Bank of Sharjah P.J.S.C.

Review report and
Condensed consolidated interim financial information
for the three-month period ended 31 March 2022

Bank of Sharjah P.J.S.C.

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Report on Review of Condensed Consolidated Interim Financial Information to the Directors of Bank of Sharjah P.J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Bank of Sharjah P.J.S.C. (the "Bank") and its subsidiaries (collectively referred to as the "Group") as of 31 March 2022 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of the condensed consolidated interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim statement information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of condensed consolidated 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 information is not prepared, in all material respects, in accordance with IAS 34.

Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 24 August 2022. The condensed consolidated interim financial information of the Group for the three-month period ended 31 March 2021 was reviewed by another auditor who expressed an unmodified conclusion on that information on 17 June 2021.

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Public Accountants

GRANT THORNTON
Dr. Osama El-Bakry
Registration No: 935
Dubai, United Arab Emirates
Date: 27 October 2022

Bank of Sharjah P.J.S.C.
Condensed consolidated interim statement of financial position
As at

	Note	31 March 2022 (unaudited) AED'000	31 December 2021 (audited) AED'000
ASSETS			
Cash and balances with central banks	6	2,851,875	3,223,357
Deposits and balances due from banks	7	199,753	84,354
Loans and advances, net	8	21,207,878	21,314,047
Investments measured at fair value	9	504,552	486,755
Investments measured at amortised cost	9	4,369,024	4,351,247
Investment properties		1,095,578	1,091,543
Intangible assets		22,319	22,075
Assets acquired in settlement of debt		1,384,467	1,448,600
Other assets	10	1,315,464	1,270,627
Derivative assets held for risk management		5,561	9,083
Property and equipment		278,437	280,170
Total assets		33,234,908	33,562,058
LIABILITIES AND EQUITY			
Liabilities			
Customers' deposits	11	24,512,198	23,757,419
Deposits and balances due to banks	12	191,615	237,995
Repo borrowings	13	1,600,000	750,000
Other liabilities	14	1,947,886	2,043,171
Derivative liabilities held for risk management		7,916	8,922
Issued bonds	15	3,499,759	5,353,179
Total liabilities		31,759,374	32,150,686
Equity			
Capital and reserves			
Share capital		2,200,000	2,200,000
Statutory reserve		1,050,000	1,050,000
Contingency reserve		640,000	640,000
Impairment reserve		157,919	220,972
Investment fair value reserve		(659,139)	(681,292)
Currency translation reserve		(1,856,951)	(2,083,048)
(Accumulated losses)/ Retained earnings		(63,625)	57,404
Equity attributable to equity holders of the Bank		1,468,204	1,404,036
Non-controlling interests		7,330	7,336
Total equity		1,475,534	1,411,372
Total liabilities and equity		33,234,908	33,562,058

To the best of our knowledge, the condensed interim consolidated financial information presents fairly in all material respects the financial condition, results of operations and cashflows of the Group as of, and for, the periods presented therein. The condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 27 OCT 2022

Mohammed Bin Saud Al Qasimi
Chairman

Varouj Nerguizian
Group CEO

Condensed consolidated interim statement of profit or loss (unaudited) for the three-month period ended 31 March

	Note	31 March 2022 AED'000	31 March 2021 AED'000
Interest income		279,808	296,198
Interest expense		(182,823)	(182,985)
Net interest income		96,985	113,213
Net fee and commission income		44,005	41,635
Exchange profit		5,252	1,054
Income on investments		33,073	11,898
Net loss on properties		(3,192)	-
Other income		1,808	12,523
Operating income		177,931	180,323
Net impairment (loss)/reversal on financial assets	16	(69,702)	110
Net operating income		108,229	180,433
Personnel expenses		(34,231)	(49,212)
Depreciation		(8,507)	(15,200)
Other expenses		(20,561)	(20,476)
Amortisation of intangible assets		(264)	(1,282)
Loss on monetary position		(242,934)	(201,321)
Loss before taxes		(198,268)	(107,058)
Income tax expense - overseas		(230)	(15,085)
Net loss for the period		(198,498)	(122,143)
Attributable to:			
Equity holders of the Bank		(198,492)	(121,928)
Non-controlling interests		(6)	(215)
Net loss for the period		(198,498)	(122,143)
Basic and diluted loss per share (AED)	18	(0.090)	(0.055)

Condensed consolidated interim statement of comprehensive income (unaudited) for the three-month period ended 31 March

	31 March 2022 AED'000	31 March 2021 AED'000
Loss for the period	(198,498)	(122,143)
Other comprehensive income items		
Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:		
Net changes in fair value of financial assets measured at fair value through other comprehensive income (equity instruments)	15,627	10,674
Net changes in fair value of own credit risk on financial liabilities designated at fair value through profit or loss	6,526	624
Items that may be reclassified subsequently to consolidated statement of profit or loss:		
Translation differences from a subsidiary	226,097	-
Other comprehensive income for the period	248,250	11,298
Total comprehensive income/ (loss) for the period	49,752	(110,845)
Attributable to:		
Equity holders of the Bank	49,758	(110,630)
Non-controlling interests	(6)	(215)
Total comprehensive income/ (loss) for the period	49,752	(110,845)

Condensed consolidated interim statement of changes in equity for the three-month period ended 31 March

	Share capital AED'000	Statutory reserve AED'000	Contingency reserve AED'000	General and impairment reserve AED'000	Investment fair value reserve AED'000	Currency translation reserve AED'000	Accumulated losses AED'000	Total equity attributable to equity holders of the Bank AED'000	Non-controlling interests AED'000	Total equity AED'000
Balance at 1 January 2021 (audited)	2,100,000	1,050,000	640,000	288,962	(740,095)	-	(182,157)	3,156,710	8,707	3,165,417
Loss for the period	-	-	-	-	-	-	(121,928)	(121,928)	(215)	(122,143)
Other comprehensive income	-	-	-	-	11,298	-	-	11,298	-	11,298
Total comprehensive loss for the period	-	-	-	-	11,298	-	(121,928)	(110,630)	(215)	(110,845)
Hyperinflation impact	-	-	-	-	-	-	265,273	265,273	-	265,273
Transfer to impairment reserve	-	-	-	63,962	-	-	(63,962)	-	-	-
Directors fees	-	-	-	-	-	-	(3,306)	(3,306)	-	(3,306)
Balance at 31 March 2021 (unaudited)	**2,100,000**	**1,050,000**	**640,000**	**352,924**	**(728,797)**	**-**	**(106,080)**	**3,308,047**	**8,492**	**3,316,539**
Balance at 1 January 2022 (audited)	2,200,000	1,050,000	640,000	220,972	(681,292)	(2,083,048)	57,404	1,404,036	7,336	1,411,372
Loss for the period	-	-	-	-	-	-	(198,492)	(198,492)	(6)	(198,498)
Other comprehensive income	-	-	-	-	22,153	226,097	-	248,250	-	248,250
Total comprehensive income for the period	-	-	-	-	22,153	226,097	(198,492)	49,758	(6)	49,752
Hyperinflation impact	-	-	-	-	-	-	14,410	14,410	-	14,410
Transfer to retained earnings	-	-	-	(63,053)	-	-	63,053	-	-	-
Balance at 31 March 2022 (unaudited)	**2,200,000**	**1,050,000**	**640,000**	**157,919**	**(659,139)**	**(1,856,951)**	**(63,625)**	**1,468,204**	**7,330**	**1,475,534**

The accompanying notes 1 to 26 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows (unaudited) for the three-month period ended 31 March

	2022 AED'000	2021 AED'000
Cash flows from operating activities		
Net loss before tax for the period	(198,268)	(107,058)
Adjustments for:		
Depreciation of property and equipment	9,104	16,706
Amortisation of other intangible assets	264	1,282
Accretion of premium on debt instruments	164	661
Gain on sale on fixed assets	(128)	-
Net fair value loss on issued debt securities	-	22,809
Net fair value gain on interest rate swaps	-	(22,809)
Net fair value gain on other financial assets	(3,107)	(7,490)
Unrealized loss on assets acquired in settlement of debts	-	3,465
Net impairment loss/(reversal) on financial assets	69,702	(110)
Dividends income	(10,159)	(982)
Loss on monetary position	242,934	201,321
Operating profit before changes in operating assets and liabilities	110,506	107,817
Changes in		
Deposits and balances due from banks maturing after three months	1,379,180	27,548
Statutory deposits with central banks	(145,043)	379,974
Loans and advances	303,190	(436,746)
Other assets	(293,751)	(161,667)
Customers' deposits	754,779	382,130
Other liabilities	(83,598)	72,648
Cash generated from operations	2,025,263	371,704
Payment of directors' remuneration	-	(3,306)
Net cash generated from operating activities	2,025,263	368,398
Cash flows from investing activities		
Purchase of property and equipment	(1,482)	(1,353)
Payment to acquire investments at FVOCI	(183)	-
Payment to acquire investments at amortised cost	(23,194)	-
Proceeds from sale of assets acquired as settlement of debt	64,333	-
Additions to investment properties	(4,034)	(42,450)
Proceeds from sale of investments FVTPL	19,080	15,805
Proceeds from sale of investments at amortised cost	355	-
Dividends received	10,159	962
Net cash generated from/ (used in) investing activities	65,034	(27,036)
Cash flows from financing activities		
Issued bond	(1,836,500)	459,125
Payment of lease liabilities	(12,928)	(10,046)
Net cash (used in)/ generated from financing activities	(1,849,428)	449,079
Net increase in cash and cash equivalents	240,869	790,441
Effect of movement in exchange rates on cash held	(45,821)	-
Cash and cash equivalents at the beginning of the period	689,518	1,358,191
Cash and cash equivalents at the end of the period (Note 20)	884,566	2,148,632

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

1. General information

Bank of Sharjah P.J.S.C. (the "Bank"), is a public joint stock company incorporated by an Amiri Decree issued on 22 December 1973 by His Highness The Ruler of Sharjah and was registered in February 1993 under the Commercial Companies Law Number 8 of 1984 (as amended). The Bank commenced its operations under a banking license issued by the United Arab Emirates Central Bank dated 26 January 1974. The Bank is engaged in commercial and investment banking activities.

The Bank's registered office is located at Al Khan Road, P.O. Box 1394, Sharjah, United Arab Emirates. The Bank operates through eight branches in the United Arab Emirates located in the Emirates of Sharjah, Dubai, Abu Dhabi, and City of Al Ain. The accompanying condensed consolidated interim financial information combine the activities of the Bank and its subsidiaries (collectively the "Group"). These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the prior year's annual report.

2. Hyperinflation and basis of preparation

Hyperinflation and currency translation

The International Monetary Fund (IMF) publishes inflation forecasts. Applying the October 2020 IMF information and the indicators laid out in IAS 29, the Lebanese economy was considered a hyperinflationary economy for the purposes of applying IAS 29 and for retranslation of foreign operations in accordance with IAS 21 *The Effect of Changes in Foreign Exchange Rates* in the condensed consolidated interim financial information, consequently, the Group has continued to apply IAS 29 *Financial reporting in Hyperinflationary Economies* to its subsidiary, Emirates Lebanon Bank SAL in the condensed consolidated interim financial information of the Group for the year ended 31 December 2021. The Lebanese economy is still considered as hyperinflationary as at 31 March 2022 and accordingly IAS29 is still applicable to the Group for the year ending 31 December 2022.

	31 March 2022		
	Before IAS 29 @1,507.5 LBP/USD	**IAS 29 & currency translation impact**	**After IAS 29 @22,100 LBP/USD**
	AED'000	**AED'000**	**AED'000**
Net profit/(loss)	**60,425**	**(258,923)**	**(198,498)**
Total comprehensive income/(loss)	**82,580**	**(258,925)**	**(176,345)**
Currency translation effect on other comprehensive loss	**-**	**226,097**	**-**
Accumulated IAS 29 & IAS 21 effect on equity as at 31 December 2021		**(1,790,385)**	
IAS 29 effect on equity – as at 31 March 2022		**14,410**	
Equity	**3,284,337**	**(1,808,803)**	**1,475,534**

	31 December 2021		
	Before IAS 29 @1,507.5 LBP/USD	IAS 29 & currency translation impact	After IAS 29 @22,700 LBP/USD
	AED'000	AED'000	AED'000
Net profit	224,864	(182,455)	42,409
Total comprehensive income	284,672	(183,460)	101,212
Currency translation effect on other comprehensive loss	-	(2,083,048)	-
Accumulated IAS 29 effect on equity as at 31 December 2020		236,269	
IAS 29 effect on equity - as at 31 December 2021		239,854	
Equity	3,201,757	(1,790,385)	1,411,372

2. Hyperinflation and basis of preparation (continued)

Hyperinflation and currency translation (continued)

In line with IAS 29, the financial statements of Emirates Lebanon Bank SAL have been restated by applying the general price index of the reporting date to the comparative amounts, in order to reflect the changes in the purchasing power of the LBP, on the closing date of the financial statements. The non-monetary items of the statement of financial position as well as the income statement, statement of other comprehensive income and statement of cash flows for the current year of Emirates Lebanon Bank SAL, have been adjusted for inflation and re-expressed in accordance with the variation of the consumer price index ('CPI'), at the presentation date of its financial statements. The consumer price index at the beginning of the reporting period was 921.40 and closed at 1,019.80.

The loss on the net monetary position which has been derived as the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income is recognised in the consolidated statement of profit or loss. During the first quarter of 2022, the resulting loss on the net monetary position for Emirates Lebanon Bank SAL was AED 243 million (31 March 2021: AED 201 million).

The application of IAS 21 on the USD denominated Assets and Liabilities of our Lebanese subsidiary, by multiplying One US Dollar with the peg rate of 1507.50 LBP/USD and dividing the result by the Sayrafa rate of 22,100, has rendered the USD equal to 6.8 cents. This result will be immediately corrected once the peg is removed. The removal of the peg is a requirement from IMF within their proposed financial support. It is understood, this would have a positive effect on the Equity level of the subsidiary as around 80% of the subsidiary's assets and liabilities are denominated in USD.

The Bank's consolidated financial statements are impacted by the application of the International Financial Reporting Standards on hyperinflation and foreign exchange on the consolidation of the Bank's subsidiary in Lebanon. This impacts every single line item on the Bank's consolidated statement of financial position and the consolidated statement of profit or loss. As a result, it may be difficult for the users of the financial statements (which include the Board, Management, Regulators, Investors, Rating Agencies, etc) to understand the performance of the Group apart from the effect of its Subsidiary in Lebanon.

The reported net loss for the period ended 31 March 2022 amounted to AED 198 million (31 March 2021: AED 122 million). This is after the impact of applying IAS 29 and Sayrafa exchange rate in the consolidated financial statements, which resulted in a decrease in the net income for the period by AED 259 million (31 March 2021: AED 211 million). Had IAS 29 not been applied and had the Group used the pegged exchange rate of 1,507.5 LBP/USD instead of Sayrafa rate of 22,100 LBP/USD as of 31 March 2022, the net profit for the period ended 31 March 2022 would have been equal to AED 60 million (31 March 2021: Had IAS 29 not been applied, the net profit for the period ended 31 March 2021 would have been equal to AED 89 million).

The reported total comprehensive income for the period ended 31 March 2022 amounted to AED 50 million (31 March 2021: Loss of AED 111 million). This is after the impact of applying IAS 29 and Sayrafa exchange rate in the consolidated financial statements, which resulted in a decrease in the total comprehensive loss for the period by AED 33 million (31 March 2021: AED 211 million). Had IAS 29 not been applied and had the Group used the pegged exchange rate of 1,507.5 LBP/USD instead of Sayrafa rate of 22,100 LBP/USD as of 31 March 2022, the total comprehensive income for the period ended 31 March 2022 would have been equal to AED 83 million (31 March 2021: Had IAS 29 not been applied, the total comprehensive loss for the period ended 31 March 2021 would have been equal to AED 100 million).

The reported total equity as at 31 March 2022 amounted to AED 1,476 million (31 December 2021: AED 1,411 million). This is after the impact of applying IAS 29 and Sayrafa exchange rate in the consolidated financial statements which resulted in a decrease in total equity of AED 1,809 million (31 December 2021: AED 1,791 million). Had IAS 29 not been applied and had the Group used the pegged exchange rate of 1,507.5 LBP/USD instead of Sayrafa rate of 22,100 LBP/USD as of 31 March 2022, total equity as at 31 March 2022 would have been equal to AED 3,284 million (31 December 2021: Had IAS 29 not been applied, the total equity as at 31 December 2021 would have been equal to AED 3,202 million).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

2. Hyperinflation and basis of preparation (continued)

Hyperinflation and currency translation (continued)

	31 March 2022 Before applying IAS 29 @1,507.5 LBP/USD AED'000	31 December 2021 Before applying IAS 29 @1,507.5 LBP/USD AED'000
ASSETS		
Cash and balances with central banks	6,237,874	6,565,551
Deposits and balances due from banks	232,008	96,241
Loans and advances, net	22,232,577	22,397,830
Investments measured at fair value	533,545	515,800
Investments measured at amortised cost	4,430,123	4,417,179
Investment properties	1,095,578	1,091,543
Other intangibles	23,048	23,362
Assets acquired in settlement of debt	1,423,390	1,492,699
Other assets	1,412,054	1,360,200
Derivative assets held for risk management	5,561	9,083
Property and equipment	292,551	300,700
Total assets	37,918,309	38,270,188
LIABILITIES AND EQUITY		
Liabilities		
Customers' deposits	27,197,711	26,491,847
Deposits and balances due to banks	191,042	238,405
Repo borrowings	1,600,000	750,000
Other liabilities	2,137,544	2,226,078
Derivative liabilities held for risk management	7,916	8,922
Issued bonds	3,499,759	5,353,179
Total liabilities	34,633,972	35,068,431
Equity		
Capital and reserves		
Share capital	2,200,000	2,200,000
Statutory reserve	1,050,000	1,050,000
Contingency reserve	640,000	640,000
Impairment reserve	157,919	220,972
Investment fair value reserve	(658,133)	(680,288)
Accumulated losses	(112,779)	(236,263)
Equity attributable to equity holders of the bank	3,277,007	3,194,421
Non-controlling interests	7,330	7,336
Total equity	3,284,337	3,201,757
Total liabilities and equity	37,918,309	38,270,188

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

2. Hyperinflation and basis of preparation (continued)

Hyperinflation and currency translation (continued)

For the three-month period ended 31 March

	2022 Before applying IAS 29 @1,507.5 LBP/USD AED'000	2021 Before applying IAS 29 @1,507.5 LBP/USD AED'000
Interest income	312,533	292,969
Interest expense	(183,587)	(182,753)
Net interest income	128,946	110,216
Net fee and commission income	48,005	41,289
Exchange profit	5,856	994
Income on investments	33,073	11,897
Net loss on properties	(3,192)	-
Other income	1,786	12,523
Operating income	214,474	176,919
Net impairment loss on financial assets	(69,728)	118
Net operating income	144,746	177,037
Personnel expenses	(44,074)	(48,421)
Depreciation	(9,135)	(8,701)
Other expenses	(26,154)	(18,961)
Amortisation of intangible assets	(312)	(312)
Profit before taxes	65,071	100,642
Income tax expense - overseas	(4,646)	(11,889)
Net profit for the period	60,425	88,753
Other comprehensive income items		
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Net changes in fair value of financial assets measured at fair value through other comprehensive income (equity instruments)	15,629	10,674
Net changes in fair value of own credit risk on financial liabilities designated at fair value through profit or loss	6,526	624
Other comprehensive income for the period	22,155	11,298
Total comprehensive income for the period	82,580	100,051

2. Hyperinflation and basis of preparation (continued)

Basis of preparation

This condensed consolidated interim financial information is prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standard Board ('IASB') and also comply with the applicable requirements of the laws in the U.A.E.

The accounting policies used in the preparation of this condensed consolidated interim financial information is consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2021. This condensed consolidated interim financial information does not include all the information and disclosures required in full consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021. In addition, results for the period from 1 January 2022 to 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

As required by the Securities and Commodities Authority of the U.A.E. ("SCA") Notification No. 2624/2008 dated 12 October 2008, accounting policies relating to financial assets, cash and cash equivalents, Islamic financing and investing assets and investment properties have been disclosed in the condensed consolidated financial information.

Basis of measurement - The condensed consolidated interim financial information has been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values as explained in the accounting policies below.

The Lebanese economy is considered to be hyperinflationary. Accordingly, the results, cash flows and the financial position of the Emirates Lebanon Bank SAL have been expressed in terms of the measuring unit current at the reporting date.

Functional and presentation currency - The condensed consolidated interim financial information is presented in Arab Emirates Dirham (AED) and all values are rounded to the nearest thousands' dirham, except when otherwise indicated.

Basis of consolidation - This condensed consolidated interim financial information incorporates the condensed interim financial information of the Bank and entities controlled by the Bank. Control is achieved when the Bank has:

- power over the investee,
- exposure, or has rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The condensed consolidated interim financial information comprises the financial statements of the Bank and of the following subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid/payable or received/receivable is recognised directly in equity and attributed to owners of the Group.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

2. Hyperinflation and basis of preparation (continued)

Basis of preparation (continued)

The Bank's interests, held directly or indirectly, in the subsidiaries are as follows:

Name of Subsidiary	Proportion of ownership interest 2022	2021	Year of incorporation	Year of acquisition	Country of incorporation	Principal activities
Emirates Lebanon Bank S.A.L.	100%	100%	1965	2008	Lebanon	Financial institution
El Capital FZC	100%	100%	2007	2017	U.A.E.	Investment in a financial institution
BOS Real Estate FZC	100%	100%	2007	2007	U.A.E.	Real estate development activities
BOS Capital FZC	100%	100%	2007	2007	U.A.E.	Investment
Polyco General Trading L.L.C.	100%	100%	2008	2008	U.A.E.	General trading
Borealis Gulf FZC	100%	100%	2010	2010	U.A.E.	Investment & Real estate development activities
BOS Funding Limited	100%	100%	2015	2015	Cayman Islands	Financing activities
Muwaileh Capital FZC	90%	90%	2010	2017	U.A.E.	Developing of real estate & related activities
BOS Repos Limited	100%	100%	2018	2018	Cayman Islands	Financing activities
BOS Derivatives Limited	100%	100%	2018	2018	Cayman Islands	Financing activities

3. Application of other new and revised International Financial Reporting Standards ("IFRS")

3.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial information

The following are the new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in this interim financial information. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

Narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 9 and IFRS 16

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss; Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be lossmaking; and annual improvements make minor amendments to IFRS 9, 'Financial instruments', and the Illustrative Examples accompanying IFRS 16, 'Leases'.

3. Application of other new and revised International Financial Reporting Standards ("IFRS") (continued)

3.2 New and revised IFRS in issue but not yet effective

Amendments to IAS 1, Presentation of financial statements on classification of liabilities - These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability - Deferred until accounting periods starting not earlier than 1 January 2024.

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction - These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences - Effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1, 'Presentation of financial statements' IFRS Practice statement 2 and IAS 8,' Accounting policies, changes in accounting estimates and errors' - The IASB amended IAS 1, 'Presentation of Financial Statements', to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period - Effective for annual periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these, if applicable, when they become effective.

4. 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 2021.

5 Financial instruments

5.1 Recognition and Initial Measurement

A financial instrument is any contract that gives rise to both a financial asset for the Group and a financial liability or equity instrument for another party or vice versa. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities respectively, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in consolidated statement of profit or loss.

5 Financial instruments (continued)

5.2 Classification of financial assets

Balances with central banks, due from banks and financial institutions, financial assets and certain items in receivables and other assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through profit or loss on initial recognition). IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. In addition, on initial recognition the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at amortised cost

The effective interest rate method is a method of calculating the amortised cost of those financial instruments measured at amortised cost and of allocating income over the relevant period. The effective interest rate is the rate that is used to calculate the present value of the estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instruments, or, where appropriate, a shorter period, to arrive at the net carrying amount on initial recognition. Income is recognised in the consolidated statement of profit or loss on an effective interest rate basis for financing and investing instruments measured subsequently at amortised cost.

Financial assets measured at FVTPL

Investments in equity instruments are classified as financial assets measured at FVTPL, unless the Group designates fair value through other comprehensive income (FVTOCI) at initial recognition. Financial assets that do not meet the amortised cost criteria described above, or that meet the criteria but the Group has chosen to designate it as at FVTPL at initial recognition, are measured at FVTPL. Financial assets (other than equity instruments) may be designated at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains or losses on them on different basis.

Financial assets are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of financial assets (other than equity instruments) designated as at FVTPL at initial recognition is not permitted.

5 Financial instruments (continued)

5.2 Classification of financial assets (continued)

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the consolidated statement of profit or loss at the end of each reporting period. The net gain or loss recognised in the consolidated statement of profit or loss.

Financial assets measured at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments fair value reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments fair value reserve is not transferred to consolidated statement of profit or loss.

5.3 Measurement of ECL

Credit loss allowances are measured using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

ECLs are an unbiased probability-weighted estimate of the present value of credit losses that is determined by evaluating a range of possible outcomes. For funded exposures, ECL is measured as follows:

- for financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate (EIR);

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

5 Financial instruments (continued)

5.3 Measurement of ECL (continued)

However, for unfunded exposures, ECL is measured as follows:

For undrawn loan commitments, as the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and for financial guarantee contracts, the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic and credit risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD)
- loss given default (LGD)
- exposure at default (EAD)

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

Assessment of significant increase in credit risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1, if certain criteria are met, if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region. What is considered significant differs for different types of lending, in particular between wholesale and retail.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD [stage 1] and lifetime PD [stage 2].

5 Financial instruments (continued)

5.3 Measurement of ECL (continued)

Assessment of significant increase in credit risk (continued)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default (PD) as at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations)

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- quantitative indicators
- a backstop of 30 days past due.

Improvement in credit risk profile

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. The Group has defined below criteria in accordance with regulatory guidelines to assess any improvement in the credit risk profile which will result into upgrading of customers moving from Stage 3 to Stage 2 and from Stage 2 to Stage 1.

- Significant decrease in credit risk will be upgraded stage-wise (one stage at a time) from Stage 3 to Stage 2 after and from Stage 2 to Stage 1 after meeting the curing period of at least 12 months.
- Restructured cases will be upgraded if repayments of 3 instalments (for quarterly instalments) have been made or 12 months (for instalments longer than quarterly) curing period is met.

Definition of default

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is past due more than 90 days on any material credit obligation to the Bank; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative - e.g. breaches of covenant;
- quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

5. Financial instruments (continued)

5.3 Measurement of ECL (continued)

Definition of default (continued)

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: (as a deduction from the gross carrying amount of the assets);
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: The Group presents a combined loss allowance for both components. The combined amount is presented as deduction from the gross carrying amount of the drawn component.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the statement of profit or loss.

5.4 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'amortised cost'. The Group initially recognises financial liabilities such as deposits and debt securities issued on the date at which they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Group becomes party to the contractual provision of the instrument.

Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL where the financial liability is either held for trading or it is designated at FVTPL and measured at fair value. Determination is made at initial recognition and is not reassessed. Financial liabilities at FVTPL are stated at fair value, with any gains / losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/ loss recognised in consolidated statement of profit or loss incorporates any interest paid on the financial liability. However, for non-derivative financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability. In making the determination of whether recognising changes in the liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Group assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL. This determination is made at initial recognition.

The Group has designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5. Financial instruments (continued)

5.4 Financial liabilities (continued)

Financial liabilities at amortized cost

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

De-recognition of financial liabilities

Financial liabilities are derecognised when they are extinguished - that is when the obligation specified in the contract is discharged, cancelled or expired.

5.5 Estimates and judgements

The preparation of condensed consolidated financial information 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. In preparing this condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the year ended 31 December 2021.

5.6 Investment properties

Investment properties are held to earn rental income and/or capital appreciation. Investment properties include cost of initial purchase, developments transferred from property under development, subsequent cost of development, and fair value adjustments. Investment properties are reported at valuation based on fair value at the end of the reporting period. The fair value is determined on a periodic basis by independent professional valuers.

Fair value adjustments on investment property are included in the consolidated statement of profit or loss in the period in which these gains or losses arise. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

6. Cash and balances with central banks

The analysis of the Group's cash and balances with central banks is as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash on hand	91,339	90,996
Statutory deposits (note 6.1)	447,473	302,431
Current accounts	2,406,698	2,924,101
Certificates of deposits	77,440	75,877
	3,022,950	3,393,405
Expected credit losses	(171,075)	(170,048)
	2,851,875	3,223,357

The geographical analysis of the cash and balances with central banks is as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Banks abroad	315,905	309,459
Banks in the U.A.E.	2,707,045	3,083,946
	3,022,950	3,393,405
Expected credit losses	(171,075)	(170,048)
	2,851,875	3,223,357

6.1 The Group is required to maintain statutory deposits with various central banks on demand, time and other deposits as per the statutory requirements. The statutory deposits with the central banks are not available to finance the day to day operations of the Group.

However, as per notice 4310/2008, the Central Bank of the U.A.E. has allowed banks to borrow up to 100% of their AED and USD reserve requirement limit. As at 31 March 2022, the statutory deposits with the Central Bank of the U.A.E. amounted to AED 409 million (31 December 2021: AED 263 million).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

7. Deposits and balances due from banks

The analysis of the Group's deposits and balances due from banks is as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Demand	**186,105**	56,723
Time	**15,564**	9,961
	201,669	66,684
Expected credit losses	**(1,916)**	(2,330)
	199,753	64,354

The geographical analysis of deposits and balances due from banks is as follows:

Banks abroad	**180,014**	44,687
Banks in the U.A.E.	**21,655**	21,997
	201,669	66,684
Expected credit losses	**(1,916)**	(2,330)
	199,753	64,354

8. Loans and advances, net

(a) The analysis of the Group's loans and advances measured at amortised cost is as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Commercial loans	**14,144,857**	14,458,504
Overdrafts	**4,447,086**	4,215,039
Bills receivable	**2,362,504**	2,368,164
Other advances	**2,343,247**	2,279,250
Gross amount of loans and advances net of interest in suspense	**23,297,694**	23,320,957
Less: Expected credit losses	**(2,089,816)**	(2,006,910)
Net loans and advances	**21,207,878**	21,314,047

The geographic analysis of the gross loans and advances of the Group is as follows:

Loans and advances resident in the U.A.E.	**22,031,938**	22,000,596
Loans and advances non-resident in Lebanon	**91,348**	92,649
Loans and advances non-resident others	**1,174,408**	1,227,712
	23,297,694	23,320,957

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

8. Loans and advances, net (continued)

(b) Impairment reserve

In accordance with CBUAE circular, in case where provision under CBUAE guidance exceeds provision under IFRS 9, the excess is required to be transferred to impairment reserve. The details of the same are below:

	Bank 31 March 2022 AED'000 (unaudited)	Bank 31 December 2021 AED'000 (audited)
Impairment reserve – Specific		
Specific provisions and interest in suspense under Circular 28/2010 of CBUAE	**1,442,048**	1,442,268
Stage 3 provisions under IFRS 9*	**1,920,535**	1,914,094
Specific provision transferred to the impairment reserve	**-**	-
Impairment reserve – Collective		
Collective provisions under Circular 28/2010 of CBUAE	**361,576**	356,061
Stage 1 and Stage 2 provisions under IFRS 9*	**203,657**	135,089
Collective provision transferred to the impairment reserve	**157,919**	220,972

As at 31 March 2022, AED 63 million are transferred from impairment reserve to retained earnings (31 March 2021: AED 64 million are transferred from retained earnings to impairment reserve).

* Provisions under IFRS 9 are determined based on CB UAE classification of loans and advances, only for the purpose of this disclosure.

9. Investments measured at fair value and amortised cost

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Investments measured at fair value		
(i) **Investments measured at FVTPL**		
Quoted equity	**175,060**	172,948
	175,060	172,948
(ii) **Investments measured at FVTOCI**		
Quoted equity	**156,036**	140,265
Unquoted equity	**171,452**	171,592
Debt securities	**6,801**	6,620
Expected credit losses	**(4,797)**	(4,670)
	329,492	313,807
Total investments measured at fair value	**504,552**	486,755

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

9. Investments measured at fair value and amortised cost (continued)

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Investments measured at amortised cost		
Debt securities	4,380,535	4,363,876
Expected credit losses	(11,511)	(12,629)
	4,369,024	4,351,247
Total Investments	4,873,576	4,838,002

The majority of the quoted investments are listed on the securities exchanges in the U.A.E. (Abu Dhabi Securities Exchange and Dubai Financial Market).

Included in the debt securities measured at amortised cost are sukuks with the fair value of AED 2 billion (31 December 2021 - AED 938 million) and are given as collateral against borrowings under repo agreements (Note 13).

The composition of the investment measured at fair value and amortised cost by geography is as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
United Arab Emirates	4,718,868	4,684,444
Middle East (other than G.C.C. countries)	142,844	142,685
Europe	28,172	28,172
	4,889,884	4,855,301
Expected credit losses	(16,308)	(17,299)
	4,873,576	4,838,002

10. Other assets

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Acceptances – contra (Note 14)	1,142,589	1,158,396
Interest receivable	42,051	16,851
Clearing receivables and accrued income	21,435	1,881
Prepayments	20,178	7,948
Others	117,175	113,515
	1,343,428	1,298,591
Expected credit loss	(27,964)	(27,964)
	1,315,464	1,270,627

11. Customers' deposits

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Time deposits	20,914,572	20,430,531
Current and other accounts	3,472,020	3,193,512
Saving accounts	125,606	133,376
	24,512,198	23,757,419

12. Deposits and balances due to banks

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Time	180,000	180,000
Demand	11,615	57,995
	191,615	237,995

The geographical analysis of deposits and balances due to banks is as follows:

Banks in the U.A.E.	181,711	207,563
Banks abroad	9,904	30,432
	191,615	237,995

13. Repo borrowing

The analysis of the repo borrowing agreements is as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Banks in the U.A.E.	1,600,000	750,000
	1,600,000	750,000

The Group entered into repo agreements under which bonds with fair value of AED 2 billion (31 December 2021: AED 938 million) were given as collateral against borrowings [Note 9(a)]. The risks and rewards relating to these bonds remain with the Group.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

14. Other liabilities

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Acceptances – contra (Note 10)	1,142,589	1,158,396
Interest payable	219,648	244,647
Lease liabilities	66,829	79,756
Provision for employees' end of service benefits	45,652	43,874
Clearing balances	29,155	53,651
Managers' cheques	24,898	38,091
Unearned income	24,550	30,274
ECL on unfunded exposure	19,465	22,919
Deferred tax liability	12,059	10,693
Accrued expenses	2,207	3,252
Others	360,834	357,618
	1,947,886	2,043,171

15. Issued Bonds

On 28 February 2022, the Bank issued Senior Unsecured Fixed Rate Notes to yield 2.85%, totalling USD 125 million (equivalent to AED 459.125 million) for a one-year maturity, classified at amortized cost. The Notes were issued under the EMTN Programme.

On 29 November 2019, the Bank issued Senior Unsecured Fixed Rate Notes, totalling CHF 100 million (equivalent to AED 401 million) for a four-year maturity at mid swaps plus 205 basis points, to yield 1.4575%, classified at amortized cost. The Notes are listed on the SIX Swiss Exchange and were issued under the Bank's EMTN Programme.

On 18 September 2019, the Bank issued Senior Unsecured Fixed Rate Notes, totalling USD 600 million (equivalent to AED 2,204 million) for a five-year maturity at mid swaps plus 250 basis points, to yield 4.015%, classified at amortized cost. The Notes were issued under the Bank's EMTN Programme which is listed on the Irish Stock Exchange.

On 8 August 2019, the Bank issued Senior Unsecured Floating Rate Notes, totalling USD 120 million (equivalent to AED 440.76 million) for a three-year maturity at three-month Libor plus 190 basis points, classified at amortized cost. The Notes were issued under the EMTN Programme.

16. Net impairment loss on financial assets and credit risk

Allocation of impairment loss as of 31 March 2022 and 31 December 2021 is as follows:

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 March 2022 (unaudited)				
Cash and balances with central banks	-	2,109	168,966	171,075
Deposits and balances due from banks	1,908	8	-	1,916
Loans and advances	85,366	1,211,250	793,200	2,089,816
Investments	4,191	-	12,117	16,308
Unfunded exposure	3,576	15,356	533	19,465
Other assets	27,964	-	-	27,964
Total	123,005	1,228,723	974,816	2,326,544

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

16. Net impairment loss on financial assets and credit risk (continued)

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
As at 31 December 2021 (audited)				
Cash and balances with central banks	-	2,053	167,995	170,048
Deposits and balances due from banks	2,325	5	-	2,330
Loans and advances	70,870	1,168,422	767,618	2,006,910
Investments	5,503	-	11,796	17,299
Unfunded exposure	8,286	14,258	375	22,919
Other assets	27,964	-	-	27,964
Total	**114,948**	**1,184,738**	**947,784**	**2,247,470**

The movement in impairment loss by financial asset category during the period ended 31 March 2022 is as follows:

	Opening balance AED'000	Net charge / (reversal) during the year AED'000	Recoveries net of write off during the year AED'000	Currency translation effect AED'000	Closing balance AED'000	Net charge during the period ended 31 March 2021 AED'000
Cash and balances with central banks	170,048	-	-	1,027	171,075	(2,990)
Deposits and balances due from banks	2,330	(414)	-	-	1,916	20
Reverse-repo placements	-	-	-	-	-	(1,152)
Loans and advances	2,006,910	74,883	7,309	714	2,089,816	38,242
Investments	17,299	(1,311)	-	320	16,308	(3,626)
Unfunded exposure	22,919	(3,456)	-	2	19,465	(30,596)
Other assets	27,964	-	-	-	27,964	-
	2,247,470	69,702	7,309	2,063	2,326,544	(102)

17. Commitments and contingent liabilities

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Financial guarantees for loans	174,731	179,340
Other guarantees	1,200,061	1,321,515
Letters of credit	966,614	1,015,052
	2,341,406	2,515,907
Irrevocable commitments to extend credit	858,990	1,039,391
	3,200,396	3,555,298

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

18. Related party balances

The Group enters into transactions with major shareholders, directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates. Transactions between the Group and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The related parties' balances included in the condensed consolidated interim statement of financial position and the significant transactions with related parties are as follows:

	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Loans and advances	727,597	727,818
Letters of credit, guarantee and acceptances	5,306	7,567
	732,903	735,385
Collateral deposits	45	45
Expected Credit Loss	5,017	6,380
Net exposure	727,841	728,960
Other deposits	2,436,101	2,429,958

	Three-months period ended 31 March	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Interest income	11,113	10,996
Interest expense	1,837	2,080

Compensation of key management personnel:

	Three-months period ended 31 March	
	2022 AED'000	2021 AED'000
Short term benefits	4,140	4,140
End of service benefits	213	212
Total compensation	4,353	4,352

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

19. Loss per share

Earnings per share are computed by dividing the loss for the period by the weighted average number of shares outstanding during the period as follows:

	Three-months period ended 31 March 2022 (unaudited)	2021 (unaudited)
Loss attributable to owners of the Bank for the period (AED'000)	**(198,492)**	(121,928)
Loss available to the owners of the Bank (AED'000)	**(198,492)**	(121,928)
Weighted average number of shares outstanding during the period (in thousands shares)	**2,200,000**	2,200,000
Basic loss per share (AED)	**(0.090)**	(0.055)

As at 31 March 2022 and 31 March 2021, there were no potential dilutive shares outstanding. The weighted average number of shares for 31 March 2021 are adjusted to be comparable with the issuance of bonus shares.

20. Cash and cash equivalents

	31 March 2022 AED'000 (unaudited)	31 March 2021 AED'000 (unaudited)
Cash and balances with central banks (Note 6)	**3,022,950**	6,501,038
Deposits and balances due from banks (Note 7)	**201,669**	286,842
Deposits and balances due to banks (Note 12)	**(191,615)**	(266,301)
Repo borrowings (Note 13)	**(1,600,000)**	(2,328,160)
	1,433,004	4,193,419
Less: Deposits with central banks and balances due from banks - original maturity more than three months	**(100,965)**	(1,296,495)
Less: Statutory deposits with central banks [Note 6(a)]	**(447,473)**	(748,292)
	884,566	2,148,632

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

21. Segmental information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into two major business segments:

(i) Commercial Banking, which principally provides loans and other credit facilities, deposits and current accounts for corporate, government, institutional and individual customers; and

(ii) Investment Banking, which involves the management of the Group's investment portfolio.

These segments are the basis on which the Group reports its segment information. Transactions between segments are conducted at rates determined by management, taking into consideration the cost of funds and an equitable allocation of expenses.

The following table presents information regarding the Group's operating segments:

	Commercial Banking AED'000	Investment Banking AED'000	Unallocated AED'000	Total AED'000
31 March 2022 (unaudited):				
Segment assets	**25,518,050**	**5,875,517**	**1,841,341**	**33,234,908**
Segment liabilities	**27,446,400**	**3,499,760**	**813,214**	**31,759,374**
31 December 2021 (audited):				
Segment assets	25,876,400	5,835,374	1,850,284	33,562,058
Segment liabilities	25,903,805	5,353,179	893,702	32,150,686

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

21. Segmental information (continued)

The following table presents information regarding the Group's operating segments for the three -month period ended 31 March 2022 (unaudited):

	Commercial Banking AED'000	Investment Banking AED'000	Unallocated* AED'000	Total AED'000
Revenue from external customers				
-Net interest income	74,107	22,878	-	96,985
-Net fee and commission income	44,005	-	-	44,005
-Exchange gain	5,252	-	-	5,252
-Income on investments	-	33,073	-	33,073
-Net loss on properties	-	(3,192)	-	(3,192)
-Other income	440	1,368	-	1,808
Operating income	123,804	54,127	-	177,931
Other material non-cash items				
-Net impairment loss on financial assets	(68,390)	(1,312)	-	(69,702)
- Loss on monetary position	-	-	(242,934)	(242,934)
-Depreciation of property and equipment	-	-	(8,507)	(8,507)
-General and administrative expenses	(46,575)	(8,217)	-	(54,792)
-Amortization of intangible assets	-	-	(264)	(264)
-Income tax expense– overseas	-	-	(230)	(230)
Profit/(loss) for the period	8,839	44,598	(251,935)	(198,498)

The following table presents information regarding the Group's operating segments for the three-months period ended 31 March 2021 (unaudited):

	Commercial Banking AED'000	Investment Banking AED'000	Unallocated* AED'000	Total AED'000
Revenue from external customers				
-Net interest income	94,948	18,265	-	113,213
-Net fee and commission income	41,635	-	-	41,635
-Exchange loss	1,054	-	-	1,054
-Income on investments	-	11,898	-	11,898
-Other income	12,523	-	-	12,523
Operating income	150,160	30,163	-	180,323
Other material non-cash items				
-Net impairment (loss)/reversal on financial assets	(6,506)	6,616	-	110
- Monetary adjustment	-	-	(201,321)	(201,321)
-Depreciation of property and equipment	-	-	(15,200)	(15,200)
-General and administrative expenses	(59,235)	(10,453)	-	(69,688)
-Amortization of intangible assets	-	-	(1,282)	(1,282)
-Income tax expense– overseas	-	-	(15,085)	(15,085)
Profit/(loss) for the period	84,419	26,326	(232,888)	(122,143)

** Unallocated items comprise mainly head office expenses and tax assets and liabilities of the overseas subsidiary*

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

21. Segmental information (continued)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the period (31 March 2021: Nil). Transactions between segments, inter-segment cost of funds and allocation of expenses are not determined by management for the purpose of resource allocation. The accounting policies of the reportable segments are the same as the Group's accounting policies as disclosed in the consolidated financial statements for the year ended 31 December 2021. For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments except for property and equipment, goodwill and other intangibles and certain amounts included in other assets; and
- All liabilities are allocated to reportable segments except for certain amounts included in other liabilities.

Geographical information

The Group operates in two principal geographical areas - United Arab Emirates (country of domicile) and Lebanon (referred to as 'foreign'). The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

2022	Country of domicile AED'000	Foreign AED'000	Total AED'000
Operating income (from external customers) for the three month period ended 31 March 2022 (unaudited)	**175,544**	**2,387**	**177,931**
Non-current assets as at 31 March 2022 (unaudited)	**2,883,850**	**97,287**	**2,981,137**
2021			
Operating income (from external customers) for the three month period ended 31 March 2021 (unaudited)	127,018	53,305	180,323
Non-current assets as at 31 March 2021 (unaudited)	5,201,392	601,006	5,802,398

22. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Investments held at fair value through profit and loss - Investments held for trading or designated at fair value through profit and loss represent investment securities that present the Group with opportunity for returns through dividend income, trading gains and capital appreciation. Including in these investments listed equity securities for which the fair values are based on quoted prices at close of business as of 31 March 2022, and unlisted bonds for which the fair values are derived from internal valuation performed based on generally accepted pricing models, all inputs used for the valuation are supposed by observable market prices or rates.

Unquoted investments held at fair value through other comprehensive income - The condensed consolidated interim financial information includes holdings in unquoted securities amounting to AED 175 million (31 December 2021: AED 172 million) which are measured at fair value. Fair values are determined in accordance with generally accepted pricing models based on comparable ratios backed by discounted cash flow analysis depending on the investment and industry. The valuation model includes some assumptions that are not supported by observable market prices or rates.

22. Fair value of financial instruments (continued)

For investments valued using comparable ratios, share prices of comparable companies represent significant inputs to the valuation model. If the share prices of the comparable companies were 5% higher/lower while all other variables were held constant, then the fair value of the securities would increase/decrease by AED 9 million (31 December 2021: AED 9 million). The impact of the change in fair valuation from previously existing carrying amounts have been recognised as a part of cumulative changes in fair value in equity.

Fair value of financial instruments carried at amortised cost - Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated interim financial information approximates their fair values.

		31 March 2022		31 December 2021	
	Level	Carrying amount AED'000	Fair value AED'000	Carrying amount AED'000	Fair value AED'000
Financial assets					
- Investments measured at amortised cost	3	4,369,024	4,390,866	4,351,247	4,358,362
- Loans and advances	3	21,207,878	21,207,878	21,314,047	21,314,047
Financial liabilities					
- Customers' deposits	2	24,512,198	24,512,198	23,757,419	23,757,419
- Issued Bonds	2	3,499,759	3,495,456	3,516,679	3,576,114

The fair value for other financial assets measured at amortized cost is based on market prices.

Fair value measurements recognised in the condensed consolidated interim statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value. They are ranked into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, including over-the-counter quoted prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

22. Fair value of financial instruments (continued)

Fair value measurements recognised in the condensed consolidated interim statement of financial position (continued)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 March 2022 (unaudited)				
Investments measured at fair value				
Investment measured at FVTPL				
Quoted equity	175,060	-	-	175,060
Investments carried at FVTOCI				
Quoted equity	156,036	-	-	156,036
Unquoted equity	-	-	171,452	171,452
Unquoted debt securities	-	2,004	-	2,004
Total	331,096	2,004	171,452	504,552
Other assets /liabilities				
Positive fair value of derivatives	-	5,561	-	5,561
Negative fair value of derivatives	-	(7,916)	-	(7,916)
At 31 December 2021 (audited)				
Other financial assets measured at fair value				
Investment measured at FVTPL				
Quoted equity	172,948	-	-	172,948
Investments carried at FVTOCI				
Quoted equity	140,265	-	-	140,265
Unquoted equity	-	-	171,592	171,592
Unquoted debt securities	-	1,950	-	1,950
Total	313,213	1,950	171,592	486,755
Other financial liabilities measured at fair value				
Issued bonds measured at FVTPL				
Quoted debt securities	1,836,500	-	-	1,836,500
Other assets /liabilities				
Positive fair value of derivatives	-	9,083	-	9,083
Negative fair value of derivatives	-	(8,922)	-	(8,922)

There were no transfers between Level 1 and Level 2 during the current period.

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

22. Fair value of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of other financial assets measured at fair value:

	31 March 2022 AED'000	31 December 2021 AED'000
Opening balance	**171,592**	175,042
Additions during the period/year	**-**	614
Reclassified during the period/year	**-**	(1,837)
Loss recognised in other comprehensive income	**(140)**	(2,227)
Closing balance	**171,452**	171,592

23. Capital adequacy

Basel III

The capital adequacy ratios are computed based on circulars issued by the Central Bank of UAE and based on a specific exception received from the Central Bank of the UAE considering high level of uncertainty facing the Lebanese financial situation. Following this specific exception, the computation of capital adequacy ratios of the Group excludes the hyperinflation impact on Lebanese operations and currency translation resulting from the Lebanese operations whereby the financial information of Lebanese operations are translated at the official exchange rate for the purpose of computing capital adequacy ratios.

	Basel III	
	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Capital base		
Tier 1 capital	**3,100,596**	2,920,471
Tier 2 capital	**361,198**	356,602
Total capital base	**3,461,794**	3,277,073
Risk-weighted assets:		
Credit risk	**28,895,861**	28,528,198
Market risk	**358,838**	633,757
Operational risk	**1,197,702**	1,197,702
Total risk-weighted assets	**30,452,401**	30,359,657
Capital ratios		
Common equity Tier 1 capital ratio	**10.18%**	9.62%
Tier 1 capital ratio	**10.18%**	9.62%
Total capital ratio	**11.37%**	10.79%

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

24. Risk management

Stage migration for the three-month period ended 31 March 2022

Scope: All clients

Migration during the period

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Exposure AED'000	Impairment allowance AED'000	Exposure AED'000	Impairment allowance AED'000	Exposure AED'000	Impairment allowance AED'000	Exposure AED'000	Impairment allowance AED'000
Retail banking loans								
As of 1 January 2022	910,804	1,458	9,019	23	9,094	219	928,917	1,700
Transfers from stage 1 to stage 2	(93)	-	93	-	-	-	-	-
Transfers from stage 2 to stage 1	209	-	(209)	-	-	-	-	-
Transfers from 1&2 to stage 3	(3,388)	-	(8,423)	-	11,791	-	-	-
Transfers from stage 3	1		-	-	(1)	-	-	
Change in exposure	(19,110)	(710)	(154)	(9)	506	66	(18,758)	(650)
Currency translation effect	34	2	-	-	6	5	40	7
As of 31 March 2022	**888,477**	**750**	**326**	**17**	**21,396**	**290**	**910,199**	**1,057**
Wholesale banking loans								
As of 1 January 2022	11,966,122	69,412	8,916,103	1,168,399	1,509,815	767,399	22,392,040	2,005,210
Transfers from stage 1 to stage 2	(239,442)	(4,453)	239,442	4,453	-	-	-	-
Transfers from stage 2 to stage 1	2,930	45	(2,930)	(45)	-	-	-	-
Transfers from 1&2 to stage 3	-	-	(5,583)	(303)	5,583	303	-	-
Transfers from stage 3	-	-	42,184	6,592	(42,184)	(6,592)	-	-
Change in exposure	(307,710)	19,610	286,284	32,011	14,384	31,491	(7,042)	83,112
Currency translation effect	1,058	2	1,032	126	407	309	2,497	437
As of 31 March 2022	**11,422,958**	**84,616**	**9,476,532**	**1,211,233**	**1,488,005**	**792,910**	**22,387,495**	**2,088,759**
Total	**12,311,435**	**85,366**	**9,476,858**	**1,211,250**	**1,509,401**	**793,200**	**23,297,694**	**2,089,816**

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

24. Risk management (continued)

Stage migration for the three-month period ended 31 March 2021

Scope: All clients

Migration during the period

	Non-credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Exposure AED'000	Impairment allowance AED'000	Exposure AED'000	Impairment allowance AED'000	Exposure AED'000	Impairment allowance AED'000	Exposure AED'000	Impairment allowance AED'000
Retail banking loans								
As of 1 January 2021	286,228	3,816	10,385	79	8,890	3,460	305,503	7,355
Transfers from stage 1 to stage 2	(24,078)	-	24,078	-	-	-	-	-
Transfers from 1&2 to stage 3	(335)	-	(51)	-	386	-	-	-
Change in exposure	(42,671)	-	3,965	-	(9)	-	(38,695)	-
Other movements	6,680	(1,001)	206	(31)	88	344	6,974	(688)
As of 31 March 2021	225,824	2,815	38,603	48	9,355	3,804	273,782	6,667
Wholesale banking loans								
As of 1 January 2021	10,452,106	285,862	5,796,364	760,891	3,078,617	889,845	19,327,087	1,936,598
Transfers from stage 1 to stage 2	(79,304)	(1,489)	79,304	1,489	-	-	-	-
Transfers from stage 2 to stage 1	481,502	39,228	(481,502)	(39,228)	-	-	-	-
Transfers from 1&2 to stage 3	(7)	-	(34,870)	-	34,877	-	-	-
Transfers from stage 3	-	-	1,076	186	(1,076)	(186)	-	-
Change in exposure	(155,871)	(37,504)	162,686	(5,443)	62,936	67,667	69,751	24,720
Other movements	2,450,132	(85,612)	4,025	24,310	(258,760)	79,898	2,195,397	18,596
As of 31 March 2021	13,148,558	200,485	5,527,083	742,205	2,916,594	1,037,224	21,592,235	1,979,914
Total	13,374,382	203,300	5,565,686	742,253	2,925,949	1,041,028	21,866,017	1,986,581

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

24. Risk management (continued)

ECL charge/(flow) for the three-month period ended 31 March 2022

Scope: All clients

	Non-credit impaired Stage 1 AED'000	Non-credit impaired Stage 2 AED'000	Credit impaired Stage 3 AED'000	Total AED'000
Retail banking loans:				
ECL allowance as of 1 January 2022	1,458	23	219	1,700
Others	(710)	(6)	66	(650)
Currency translation effect	2	-	5	7
ECL allowance as of 31 March 2022	**750**	**17**	**290**	**1,057**
Wholesale banking loans:				
ECL allowance as of 1 January 2022	69,412	1,168,399	767,399	2,005,210
Emirates governments	(2,193)	-	-	(2,193)
GREs (Gov ownership >50%)	8,775	-	-	8,775
Other corporates	15,428	(1,325)	43,131	57,234
High net worth individuals	(404)	24,338	(5,042)	18,892
SMEs	(6,403)	19,695	(13,145)	147
Others	-	-	257	257
Currency translation effect	1	126	310	437
ECL allowance as of 31 March 2022	**84,616**	**1,211,233**	**792,910**	**2,088,759**
	85,366	**1,211,250**	**793,200**	**2,089,816**

ECL charge/(flow) for the three-month period ended 31 March 2021

Scope: All clients

	Non-credit impaired Stage 1 AED'000	Non-credit impaired Stage 2 AED'000	Credit impaired Stage 3 AED'000	Total AED'000
Retail banking loans:				
ECL allowance as of 1 January 2021	3,816	79	3,459	7,354
Others	(1,001)	(31)	344	(688)
ECL allowance as of 31 March 2021	2,815	48	3,803	6,666
Wholesale banking loans:				
ECL allowance as of 1 January 2021	285,862	760,891	889,845	1,936,598
Emirates governments	(20)	-	-	(20)
GREs (Gov ownership >50%)	(1,829)	-	-	(1,829)
Other corporates	(55,458)	7,371	77,937	29,850
High net worth individuals	(1,034)	(34,990)	676	(35,348)
SMEs	192	8,932	68,767	77,891
Others	(27,228)	-	-	(27,228)
ECL allowance as of 31 March 2021	200,485	742,204	1,037,225	1,979,914
	203,300	742,253	1,041,028	1,986,581

Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2022 (continued)

24. Risk management (continued)

Deferral amount of UAE customers

As at 31 March 2022, the total deferrals provided to customers was AED 2,276 million (31 December 2021: 2,234 million). AED 71 million has been repaid till date. Total active deferrals amounted to AED 664 million (31 December 2021: 824 million). Active deferrals for Corporate amount to AED 662 million and Retail Banking AED 2 million.

Total number of customers supported is 52 out of which 16 relate to Retail Banking and 36 relate to Corporate.

25. Subsequent events

No major events have taken place subsequent to the date of these condensed consolidated interim financial information that could qualify for either an additional disclosure or adjustment to this condensed consolidated interim financial information.

26. Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2022 and 31 March 2021.