



CORPORATE FINANCIAL REPORT 2022

**"ECB IS THE BRAND NAME OF
EXIM CREDIT BANK"**

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1.0 Directors' Report

Dear Shareholders, on behalf of the Board of Directors, it is my pleasure to present the Financial Report of Exim Credit Bank for which Accounts maintained by NBD together with the Financial Statements for the year ended November 2022. The year was a remarkable financial year for Exim Credit Bank – (ECB) having brought its share of challenges, but also reflected our ability to weather the storm can impede our focus to remain steadfast to our corporate objectives. This achievement is attributable to the resilience and dedication of our people and we look forward to strengthening it.

1.1 Company Background

Exim Credit Bank – (ECB), located in the United Arab Emirates, is a prominent financial institution specializing in various trade finance services. The company's principal activities as per commercial license are full banking activities including but not limited to:

- Provision of structured trade finance instrument like Letter of credit, Standby Letter of credit
- Investment advisory and company services
- Issuance of own deposit products, fixed-term deposit accounts, and current and trust accounts.
- Provision of loan and borrow funds (loan transaction)
- To carry out currency and exchange transactions
- Holding assets, capital, precision metals, bonds, shares, or another financial instrument for third parties
- Issuance of Bank references and certificates of Good standing
- Financial engineering solutions (Private banking and wealth management)
- To act as an intermediary in securities trading
- To provide other permitted financial services, export and import finance, project funding, and fund management.

1.2 Financial Performance

The bank recorded increased profits from the year 2021 by **10%**, playing to its strengths in a challenging operating environment. The Company reported a net profit of **USD 1,337,703** for the year ended 30.11.2022. The performance of the company will improve in the coming year, in light of both external and internal factors i.e. market demand and our determination to target new markets.

1.3 Directors and Management

The Board of Directors and management team that served during the period under review, and at the date of signing the Financial Statements were as follows:

BOARD OF DIRECTORS

Name	Board Position
Mr. Rusana Joseph Waryoba	Group CEO
Shaama Sultan Lootah	President
Miss Mary Grace Deloy Pagal	Board Director
Omar Mohammed Awadh	Board Director
Ms. Amna Mohd Salam Basheer	Board Director
Mr. Sameer Malik Juma	Board Director
Mr. Larry Morgan Harvey	Board Director
Ms Marina Schmatova	Board Director
Mr. Willium Choe	Board Member

MANAGEMENT TEAM

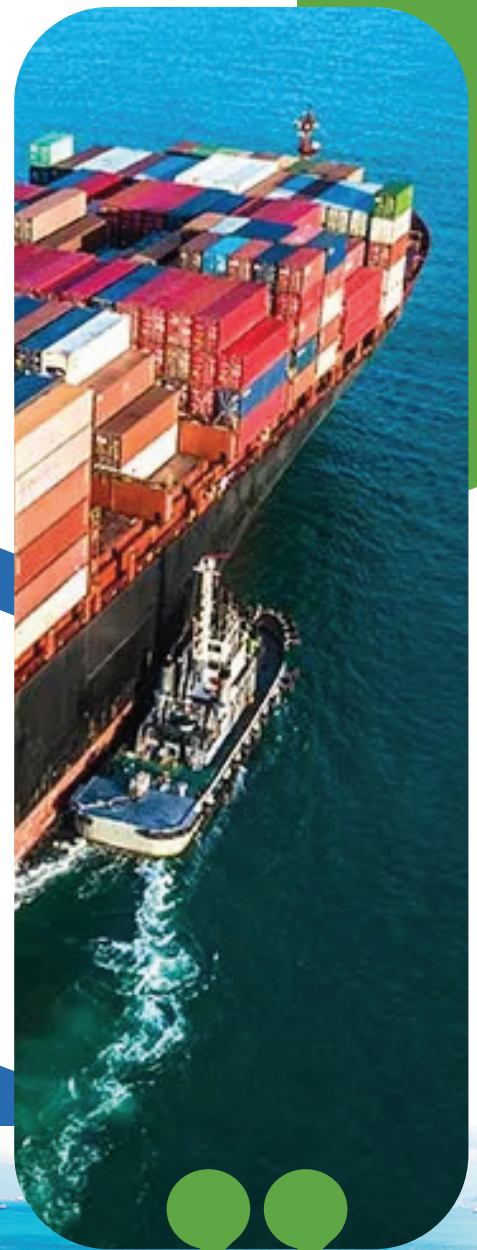
Name	Position
Mr. Rusana Joseph Waryoba	Group CEO
Mr. Ezz Aldien Mahmoud	Head of Branch-UAE
Mr. Vivek Krishnan	Treasury Controller
Ms. Angelita P. Galano	Human Resource Officer
Ms. Cristine Reyes	Head of Trade & Corporate
Ms. Sophia Mambosasa	Trade Finance Analyst
Ms. Zenalyn Ncubi	Head of Risk/Compliance
Mr. Shamraiz Paras	Head of Legal Consultant
Mr. Gabriel Angelo Jimenea	Head of Supply chain
Mr. Ogoncho Yaros	Finance Officer

1.4 Going Concern

The Directors who served during the year have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the accounting policies note in the financial statement.

1.5 Acknowledgment

The Directors wish to express their gratitude's on the dedication and tireless efforts by every employees during the year ended. The Directors are also thankful for the wholehearted support received from its customers around the globe, the Company's bankers, and Exim Credit shareholders.



Prepared and signed by

Vivek Krishnan
Treasury Controller



Approved and signed by

Joseph R. Waryoba
Group CEO & Managing Director

2.0 Statement of Financial Position

Statement of Financial Position
As at November 30, 2022

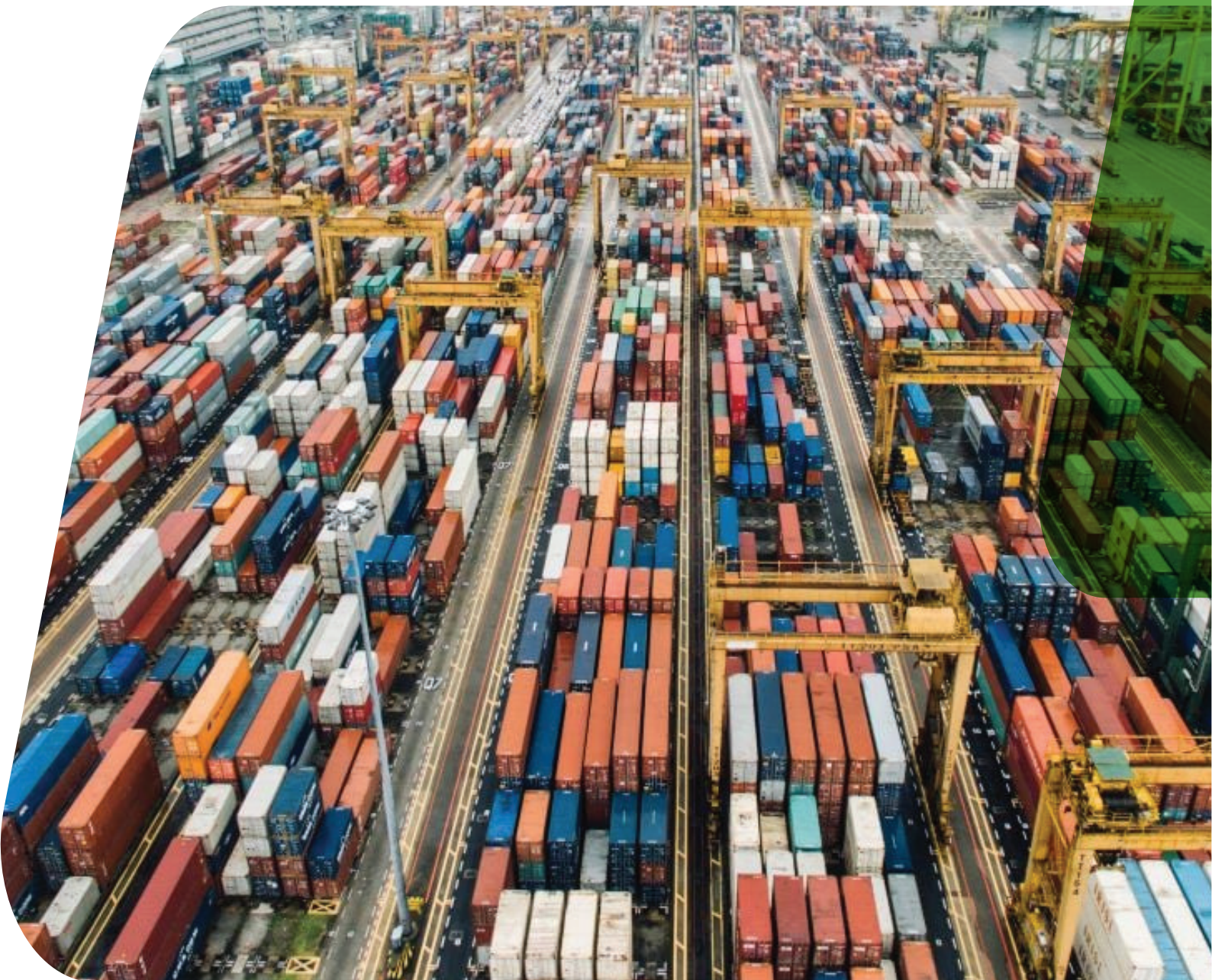
Assets	2021 USD	2022 USD
Current assets		
Cash in hand and at banks	661,452.81	848,758
Accounts receivables	31,452.09	147,176
Due to related parties	245,584.12	341,769
Inventory	1,490,000,000.00	1,500,000,000.00
Total current assets	1,490,938,489.02	1,501,337,703
Non-current assets		
Property, plant, and equipment	70,524.00	63,025
Total non-current assets	70,524.00	63,025
Total Assets	1,491,009,013.02	1,501,400,728
Current liabilities		
Trade and other payables	112,531.00	69,869
Total current liabilities	112,531.00	69,869
Non-current liabilities		
Long-term Payables	1,490,000,000.00	1,500,000,000.00
Total non-current liabilities	1,490,000,000.00	1,500,000,000
Total Liabilities	1,490,112,531.00	1,500,069,869.00
Shareholders' Equity		
Share Capital	212,254.00	81,633.00
Shareholders' current account	322,522.10	289,541.00
Retained earnings	(352,525.25)	(918,869.00)
Statutory reserves	714,231.17	40,816.00
Total Shareholders' Equity	896,482.02	535,631.00
Total Liabilities and Shareholders' Equity	1,491,009,013.02	1,501,400,728

**"STRUCTURING OF
TRADE FINANCING"**

3.0 Statement of Profit and Loss Account

Statement of Profit or Loss and Other Comprehensive Income
For the year ended November 30, 2022

	2021 USD '000	2022 USD '000
Revenue	1,000,325.00	1,786,780
Cost of sales	345,565.25	(84,963)
Gross profit	1,345,890.25	1,701,817
General and administration expenses	(125,564.00)	(364,753)
Bank charges	(230.12)	(314)
Other income	1201.25	953
Net profit for the year	1,221,297.38	1,337,703



4.0 Statement of Cash Flows

Statement of Cash Flows

For the year ended November 14, 2022

Cash flows from operating activities:	2021 USD '000	2022 USD '000
Profit for the year	1,221,297.38	1,337,703
Adjustments for:		
Depreciation	15,635.00	19,651
Bank charges	230.12	314
Net cash flows before changes in operating assets & liabilities (Increase)/decrease in current assets	1,205,432.26	1,357,668
Inventory	1,490,000,000.00	1,500,000,000
Accounts receivables	31,452.09	147,146
Due from related party	245,584.12	341,769
Increase/(decrease) in current liabilities		
Trade & other payables	112,531.00	69,869
Long-term Payables	1,490,000,000.00	1,500,000,000
Net cash generated from Operations		798,884
Bank charges paid	230.12	314
Net cash generated from operating activities		798,570
Cash flow from Investing activities:		
Purchase Of Property, Plant And Equipment	70,524.00	63,025
Net cash (used in) investing activities	70,524.00	63,025
Cash flows from financing activities:		
Net (decrease)/increase in cash and cash equivalents	698,215.12	735,545
Cash and cash equivalents, beginning of the year	124,364.45	113,213
Cash and cash equivalents, end of the year	822,579.57	848,758
Represented by:		
Cash in hand	11,325.00	8,701
Cash at banks	811,254.57	840,057
	822,579.57	848,758

5.0 Capital Structure:

With a significant capital investment of \$5,000,000, the bank has established itself as a key player in the regional financial landscape. With a rising of equity share capital through retained earnings of and a slight decrease in debt financing places the company in a better financial position. The Company has not purchased or invested in any shares during the year ended November 2022.



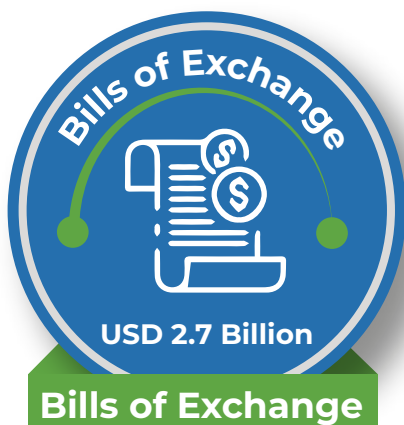
6.0 Asset Composition:

Exim Credit Bank-(ECB) holds its assets in diversified forms to ensure stability and profitability.

Our strong balance sheet enables the bank to support numerous customers and business expansion. The total portfolio of \$4.9 billion is primarily comprised:



Gold is a valuable asset due to its intrinsic worth and stability in financial markets. Exim Credit Bank holds a substantial portion of its assets in the form of gold, providing a hedge against market fluctuations and currency devaluation



Bills of exchange represent a crucial component of the bank's asset portfolio. They serve as negotiable instruments facilitating trade transactions and ensuring liquidity for the bank.





Total Assets

This includes cash reserves, interests, and general fees from transactions, Plant, Property, and Equipment, and loans which continue to generate income for the bank while increasing its book value.



TRADE FINANCE

7.0 Financial Performance Indicators

7.1 Profitability:

The profitability of Exim Credit Bank-(ECB) was assessed through metrics such as net income, return on assets (ROA), and return on equity (ROE).

The bank's net income after tax indicated the bank's overall positive performance having improved by 10%. However, there's room for improvement in the coming period even for greater figures.

The ROA clearly shows that the bank efficiently utilized its tangible and financial assets to generate more profits. ROE reflects the bank's ability to generate shareholder returns based on the equity invested.



7.2 Liquidity:

The bank's liquidity ratios assessed show the bank's ability to meet its short-term obligations. The 2022 current ratio of 1.5 indicates that the bank has more current assets placing it in a good position to settle all its current liabilities. Its quick ratio of 2 shows that the bank has sufficient liquid assets to pay off its debts twice.

Adequate liquidity ensures the bank can honor withdrawal requests, settle liabilities, and fund its operations without disruptions.



7.3 Asset Quality:

Asset quality is crucial for assessing the risk exposure of the bank's loan portfolio.

Metrics like the non-performing loan (NPL) ratio and loan loss provisions provide insights into the quality of assets and the bank's risk management practices.

For Exim Credit Bank, loans typically comprise a majority of a bank's assets exposing it to the greatest amount of risk to the bank's capital. The bank requires securities as collaterals mainly comprising an equivalent portion of the assets valued and assessed by our team and also countering significant risks. The bank has a strict supervisory procedure for credit to tackle risk exposure and efficient capital protection.



7.0 Financial Performance Indicators

7.4 Efficiency:

Efficiency ratios, including the cost-to-income ratio and operating expenses ratio, evaluate the bank's operational efficiency. Exim Credit Bank's efficiency ratios in 2022 indicate a slight decrease from the previous year showing that the bank operates cost-effectively thus maximizing its profitability.

7.5 Credit Risk Management:

Assessing the creditworthiness of borrowers and implementing stringent credit evaluation processes to minimize default risk. The bank's Compliance and Quality Assurance department works tirelessly to mitigate losses by assessing borrowers' credit risk including payment behavior and affordability. With a well-structured system, the bank ensures that fraud, default, and credit spread risks are well-evaluated and mitigated during the origination process.

7.6 Risk Management Practices:

Effective risk management is integral to the bank's long-term sustainability and resilience against external uncertainties.

Exim Credit Bank-(ECB) employs robust risk management frameworks encompassing credit risk, market risk, operational risk, and compliance risk, supported by sophisticated risk assessment tools and methodologies. The bank puts more emphasis on credit risk mitigation by requesting collaterals or securities from customers. The assets are assessed and valued by the bank and access requests are well outlined just before it proceeds with transactions.

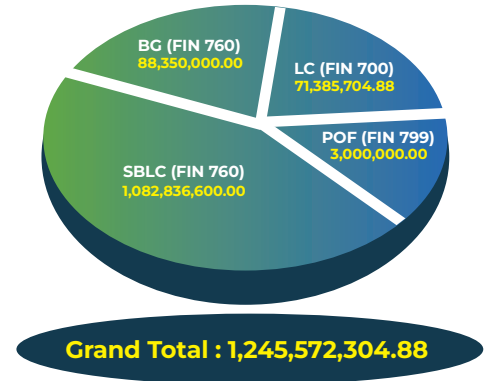
The bank's proactive approach to risk identification, measurement, and mitigation enables it to effectively manage risks while capitalizing on growth opportunities in a dynamic market environment.



8.0 Revenue Analysis

During the year 2022, Exim Credit Bank's total value of instruments issued was **USD 1,243,094,715.88**. This mostly comprised income from trade finance products and services including issuance of Letter of credit (LC), Standby letters of credit (SBLC), Bond and guarantees, RWA Letters, Proof of fund. SBLC contributed the highest value of instruments with **USD 1,082,836,600.00** which translates to 87% of the total instruments. An SBLC is a legal document whereby a bank guarantee the payment of a specific amount of money to a seller if the buyer defaults on the agreement. It acts as a safety net for the payment of completed services to the seller in the event of unforeseen situations preventing fulfillment of making the scheduled payment.

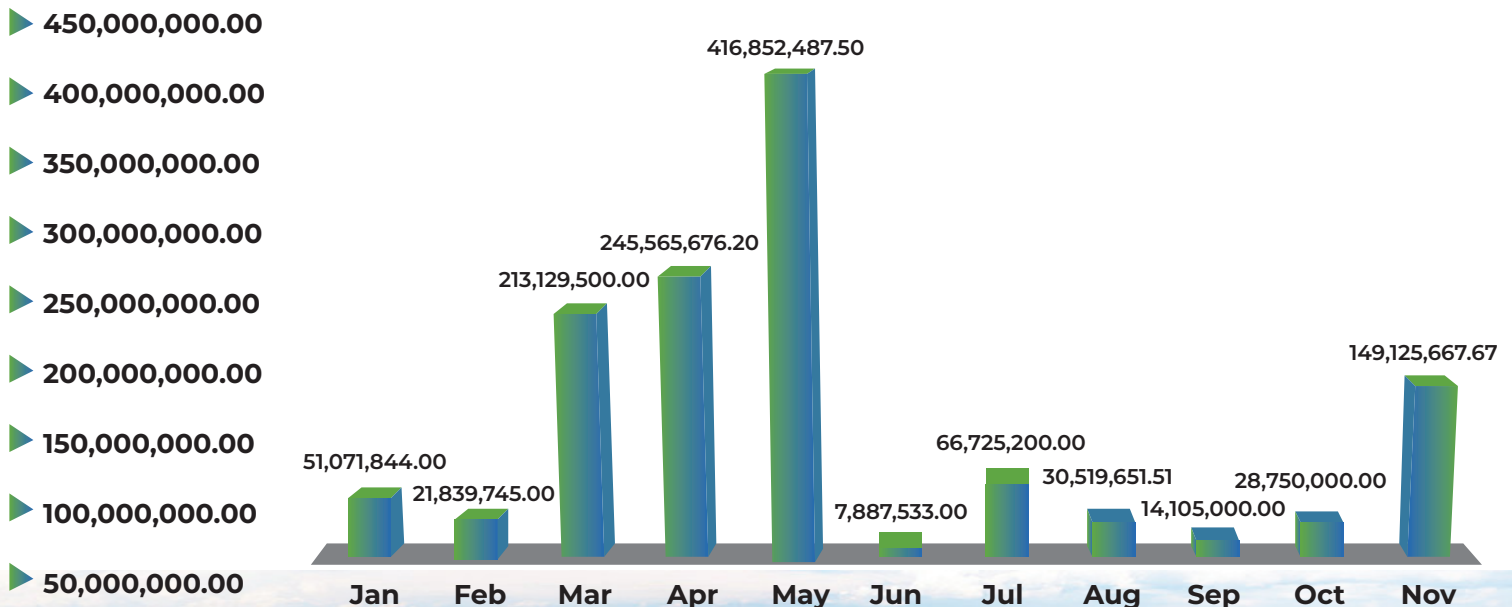
Line of Credit Performed in 2022



Monthly Instrument Performance

Across the year, the month of May recorded the highest amount obtained of **USD 416,852,487.50** with June recording the lowest while the average per month in the year was **USD 113,233,845.90**. The performance was however evenly distributed across the year which was a success making the bank aim higher figures in the coming period.

VALUE AMOUNT



9.0 NOTES TO THE FINANCIAL STATEMENTS AS AT NOVEMBER 2022

As a licensed financial institution operating in the UAE, Exim Credit Bank - (ECB) adheres to the regulatory guidelines and standards set forth by the Central Bank of the UAE (CBUAE) and other relevant regulatory bodies.

Its activities in Dubai (Financing Operations) are issued by the Department of Economic Development, Government of Dubai, United Arab Emirates.

Compliance with regulatory requirements ensures the bank's adherence to legal and operational standards, safeguarding the interests of its stakeholders and maintaining trust and confidence in its operations. The Company's principal activity is providing a line of credit to companies, investors, and lenders interested in doing business within the Global.

The registered office of the company is located at Dubai, Technic Building, Office 103, Sal Al Din Deira, Dubai - United Arab Emirates.

9.2 Investment Companies

The following is a list of companies that are related parties as per IAS fall within the definition of a related party contained in International Accounting Standard 24.

Subsidiary Companies	Nature of Business
▶ Exim Credit Pay Inc	Remittance
▶ ECI Trade Insurance	Insurance
▶ Exim Development Fund	Payment services provider
▶ Exim Wealth Management	Wealth Management
▶ World Venture Capital Limited	Fund Manager
▶ Infrastructure Finance Corporation	Bank Broker
▶ Exim Credit Commercial Brokers	Real Estate



- **INTERNATIONAL**
- **FINANCIAL**
- **REPORTING**
- **STANDARDS**

“BOND AND GUARANTEE”

9.3 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore fairly present the financial position and results.

9.4 Fundamental Accounting Concept

The financial statements have been prepared on a going concern basis as the Management believes the Company will generate sufficient funds from its operations which will enable the Company to meet its financial commitments and liabilities for the foreseeable future.



9.5 Significant Accounting Principles

9.5.1 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment. The cost of property and equipment includes expenditures directly attributable to the acquisition or construction of the asset as well as expenditures incurred on bringing the asset to the working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which these are incurred.

Depreciation is recognized in the statement of comprehensive income on a straight-line basis, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives. The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. Gains and losses on disposal of property and equipment are determined by proceeds to the carrying value of the asset disposed of and are taken into account in determining operating income / (loss).

Property and equipment in the course of construction for production, supply, or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes all direct costs attributable to the design and for construction of the property including related staff costs, and for qualifying assets, financing costs capitalized in accordance with the Company's accounting policy.

appropriate property and equipment or intangible asset category and is depreciated or amortized in accordance with the Company's policies.

9.5.2. Intangible assets

Software acquired by the Company is stated at cost less accumulated amortization and impairment. Subsequent expenditure on software assets is capitalized only when such expenditure increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Amortization is recognized in the statement of comprehensive income on a straight-line basis, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives of 3 to 5 years.

would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

9.6 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand and deposits held with original maturities of three months or less. Cash and cash equivalents are reported in the statement of financial position net of an expected credit loss provision.

9.7 Customer deposits

Customer deposits are recognized initially at fair value and are subsequently carried at amortized cost using the effective interest rate method.

9.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made.

9.9 Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Interest income and expense

Interests income and expense is recognized in the statement of comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments through its expected life (or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability respectively).

While calculating effective interest rate, cash flows are estimated considering all contractual terms of the financial instruments, but not future credit losses. The calculation includes all discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers.

Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

(b) Fees and commission income

Fees and commission income that are integral to the effective interest rate on a financial asset or liability are included in the calculation of the effective interest rate to arrive at the amortized cost of financial assets and financial liability.

Other fees and commission income are generally recognized as and when the service has been provided.

(c) Fair values

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic benefit.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

10.0 Conclusion

Exim Credit Bank-(ECB) stands as a prominent institution within the UAE banking landscape, distinguished by its strong financial performance, prudent risk management practices, and unwavering commitment to regulatory compliance. With a focus on innovation, customer-centricity, and strategic partnerships, the bank is poised to continue its trajectory of growth and success, contributing to the development and prosperity of the UAE's financial sector.





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