



Director



18 JUL 2017 Chief Executive Officer

**GROUP CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

	Notes	Unaudited three months period ended 30 June 2017 AED 000	Unaudited three months period ended 30 June 2016 AED 000	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Interest and similar income		3,316,231	3,034,750	6,506,718	6,031,779
Interest and similar expense		(1,121,181)	(911,222)	(2,270,275)	(1,751,436)
Net interest income		2,195,050	2,123,528	4,236,443	4,280,343
Income from Islamic financing and investment products		696,333	631,373	1,344,901	1,256,373
Distribution on Islamic deposits and profit paid to Sukuk holders		(192,215)	(210,479)	(396,181)	(437,373)
Net income from Islamic financing and investment products		504,118	420,894	948,720	819,000
Net interest income and income from Islamic financing and investment products net of distribution to depositors		2,699,168	2,544,422	5,185,163	5,099,343
Fee and commission income		981,320	949,035	1,944,260	1,869,763
Fee and commission expense		(235,936)	(221,393)	(468,371)	(416,274)
Net fee and commission income		745,384	727,642	1,475,889	1,453,489
Net gain / (loss) on trading securities		28,799	58,025	72,409	102,963
Other operating income	15	362,410	435,636	719,762	1,015,290
Total operating income		3,835,761	3,765,725	7,453,223	7,671,085
General and administrative expenses	16	(1,136,387)	(1,225,924)	(2,252,728)	(2,475,967)
Operating profit before impairment		2,699,374	2,539,801	5,200,495	5,195,118
Net impairment loss on financial assets	17	(621,351)	(626,238)	(1,260,421)	(1,455,706)
Operating profit after impairment		2,078,023	1,913,563	3,940,074	3,739,412
Share of profit / (loss) of associates and joint ventures		(26,143)	34,399	12,491	61,240
Group profit for the period before taxation		2,051,880	1,947,962	3,952,565	3,800,652
Taxation charge		(31,077)	(37,632)	(58,301)	(82,331)
Group profit for the period after taxation		2,020,803	1,910,330	3,894,264	3,718,321
Attributable to:					
Equity holders of the Group		2,020,621	1,910,225	3,893,839	3,718,166
Non-controlling interest		182	105	425	155
Group profit for the period		2,020,803	1,910,330	3,894,264	3,718,321
Earnings per share	19	0.34	0.32	0.65	0.62

The attached notes 1 to 24 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.

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	Unaudited three months period ended 30 June 2017 AED 000	Unaudited three months period ended 30 June 2016 AED 000	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Group profit for the period after tax	2,020,803	1,910,330	3,894,264	3,718,321
Items that may be reclassified subsequently to Income statement:				
Other comprehensive income				
Cash flow hedges:				
- Effective portion of changes in fair value	103,342	(55,585)	168,762	72,717
Fair value reserve (available-for-sale financial assets):				
- Net change in fair value	(35,205)	64,361	60,352	(125,704)
- Net amount transferred to income statement	(18,937)	(26,156)	(61,151)	(200,287)
Currency translation reserve	9,677	(23,283)	(127,409)	(189,142)
Hedge of a net investment in foreign operations	(814)	-	(814)	-
Other comprehensive income for the period	58,063	(40,663)	39,740	(442,416)
Total comprehensive income for the period	2,078,866	1,869,667	3,934,004	3,275,905
Attributable to:				
Equity holders of the Bank	2,078,684	1,869,562	3,933,579	3,275,750
Non-controlling interest	182	105	425	155
Total comprehensive income for the period	2,078,866	1,869,667	3,934,004	3,275,905

The attached notes 1 to 24 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.

**GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

	Notes	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
<u>OPERATING ACTIVITIES</u>			
Group profit before tax for the period		3,952,565	3,800,652
<u>Adjustment for non cash items</u>			
Impairment loss on loans and receivables	17	886,423	953,558
Impairment loss on Islamic financing receivables	17	320,275	506,889
Impairment loss on investment securities	17	44,097	35,691
Amortisation of fair value		50,817	48,180
Discount on Investment securities		23,400	30,410
Unrealised foreign exchange gain		(38,646)	(64,288)
Amortisation of intangibles		18,500	40,245
Depreciation of property and equipment / Investment property		162,764	160,103
Share of profit / (loss) of associates and joint ventures		(12,491)	(61,240)
Unrealized (gain)/loss on investments		30,873	(48,651)
Unrealized (gain)/loss on FV Hedged item		157,797	123,402
Gain on sale of properties (inventories)		(13,248)	(24,710)
Operating profit before changes in operating assets and liabilities		5,583,126	5,500,241
(Increase)/decrease in statutory deposits		(2,700,110)	3,659,965
(Increase)/decrease in certificate of deposits with Central Bank maturing after three months		(12,901,275)	(10,102,475)
(Increase)/decrease in amounts due from banks maturing after three months		(1,949,428)	(84,599)
Increase/(decrease) in amounts due to banks maturing after three months		(3,248,750)	293,290
Increase/(decrease) in deposits under repurchase agreements		363,277	(144,385)
(Increase)/decrease in other assets		2,374,942	(2,122,166)
Increase/(decrease) in other liabilities		(726,860)	2,124,460
(Increase)/decrease in positive fair value of derivatives		689,015	(864,974)
Increase/(decrease) in negative fair value of derivatives		(688,405)	797,779
Increase/(decrease) in customer deposits		10,252,330	11,209,854
Increase/(decrease) in Islamic customer deposits		(1,138,428)	(823,114)
(Increase)/decrease in trading securities		(752,164)	106,233
(Increase)/decrease in loans and receivables		(15,006,927)	(11,052,157)
(Increase)/decrease in Islamic financing receivables		176,441	(5,853,665)
		(19,673,216)	(7,355,713)
Taxes paid		(39,310)	(107,426)
Net cash flows from/(used in) operating activities		(19,712,526)	(7,463,139)

**GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

	Notes	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
<u>INVESTING ACTIVITIES</u>			
(Increase)/decrease in investment securities		(1,331,784)	(1,432,800)
(Increase)/decrease in investments in associates and joint ventures		36,336	36,935
Addition of property and equipment		(155,307)	(212,342)
Disposal of property and equipment		-	8,898
Net cash flows from/(used in) investing activities		(1,450,755)	(1,599,309)
<u>FINANCING ACTIVITIES</u>			
Issuance of debt issued and other borrowed funds	10	5,002,872	11,643,864
Repayment of debt issued and other borrowed funds	10	(7,812,167)	(6,508,338)
Issuance of sukuk borrowing	11	-	2,754,375
Repayment of sukuk borrowing	11	(1,836,250)	-
Interest on Tier I capital notes		(293,831)	(294,550)
Dividends paid		(2,220,749)	(2,220,749)
Net cash flows from /(used in) financing activities		(7,160,125)	5,374,602
Increase/(decrease) in cash and cash equivalents (refer Note 23)		(28,323,406)	(3,687,846)

The attached notes 1 to 24 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.

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	ATTRIBUTABLE TO EQUITY AND NOTE HOLDERS OF THE GROUP											
	Issued Capital	Treasury shares	Tier I Capital Notes	Share premium reserve	Legal and Statutory reserve	Other reserves	Fair value reserve	Currency Translation Reserve	Retained earnings	Total	Non-controlling interest	Group Total
	AED 000	AED 000	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 2017	5,557,775	(46,175)	9,477,076	12,270,124	2,778,888	2,869,533	110,791	(1,103,009)	21,938,659	53,853,662	7,256	53,860,918
Total comprehensive income for the period	-	-	-	-	-	-	167,963	(128,223)	3,893,839	3,933,579	425	3,934,004
Interest on Tier 1 capital notes	-	-	-	-	-	-	-	-	(293,831)	(293,831)	-	(293,831)
Dividends paid	-	-	-	-	-	-	-	-	(2,220,749)	(2,220,749)	-	(2,220,749)
Balance as at 30 June 2017	5,557,775	(46,175)	9,477,076	12,270,124	2,778,888	2,869,533	278,754	(1,231,232)	23,317,918	55,272,661	7,681	55,280,342
Balance as at 1 January 2016	5,557,775	(46,175)	9,477,076	12,270,124	2,778,888	2,869,533	476,375	(207,411)	17,566,680	50,742,865	5,662	50,748,527
Total comprehensive income for the period	-	-	-	-	-	-	(253,274)	(189,142)	3,718,166	3,275,750	155	3,275,905
Interest on Tier 1 capital notes	-	-	-	-	-	-	-	-	(294,550)	(294,550)	-	(294,550)
Dividends paid	-	-	-	-	-	-	-	-	(2,220,749)	(2,220,749)	-	(2,220,749)
Balance as at 30 June 2016	5,557,775	(46,175)	9,477,076	12,270,124	2,778,888	2,869,533	223,101	(396,553)	18,769,547	51,503,316	5,817	51,509,133

Note: No allocation to legal and statutory and other reserves has been made for the six months period ended 30 June 2017 as this will be effected at the year end.

The attached notes 1 to 24 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. The Federal Law No. 2 of 2015, concerning Commercial Companies has come into effect from 1 July 2015, replacing the existing Federal Law No. 8 of 1984.

The condensed consolidated interim financial statements for the period ended 30 June 2017 comprise the financial statements of the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and joint ventures.

The Bank is listed on the Dubai Financial Market (TICKER: “EMIRATESNBD”). The Group’s principal business activities are corporate banking, consumer 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 company of the Group is Investment Corporation of Dubai, a company 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 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 2016. The adoption of the new and amended IFRS and IFRIC interpretations with effect from 1 January 2017 has had no effect on the condensed consolidated interim financial statements of the Group.

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 2016. In addition, results for the six months period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2017.

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 2016.

(a) Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

(b) Financial Risk Management

The Group’s 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 2016.

3 CASH AND DEPOSITS WITH CENTRAL BANK

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Cash	2,888,315	3,076,809
Statutory and other deposits with Central Banks	32,177,428	29,477,318
Interest bearing placements with Central Banks	202,670	895,770
Murabahas and Interest bearing certificates of deposits with Central Banks	27,811,063	23,764,763
	63,079,476	57,214,660

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 Central Banks. The level of reserves required changes periodically in accordance with the directives of the Central Banks.

4 DUE FROM BANKS

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Due from banks in UAE	7,626,010	11,558,945
Due from foreign banks	39,266,640	45,523,203
	46,892,650	57,082,148

EMIRATES NBD BANK PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)
5 INVESTMENT SECURITIES

<u>Unaudited 30 June 2017</u>	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
<u>HELD TO MATURITY:</u>				
Government bonds	10,992	1,073,641	-	1,084,633
Corporate bonds	44,670	14,714	-	59,384
	<u>55,662</u>	<u>1,088,355</u>	<u>-</u>	<u>1,144,017</u>
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	551,739	6,172,434	1,739,778	8,463,951
Corporate bonds	1,011,837	743,542	2,125,836	3,881,215
Equity	286,591	565,167	88,648	940,406
Others	68,037	52,689	201,005	321,731
	<u>1,918,204</u>	<u>7,533,832</u>	<u>4,155,267</u>	<u>13,607,303</u>
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Others	37,778	137	47,964	85,879
	<u>37,778</u>	<u>137</u>	<u>47,964</u>	<u>85,879</u>
	<u>2,011,644</u>	<u>8,622,324</u>	<u>4,203,231</u>	<u>14,837,199</u>

EMIRATES NBD BANK PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**5 INVESTMENT SECURITIES (CONTINUED)**

<u>Audited 31 December 2016</u>	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
<u>HELD TO MATURITY:</u>				
Government bonds	11,156	1,048,108	-	1,059,264
Corporate bonds	145,543	14,882	-	160,425
	<u>156,699</u>	<u>1,062,990</u>	<u>-</u>	<u>1,219,689</u>
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	605,260	5,187,454	868,087	6,660,801
Corporate bonds	1,332,958	891,164	1,942,655	4,166,777
Equity	281,356	667,940	84,685	1,033,981
Others	72,992	57,189	204,179	334,360
	<u>2,292,566</u>	<u>6,803,747</u>	<u>3,099,606</u>	<u>12,195,919</u>
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Others	76,393	137	81,484	158,014
	<u>76,393</u>	<u>137</u>	<u>81,484</u>	<u>158,014</u>
	<u>2,525,658</u>	<u>7,866,874</u>	<u>3,181,090</u>	<u>13,573,622</u>

6 LOANS AND RECEIVABLES

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Overdrafts	118,655,462	112,410,660
Time loans	140,203,776	133,066,809
Loans against trust receipts	8,835,512	8,169,257
Bills discounted	3,323,421	2,652,915
Credit card receivables	5,261,820	5,218,498
Others	610,038	624,025
Gross loans and receivables	276,890,029	262,142,164
Other debt instruments	64,543	63,649
Total loans and receivables	276,954,572	262,205,813
Less: Allowances for impairment	(20,221,451)	(19,593,196)
	256,733,121	242,612,617
Total of impaired loans and receivables	14,594,869	14,773,140

6 LOANS AND RECEIVABLES (CONTINUED)

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
<u>Analysis by economic activity</u>		
Agriculture and allied activities	101,313	101,771
Mining and quarrying	582,587	450,232
Manufacturing	6,887,456	7,715,992
Construction	7,435,747	7,604,678
Trade	14,846,798	14,033,786
Transport and communication	3,243,783	3,435,041
Services	3,580,762	3,775,024
Sovereign	135,976,796	130,678,906
Personal	43,123,592	38,812,673
Real estate	36,607,852	32,346,722
Financial institutions and investment companies	23,700,994	22,673,121
Others	866,892	577,867
Total loans and receivables	276,954,572	262,205,813
Less: Allowances for impairment	(20,221,451)	(19,593,196)
	256,733,121	242,612,617

EMIRATES NBD BANK PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**6 LOANS AND RECEIVABLES (CONTINUED)**

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
<u>Movement in allowances for specific impairment</u>		
Balance as at 1 January	13,355,890	13,139,731
Allowances for impairment made during the period	820,455	706,805
Write back / recoveries made during the period	(475,953)	(663,578)
Amounts written off during the period	(254,190)	(268,350)
Exchange and other adjustments	(1,054)	(5,626)
Balance as at 30 June	<u>13,445,148</u>	<u>12,908,982</u>
<u>Movement in allowances for collective impairment</u>		
Balance as at 1 January	6,237,306	5,530,397
Allowances for impairment made during the period	541,921	910,331
Exchange and other adjustments	(2,924)	(7,231)
Balance as at 30 June	<u>6,776,303</u>	<u>6,433,497</u>
Total	<u><u>20,221,451</u></u>	<u><u>19,342,479</u></u>

7 ISLAMIC FINANCING RECEIVABLES

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Murabaha	30,494,533	31,667,600
Ijara	19,121,363	18,696,462
Credit cards receivable	1,083,485	1,096,076
Wakala	1,049,596	1,306,991
Istissna'a	2,046,892	1,909,133
Others	598,348	550,445
Total Islamic financing receivables	54,394,217	55,226,707
Less: Deferred income	(2,417,354)	(2,688,915)
Less: Allowances for impairment	(4,689,887)	(4,754,100)
	47,286,976	47,783,692
Total of impaired Islamic financing receivables	5,577,508	5,492,156

Corporate Ijara assets amounting to AED 4.0 billion [2016: 5.9 billion] and Murabaha assets amounting to AED 1.5 billion [2016: 1.5 billion] were securitised for the purpose of issuance of Sukuk liability (refer Note 11).

7 ISLAMIC FINANCING RECEIVABLES (CONTINUED)

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
<u>Analysis by economic activity</u>		
Agriculture and allied activities	37,358	32,278
Mining and quarrying	67,708	392
Manufacturing	990,191	1,044,157
Construction	1,907,862	2,060,770
Trade	3,731,648	3,151,623
Transport and communication	1,152,593	1,326,706
Services	4,467,844	3,622,537
Sovereign	35,756	298,455
Personal	26,603,348	28,871,866
Real estate	10,585,306	10,229,054
Financial institutions and investment companies	1,549,507	1,926,268
Others	3,265,096	2,662,601
Total Islamic financing and receivables	54,394,217	55,226,707
Less: Deferred Income	(2,417,354)	(2,688,915)
Less: Allowances for impairment	(4,689,887)	(4,754,100)
	47,286,976	47,783,692

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FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**7 ISLAMIC FINANCING RECEIVABLES (CONTINUED)**

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
<u>Movement in allowances for specific impairment</u>		
Balance as at 1 January	3,971,709	4,029,366
Allowances for impairment made during the period	679,804	1,036,208
Write back /recoveries made during the period	(220,339)	(654,414)
Amounts written off during the period	(384,616)	(280,802)
Exchange and other adjustments	116	123
Balance as at 30 June	<u>4,046,674</u>	<u>4,130,481</u>
<u>Movement in allowances for collective impairment</u>		
Balance as at 1 January	782,391	539,947
Allowances for impairment made during the period	(139,190)	125,095
Exchange and other adjustments	12	10
Balance as at 30 June	<u>643,213</u>	<u>665,052</u>
Total	<u><u>4,689,887</u></u>	<u><u>4,795,533</u></u>

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	Goodwill	Intangibles on Acquisition			Total	
		Banking license	Software	Customer relationships	Core deposit intangibles	
<u>Unaudited 30 June 2017</u>	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
<u>Cost</u>						
Balance as at 1 January	5,581,678	218,157	9,281	157,490	659,392	6,625,998
Foreign exchange movement	(29,769)	(80,985)	-	-	4,748	(106,006)
	5,551,909	137,172	9,281	157,490	664,140	6,519,992
<u>Less: Amortisation and impairment</u>						
Balance as at 1 January	4,903	-	9,281	157,490	627,174	798,848
Amortisation and impairment for the period	-	-	-	-	18,500	18,500
Balance as at 30 June	4,903	-	9,281	157,490	645,674	817,348
Net Goodwill and Intangibles	5,547,006	137,172	-	-	18,466	5,702,644
<u>Audited 31 December 2016</u>						
<u>Cost</u>	5,581,678	218,157	9,281	157,490	659,392	6,625,998
Less: Amortisation and impairment	4,903	-	9,281	157,490	627,174	798,848
Net Goodwill and Intangibles	5,576,775	218,157	-	-	32,218	5,827,150

9 OTHER ASSETS

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Accrued interest receivable	1,332,661	1,444,469
Islamic Profit receivable	112,953	94,023
Prepayments and other advances	262,465	242,947
Sundry debtors and other receivables	1,278,737	1,028,472
Inventory	1,447,333	1,595,633
Fair value of deposit (a)	180,378	216,659
Others	1,877,298	2,985,714
	6,491,825	7,607,917

- (a) On acquisition of Dubai Bank in October 2011, the Group received a deposit from the Ministry of Finance of the UAE amounting to AED 2.8 billion at a discount compared to the market available interest rate. As per the Group policy, the financial liability should be recognised initially at its fair value plus the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Since the deposit was received at an interest rate which is below the market available interest rate, a fair value gain of AED 543 million was recognised in the financial statements in 2011, which will be amortised over the term of the deposit (8 years) at the effective interest rate.

10 DEBT ISSUED AND OTHER BORROWED FUNDS

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Medium term note programme*	28,349,020	31,139,525
Term loans from banks	6,426,875	6,243,250
Borrowings raised from loan securitisations	1,287,885	1,312,959
	36,063,780	38,695,734

*Includes Tier 2 notes amounting to AED 3,752 million (2016: AED 3,752 million) raised through public and private placements.

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Balance as at 1 January	38,695,734	31,287,342
New issues	5,002,872	16,709,587
Repayments	(7,812,167)	(9,243,619)
Other movements*	177,341	(57,576)
Balance at end of period	36,063,780	38,695,734

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

As at 30 June 2017, the outstanding medium term borrowings totaling AED 36,064 million (31 December 2016: AED 38,696 million) is falling due as below:

	Unaudited 30 June 2017 AED millions	Audited 31 December 2016 AED millions
2017	1,596	9,176
2018	4,089	1,826
2019	12,905	12,666
2020	6,441	4,745
2021	1,358	1,358
2022	5,053	4,552
2023	3,679	3,642
2024	553	540
2025	158	114
2026	121	77
2027	111	-
	36,064	38,696

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FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**11 SUKUK PAYABLE**

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Balance as at 1 January	7,368,138	3,672,500
New issues	-	3,696,948
Repayments	(1,836,250)	-
Other movements	(2,619)	(1,310)
Balance at end of period	<u>5,529,269</u>	<u>7,368,138</u>

As at 30 June 2017, the outstanding Sukuk payable totaling AED 5,529 million (31 December 2016: AED 7,368 million) is falling due as below:

	Unaudited 30 June 2017 AED millions	Audited 31 December 2016 AED millions
2017	-	1,836
2018	1,836	1,836
2021	3,693	3,696
	<u>5,529</u>	<u>7,368</u>

12 OTHER LIABILITIES

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Accrued interest payable	1,683,007	1,518,050
Profit payable to Islamic depositors	152,181	259,376
Managers' cheques	1,112,430	1,164,080
Trade and other payables	2,250,269	1,557,161
Staff related liabilities	888,508	1,029,034
Provision for taxation	74,657	55,666
Others	3,043,483	3,074,646
	<u>9,204,535</u>	<u>8,658,013</u>

13 EQUITY HOLDER FUNDS

At the Annual General Meeting held on 12 February 2017, shareholders approved payment of a cash dividend of 40% of the issued and paid up capital amounting to AED 2,223 million which has been recognised in the interim financial statements as of 30 June 2017.

14 TIER I 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
September 2014	USD 500 million (AED 1.83 billion)	Fixed interest rate with a reset after six years
May 2013	USD 1 billion (AED 3.67 billion)	Fixed interest rate with a reset after six years
June 2009	AED 4 billion	Fixed interest rate for the first five years and on a floating rate basis thereafter.

15 OTHER OPERATING INCOME

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Dividend income	24,801	22,712
Gains from sale of available-for-sale investment securities	61,151	200,287
Gain / (loss) from investment securities designated at fair value through profit or loss	8,522	(2,258)
Rental income	25,411	40,354
Gain on sale of properties (Investment properties / inventories)	13,248	24,710
Foreign exchange income*	543,985	557,979
Derivative income	68,381	67,207
Other income (net)	(25,737)	104,299
	<u>719,762</u>	<u>1,015,290</u>

*Foreign exchange income comprises trading and translation gain and gain on dealings with customers.

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16 GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Staff cost	1,469,925	1,667,499
Occupancy cost	177,037	186,065
Equipment & supplies	57,766	72,897
Information technology cost	92,370	69,851
Communication cost	76,216	78,696
Service, legal and professional fees	39,247	40,367
Marketing related expenses	47,176	47,651
Depreciation	162,764	160,103
Amortisation of intangibles	18,500	40,245
Others	111,727	112,593
	<u>2,252,728</u>	<u>2,475,967</u>

17 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

The charge to the income statement for the net impairment loss on financial assets is made up as follows:

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Net impairment of loans and receivables	886,423	953,558
Net impairment of Islamic financing receivables	320,275	506,889
Net impairment of investment securities	44,097	35,691
Net impairment of due from banks / other assets	36,725	-
Bad debt written off / (recovery) - net	(27,099)	(40,432)
Net impairment loss for the period	<u>1,260,421</u>	<u>1,455,706</u>

18 COMMITMENTS AND CONTINGENCIES

At 30 June 2017, the Group's commitments and contingencies are as follows:

	Unaudited 30 June 2017 AED 000	Audited 31 December 2016 AED 000
Letters of credit	10,625,179	9,726,912
Guarantees	49,003,308	47,168,713
Liability on risk participations	197,460	256,183
Irrevocable loan commitments*	25,136,423	29,099,863
	84,962,370	86,251,671

*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.

19 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 I 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, if any.

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Profit for the period attributable to equity holders	3,893,839	3,718,166
Deduct : Interest on Tier 1 capital notes	(293,831)	(294,550)
Net profit attributable to equity holders	3,600,008	3,423,616
Weighted average number of equity shares in issue ('000)	5,557,775	5,557,775
Earnings per share* (AED)	0.65	0.62

*The diluted and basic Earnings per share were the same for the six months period ended 30 June 2017.

20 DERIVATIVES

	Unaudited 30 June 2017			Audited 31 December 2016		
	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	2,383,263	(1,878,908)	437,532,166	3,081,512	(2,415,689)	409,587,747
Derivatives held as cash flow hedges	226,830	(20,614)	10,747,701	69,027	(31,573)	8,532,333
Derivatives held as fair value hedges	12,667	(225,165)	4,776,378	3,433	(377,446)	3,191,316
Derivatives held as hedge of a net investment in foreign operations	-	(814)	106,060	-	-	-
Total	2,622,760	(2,125,501)	453,162,305	3,153,972	(2,824,708)	421,311,396

21 OPERATING SEGMENTS

The Group is organised into the following main businesses:

- Corporate banking represents structured financing, current and savings accounts, customer deposits, overdrafts, trade finance and term loans for government, corporate, commercial customers, investment banking and Islamic products under Al Watani Al Islami;
- Consumer banking represents retail loans and deposits, private banking and wealth management, equity broking services, asset management and consumer financing;
- Treasury activities comprises of managing the Group's portfolio of investments, funds management, and interbank treasury operations;
- Islamic banking activities represent the income and fees earned and expenses paid by the Islamic banking subsidiaries; and
- Other operations of the Group include Emirates NBD Egypt, Tanfeeth, property management, operations and support functions.

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21 OPERATING SEGMENTS (CONTINUED)

Unaudited 30 June 2017

	Corporate banking AED 000	Consumer banking AED 000	Treasury AED 000	Islamic Banking AED 000	Others AED 000	Total AED 000
Net interest income and income from Islamic products net of distribution to depositors	1,773,855	2,134,330	56,969	816,561	403,448	5,185,163
Net Fees, commission and other income	643,736	1,164,286	246,842	360,942	(147,746)	2,268,060
Total operating Income	2,417,591	3,298,616	303,811	1,177,503	255,702	7,453,223
General and administrative expenses	(201,215)	(892,153)	(58,257)	(489,366)	(611,737)	(2,252,728)
Net impairment loss on financial assets	(527,778)	(311,576)	(3,553)	(309,850)	(107,664)	(1,260,421)
Share of profit of associates and joint ventures	-	-	-	-	12,491	12,491
Taxation charge	(4,744)	(3,461)	(615)	-	(49,481)	(58,301)
Group Profit for the Period	1,683,854	2,091,426	241,386	378,287	(500,689)	3,894,264
Segment Assets	264,614,898	54,675,227	49,030,892	55,825,663	32,075,198	456,221,878
Segment Liabilities and Equity	107,891,300	156,964,926	37,175,803	57,032,705	97,157,144	456,221,878

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21 OPERATING SEGMENTS (CONTINUED)

<u>Unaudited 30 June 2016</u>	Corporate banking AED 000	Consumer banking AED 000	Treasury AED 000	Islamic Banking AED 000	Others AED 000	Total AED 000
Net interest income and income from Islamic products net of distribution to depositors	1,572,254	1,857,394	14,683	890,292	764,720	5,099,343
Net Fees, commission and other income	668,803	1,177,488	263,186	325,606	136,659	2,571,742
Total operating Income	2,241,057	3,034,882	277,869	1,215,898	901,379	7,671,085
General and administrative expenses	(208,446)	(967,873)	(61,949)	(584,820)	(652,879)	(2,475,967)
Net impairment loss on financial assets	(410,408)	(402,877)	42,346	(610,763)	(74,004)	(1,455,706)
Share of profit of associates and joint ventures	-	-	-	-	61,240	61,240
Taxation charge	(5,010)	(4,370)	(7,214)	-	(65,737)	(82,331)
Group Profit for the Period	1,617,193	1,659,762	251,052	20,315	169,999	3,718,321
Segment Assets	242,138,368	48,984,777	49,320,732	51,158,418	34,154,690	425,756,985
Segment Liabilities and Equity	112,505,444	125,976,336	29,844,668	55,522,422	101,908,115	425,756,985

22 RELATED PARTY TRANSACTIONS

Emirates NBD Group is partly owned by Investment Corporation of Dubai (55.8%), a company 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 4% (December 2016: 6%) and 6% (December 2016: 6%) 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 30 June 2017 AED 000	Audited 31 December 2016 AED 000
<u>Loans and receivables:</u>		
To majority shareholder of the parent	135,701,359	130,578,874
To parent	1,469,200	1,470,482
To directors and related companies	2,082,069	2,287,572
To associates and joint ventures	240,736	44,410
	139,493,364	134,381,338
<u>Customer and Islamic deposits:</u>		
From majority shareholder of the parent	2,421,125	2,356,193
From parent	3,618,569	3,955,674
From associates and joint ventures	672,369	238,662
	6,712,063	6,550,529
Investment in Government of Dubai bonds	21,242	36,122
Loans to and investment in funds managed by the Group	139,271	235,942
Commitments to associates and joint ventures	23,059	20,989

22 RELATED PARTY TRANSACTIONS (CONTINUED)

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
Payments made to associates and joint ventures	77,447	70,257
Payments received from associates and joint ventures	2,457	2,416
Payments made to other related parties	15,697	25,022
Fees received in respect of funds managed by the Group	23,035	28,629
Interest paid to funds managed by the Group	1,962	3,265
Interest (paid by) / paid to joint ventures	2,079	2,165
Directors sitting fee	6,303	4,009

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

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
<u>Key management compensation:</u>		
Short term employment benefits	43,308	48,580
Post employment benefits	637	604

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

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relations at the period end.

23 NOTES TO THE GROUP CONSOLIDATED CASH FLOW STATEMENT

	Unaudited six months period ended 30 June 2017 AED 000	Unaudited six months period ended 30 June 2016 AED 000
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of period	43,633,819	31,828,539
Net cash inflow/(outflow)	(28,323,406)	(3,687,846)
Balance at end of period	<u>15,310,413</u>	<u>28,140,693</u>
(b) Analysis of cash and cash equivalents		
Cash and deposits with Central Bank	63,079,476	51,349,036
Due from banks	46,892,650	43,202,590
Due to banks	(22,055,732)	(16,017,118)
	<u>87,916,394</u>	<u>78,534,508</u>
Less : deposits with Central Bank for regulatory purposes	(32,177,428)	(26,733,282)
Less : certificates of deposits with Central Bank maturing after three months	(22,119,250)	(16,402,475)
Less : amounts due from banks maturing after three months	(20,880,445)	(13,292,136)
Add : amounts due to banks maturing after three months	2,571,142	6,034,078
	<u>15,310,413</u>	<u>28,140,693</u>

24 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).

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<u>Unaudited 30 June 2017</u>	Level 1	Level 2	Level 3	Total
	AED 000	AED 000	AED 000	AED 000
<u>Trading securities</u>				
Debt Securities	2,199,660	37,825	40,981	2,278,466
Others	17,500	-	-	17,500
	<u>2,217,160</u>	<u>37,825</u>	<u>40,981</u>	<u>2,295,966</u>
<u>Investment Securities</u>				
<u>AVAILABLE-FOR-SALE:</u>				
Debt Securities	9,455,220	2,889,946	-	12,345,166
Investment in equities	127,088	145,537	667,781	940,406
Others	-	97,501	224,230	321,731
	<u>9,582,308</u>	<u>3,132,984</u>	<u>892,011</u>	<u>13,607,303</u>
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Others	79,626	6,253	-	85,879
	<u>79,626</u>	<u>6,253</u>	<u>-</u>	<u>85,879</u>
<u>Derivatives held for trading</u>				
Positive fair value of derivatives	-	2,383,263	-	2,383,263
<u>Derivatives held as cash flow hedges:</u>				
Interest rate swaps	-	226,830	-	226,830
<u>Derivatives held as fair value hedges:</u>				
Interest rate swaps	-	12,667	-	12,667
<u>Derivatives held as hedge of a net investment in foreign operations:</u>				
Forward foreign exchange contracts	-	-	-	-
	<u>-</u>	<u>2,622,760</u>	<u>-</u>	<u>2,622,760</u>
<u>Derivatives held for trading</u>				
Negative fair value of derivatives	-	(1,878,908)	-	(1,878,908)
<u>Derivatives held as cash flow hedges:</u>				
Interest rate swaps	-	(20,614)	-	(20,614)
<u>Derivatives held as fair value hedges:</u>				
Interest rate swaps	-	(225,165)	-	(225,165)
<u>Derivatives held as hedge of a net investment in foreign operations:</u>				
Forward foreign exchange contracts	-	(814)	-	(814)
	<u>-</u>	<u>(2,125,501)</u>	<u>-</u>	<u>(2,125,501)</u>
	<u>11,879,094</u>	<u>3,674,321</u>	<u>932,992</u>	<u>16,486,407</u>

24 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.

	Available for sale financial assets AED 000	Financial assets designated at fair value through profit or loss AED 000	Financial assets held for trading AED 000	Total AED 000
Balance as at 1 January 2017	1,106,579	-	-	1,106,579
Total gains or losses:				
- in profit or loss	-	-	584	584
- in other comprehensive income	10,375	-	-	10,375
Purchases	-	-	94,016	94,016
Settlements and other adjustments	(231,922)	-	(53,619)	(285,541)
Transfers into Level 3	6,979	-	-	6,979
Transfers out of Level 3	-	-	-	-
Balance as at 30 June 2017	892,011	-	40,981	932,992

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 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 judgemental.

There have been no transfers between Level 1 and Level 2 during the period ended 30 June 2017 (2016: AED Nil).

EMIRATES NBD BANK PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**24 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)**

<u>Audited 31 December 2016</u>	Level 1	Level 2	Level 3	Total
	AED 000	AED 000	AED 000	AED 000
<u>Trading securities</u>				
Debt Securities	1,472,944	56,154	-	1,529,098
Others	25,245	20,936	-	46,181
	<u>1,498,189</u>	<u>77,090</u>	<u>-</u>	<u>1,575,279</u>
<u>Investment Securities</u>				
<u>AVAILABLE-FOR-SALE:</u>				
Debt Securities	7,929,599	2,714,165	183,814	10,827,578
Investment in equities	182,637	150,826	700,518	1,033,981
Others	27	112,086	222,247	334,360
	<u>8,112,263</u>	<u>2,977,077</u>	<u>1,106,579</u>	<u>12,195,919</u>
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Others	151,046	6,968	-	158,014
	<u>151,046</u>	<u>6,968</u>	<u>-</u>	<u>158,014</u>
<u>Derivatives held for trading</u>				
<u>Positive fair value of derivatives</u>	-	3,081,512	-	3,081,512
Derivatives held as cash flow hedges:				
Interest rate swaps	-	69,027	-	69,027
Derivatives held as fair value hedges:				
Interest rate swaps	-	3,433	-	3,433
Derivatives held as hedge of a net investment in foreign operations:				
Forward foreign exchange contracts	-	-	-	-
	<u>-</u>	<u>3,153,972</u>	<u>-</u>	<u>3,153,972</u>
<u>Derivatives held for trading</u>				
<u>Negative fair value of derivatives</u>	-	(2,415,689)	-	(2,415,689)
Derivatives held as cash flow hedges:				
Interest rate swaps	-	(31,573)	-	(31,573)
Derivatives held as fair value hedges:				
Interest rate swaps	-	(377,446)	-	(377,446)
Derivatives held as hedge of a net investment in foreign operations:				
Forward foreign exchange contracts	-	-	-	-
	<u>-</u>	<u>(2,824,708)</u>	<u>-</u>	<u>(2,824,708)</u>
	<u>9,761,498</u>	<u>3,390,399</u>	<u>1,106,579</u>	<u>14,258,476</u>

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 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)
24 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

	Available for sale financial assets	Financial assets designated at fair value through profit or loss	Financial assets held for trading	Total
	AED 000	AED 000	AED 000	AED 000
Balance as at 1 January 2016	1,270,578	-	177,669	1,448,247
Total gains or losses:				
- in profit or loss	-	-	-	-
- in other comprehensive income	15,814	-	-	15,814
Purchases	-	-	-	-
Issues	-	-	-	-
Settlements and other adjustments	(207,889)	-	(177,669)	(385,558)
Transfers into Level 3	28,076	-	-	28,076
Transfers out of Level 3	-	-	-	-
Balance as at 31 December 2016	1,106,579	-	-	1,106,579