Tamweel PJSC and its subsidiaries

Review report and interim financial information for the period ended 31 March 2014

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors
Tamweel PJSC and its subsidiaries
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Tamweel PJSC and its subsidiaries** (the "Group") as at 31 March 2014 and the related condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management of the Group is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration Number 717
20 April 2014

Condensed consolidated statement of financial position as at 31 March 2014

	Notes	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
ASSETS			
Bank balances and cash	4	**179,690**	233,169
Islamic financing and investing assets	5	**7,273,482**	7,676,168
Other investments carried at FVTOCI	6	**38,681**	33,767
Investment properties	7	**375,552**	376,881
Advances, prepayments and other receivables		**48,581**	39,594
Property and equipment		**20,686**	21,600
TOTAL ASSETS		**7,936,672**	8,381,179
LIABILITIES AND EQUITY			
Liabilities			
Zakat payable		**4,870**	4,870
Accounts payable, accruals and other liabilities		**237,543**	243,470
Financing obligations	8	**5,327,500**	5,752,500
Total Liabilities		**5,569,913**	6,000,840
Equity			
Share capital		**1,000,000**	1,000,000
Statutory reserve		**212,975**	212,975
General reserve		**538,980**	538,980
Special reserve		**102,951**	102,951
Investment fair value reserve		**27,341**	22,427
Retained earnings		**484,512**	503,006
Total Equity		**2,366,759**	2,380,339
TOTAL LIABILITIES AND EQUITY		**7,936,672**	8,381,179

Varun Sood
Acting Chief Executive Officer

Abdullah Ali Al Hamli
Chairman

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated income statement (unaudited) for the period ended 31 March 2014

	Note	Three months ended 31 March	
		2014	2013
		AED'000	AED'000
Income from Islamic financing and investing assets		**108,435**	135,623
Other income		**9,762**	13,422
Operating income		**118,197**	149,045
General and administrative expenses		**(26,759)**	(24,750)
Impairment and other provisions		**-**	(19,900)
Profit before depositors'/investors' share of profit and related costs		**91,438**	104,395
Depositors'/investors' share of profit and related costs		**(59,932)**	(83,889)
Profit for the period		**31,506**	20,506
Earnings per share:			
Basic and diluted earnings per share (AED)	10	**0.032**	0.019

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income (unaudited) for the period ended 31 March 2014

	Three months ended 31 March	
	2014	2013
	AED'000	AED'000
Profit for the period	**31,506**	20,506
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Fair value gain on other investments carried at FVTOCI	**4,914**	-
Total comprehensive income for the period	**36,420**	20,506

The accompanying notes form an integral part of these condensed consolidated financial statements.

Tamweel PJSC and its subsidiaries

Condensed consolidated statement of changes in equity for the period ended 31 March 2014

	Share capital AED'000	Employees' benefit plan AED'000	Statutory reserve AED'000	General reserve AED'000	Special reserve AED'000	Investment fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2013 (audited)	1,000,000	(10,883)	202,584	538,980	102,951	-	465,349	2,298,981
Profit for the period	-	-	-	-	-	-	20,506	20,506
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	20,506	20,506
Directors' remuneration	-	-	-	-	-	-	(1,150)	(1,150)
Dividends paid (Note 16)	-	-	-	-	-	-	(50,000)	(50,000)
Balance at 31 March 2013 (unaudited)	**1,000,000**	**(10,883)**	**202,584**	**538,980**	**102,951**	**-**	**434,705**	**2,268,337**
Balance at 1 January 2014 (audited)	1,000,000	-	212,975	538,980	102,951	22,427	503,006	2,380,339
Profit for the period	-	-	-	-	-	-	31,506	31,506
Other comprehensive income for the period	-	-	-	-	-	4,914	-	4,914
Total comprehensive income for the period	-	-	-	-	-	4,914	31,506	36,420
Dividends paid (Note 16)	-	-	-	-	-	-	(50,000)	(50,000)
Balance at 31 March 2014 (unaudited)	**1,000,000**	**-**	**212,975**	**538,980**	**102,951**	**27,341**	**484,512**	**2,366,759**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows (unaudited) for the period ended 31 March 2014

	Three months ended 31 March	
	2014	2013
	AED'000	AED'000
Operating activities		
Profit for the period	**31,506**	20,506
Adjustments for:		
Depreciation of property and equipment	**914**	1,007
Depreciation of investment properties	**1,329**	872
Amortisation of deferred cost	**438**	885
Provision for employees' end of service benefits	**568**	550
Impairment provisions	**-**	19,900
Depositors'/ investors' share of profit and related cost	**59,494**	83,004
Income on mudaraba deposits and wakala investments	**(216)**	(1,226)
Operating cash flows before changes in operating assets and liabilities	**94,033**	125,498
Decrease in Islamic financing and investing assets	**402,686**	224,191
Increase in advances, prepayments and other receivables	**(9,505)**	(12,205)
Decrease in financing obligations	**(425,000)**	(1,095,150)
Increase/(decrease) in accounts payable, accruals and other liabilities	**9,055**	(1,098)
Cash generated from/(used in) operation	**71,269**	(758,764)
Employees' end of service benefits paid	**(730)**	(108)
Depositors'/investors' share of profit and related cost paid	**(74,314)**	(56,473)
Dividend paid	**(50,000)**	(50,000)
Directors remuneration paid	**-**	(1,540)
Net cash used in operating activities	**(53,775)**	(866,885)
Investing activities		
Income received on mudaraba deposits and wakala investments	**296**	3,654
Net cash generated from investing activities	**296**	3,654
Net decrease in cash and cash equivalents	**(53,479)**	(863,231)
Cash and cash equivalents at beginning of the period	**167,055**	1,112,698
Cash and cash equivalents at end of the period (Note 4)	**113,576**	249,467

The accompanying notes form an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014

1. General information

Tamweel PJSC (the "Company") was registered on 3 June 2006 as a Public Joint Stock Company in accordance with U.A.E. Federal Law No (8) of 1984, as amended. The share capital of the Company comprises 1,000,000,000 shares of AED 1 each.

The Company is licensed by the U.A.E. Central Bank as a finance company and is primarily engaged in Islamic Sharia'a compliant financing and investment activities such as Ijara, Murabaha, Istisna'a etc. The activities of the Company and its subsidiaries (together the "Group") are conducted in accordance with Islamic Sharia'a, which prohibits usury, and within the provisions of its Articles and Memorandum of Association. The Group is also engaged in the business of property leasing and trading.

The registered head office of the Group is located at Business Avenue Building, Emirate of Dubai, U.A.E.

The Group has one branch each in the Emirates of Dubai and Abu Dhabi.

The Group consists of Tamweel PJSC (the "Parent Company") and its subsidiaries registered up to 31 March 2014 as listed below:

Subsidiaries	Beneficial ownership	Principal activity	Country of incorporation
Tamweel Property (1) Limited	100%	SPE for purchase of assets	DIFC, U.A.E.
Tamweel ESOT Limited	100%	SPE for employees' benefit plan	British Virgin Islands
Tamweel Funding III Limited	100%	SPE for issuance of sukuk	Cayman Islands
Under liquidation			
Tamweel Properties & Investments LLC	100%	Business of property leasing and trading	U.A.E.

The Company is a 86.45% subsidiary of Dubai Islamic Bank P.J.S.C. At the Extraordinary General Assembly Meeting held on 7 July 2013, the shareholders have approved the conversion of the Company to a Private Joint Stock Company and delisting its shares from Dubai Financial Market, subject to relevant regulatory approval. On 26 September 2013, the Securities and Commodities Authority approved the suspension of trading in the Company's shares on Dubai Financial Market with effect from 1 October 2013.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

In the current period, the Group has adopted the following new and revised or amended IFRSs or interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014. The application of these revised new and IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 32 *Financial Instruments: Presentation* relating to application guidance on the offsetting of financial assets and financial liabilities.

- Amendments to IAS 36 *Impairment of Assets* relating to recoverable amount disclosures. The amendments restrict the requirements to disclose the recoverable amount of an asset or CGU to the period in which an impairment loss has been recognized or reversed. They also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal.

- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement* relating to novation of Derivatives and Continuation of Hedge Accounting. The amendment allows the continuation of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met.

- IFRIC 21 *Levies*. The Interpretation was developed to address the concerns about how to account for levies that are based on financial data of a period that is different from that in which the activity that give rise to the payment of the levy occurs.

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements* - Guidance on Investment Entities

  On 31 October 2012, the IASB published a standard on investment entities, which amends IFRS 10, IFRS 12, and IAS 27 and introduces the concept of an investment entity in IFRSs. The objective of this project is to develop an exemption from the requirement to consolidate subsidiaries for eligible investment entities (such as mutual funds, unit trusts, and similar entities), instead requiring the use of the fair value to measure those investments.

  The application of amendment does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRSs") (continued)

2.2 New and revised standards and interpretation are in issue but not yet effective

The Group has not applied the following new and revised standards and interpretation that have been issued but are not yet effective:

New and revised IFRSs	*Effective for annual periods beginning on or after*
• Amendments to IFRS 2 *Share based Payment* relating to definition of 'vesting condition'. The amendment was part of Annual Improvements Cycle 2010-2012.	1 July 2014
• Amendments to IFRS 3 *Business Combination* relating to contingent consideration and scope exception for joint ventures. The amendment was part of Annual Improvements Cycle 2010-2012.	1 July 2014
• Amendments to IFRS 7 *Financial Instruments*: *Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
• IFRS 7 *Financial Instruments*: Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
• Amendments to IFRS 8 *Operating Segments* relating to aggregation of segments, reconciliation of segment assets. The amendment was part of Annual Improvements Cycle 2010-2012.	1 July 2014
• IFRS 9 *Financial Instruments (2009)* issued in November 2009 introduces new requirements for the classification and measurement of financial assets. *IFRS 9 Financial Instruments (2010)* revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 *Financial Instruments (2013)* was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.	The IASB tentatively decided at its February 2014 meeting to set 1 January 2018 as the effective date for the mandatory application of IFRS 9.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRSs") (continued)

2.2 New and revised standards and interpretation are in issue but not yet effective (continued)

New and revised IFRSs	*Effective for annual periods beginning on or after*
IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets (2) the classification and measurement requirements for both financial assets and financial liabilities (3) the classification and measurement requirements and the hedge accounting requirements.	
• Amendments to IFRS 13 *Fair Value Measurement* relating to scope of the portfolio exception in paragraph 52. The amendment was part of Annual Improvements Cycle 2011-2013.	1 July 2014
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides good or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* relating to proportionate restatement of accumulated depreciation on revaluation. The amendment was part of Annual Improvements Cycle 2010-2012.	1 July 2014
• Amendments to IAS 19 *Employee Benefits* - to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	1 July 2014
• Amendments to IAS 24 *Related Party Disclosures* relating to management entities. The amendment was part of Annual Improvements Cycle 2010-2012.	1 July 2014
• Amendments to IAS 38 *Intangible Assets* relating to proportionate restatement of accumulated depreciation on revaluation. The amendment was part of Annual Improvements Cycle 2010-2012.	1 July 2014

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRSs") (continued)

2.2 New and revised standards and interpretation are in issue but not yet effective (continued)

New and revised IFRSs	*Effective for annual periods beginning on or after*
• Amendments to IAS 40 *Investment Property* relating to interrelationship between IFRS 3 and IAS 40. The amendment was part of Annual Improvements Cycle 2011-2013.	1 July 2014

As of date of issuance of these condensed consolidated financial statements management are still in the process of evaluating the impact of these new and revised standards and interpretations on the condensed consolidated financial statements.

3. Summary of significant accounting policies

3.1 Basis of preparation

These condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34. "*Interim Financial Reporting*" issued by the International Accounting Standards Board and also complies with the applicable requirements of the laws in the U.A.E.

The condensed consolidated financial statements are presented in Arab Emirates Dirham (AED) since that is the currency in which the majority of the Group's transactions are denominated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

These condensed consolidated financial statements do not include all the information 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 2013. In addition, results for the period from 1 January 2014 to 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

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 statements.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

3. Summary of significant accounting policies (continued)

3.2 Significant judgment and sources of estimation uncertainty

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

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimates uncertainty were the same as those which were applied to the consolidated financial statements as at and for the year ended 31 December 2013.

3.3 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 2013.

3.4 Basis of consolidation

These condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The condensed consolidated financial statements comprise the financial statements of the Company and of the subsidiaries as disclosed in Note 1 to these condensed consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies.

As required by SCA certain accounting policies are reproduced below. These are unchanged since 31 December 2013.

Financial assets

All financial assets are recognised and derecognised on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except for those financial assets measured subsequently at fair value through profit or loss, which are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

3. Summary of significant accounting policies (continued)

3.4 Basis of consolidation (continued)

Financial assets (continued)

Classification of financial assets

An instrument is classified as an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are classified as 'debt instruments'.

Financial assets measured at amortised cost

Investment in debt instruments are measured at amortised cost if both of the following conditions are met:

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

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs (except if they are designated as at fair value through profit or loss - FVTPL). They are subsequently measured at amortised cost using the effective profit method less any impairment, with profit revenue recognised on an effective profit method in the condensed consolidated income statement.

Subsequent to initial recognition, the Group is required to reclassify debt instruments from amortised cost to FVTPL if the objective of the business model changes so that the amortised cost criteria is no longer met.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income - FVTOCI

At 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.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

3. Summary of significant accounting policies (continued)

3.4 Basis of consolidation (continued)

Financial assets (continued)

Financial assets at fair value through other comprehensive income - FVTOCI (continued)

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 cumulative changes in fair value, within equity. Where the asset is disposed of, the cumulative gain or loss previously accumulated is not transferred to the condensed consolidated income statement, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in the condensed consolidated income statement when the Group's right to receive the dividend is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Effective profit method

The effective profit method is a method of calculating the amortised cost of a financial asset and of allocating profit income over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective profit rate basis for debt instruments other than those financial assets designated as at FVTPL.

Cash and cash equivalents

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents consists of cash on hand, bank balances and short term deposits with an original maturity of three months or less.

Islamic financing and investing assets

Islamic financing and investing assets include outstanding ijara fixed rentals, murabaha sales receivables net of deferred profits, istisna'a costs incurred to date measured at cash equivalent value and forward ijara at costs incurred to date. Also included in the islamic financing and investing assets are ijara and forward ijara profit accruals in addition to istisna'a and murabaha amortised profits. These assets are stated at cost net of provisions for impairment and profit suspension, if any.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

3. Summary of significant accounting policies (continued)

Investment properties

Properties held for rental or capital appreciation purposes as well as those held for undetermined future use are classified as investment properties. Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation on investment in buildings is charged on a straight-line basis over 20 years.

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. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the period of retirement or disposal.

Transfers are made to investment properties when, and only when there is change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in used evidenced by commencement of owner-occupation or commencement of development with a view to sale.

4. Bank balances and cash

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Bank balances	**179,680**	233,164
Cash on hand	**10**	5
Bank balances and cash	**179,690**	233,169

Bank balances are held with banks within the U.A.E. and are profit generating at an average profit rate of 0.75% (31 December 2013: 1.00%).

For the purpose of condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Bank balances and cash	**179,690**	233,169
Less: Deposit under lien with original maturity over 3 months	**(66,114)**	(66,114)
Cash and cash equivalent	**113,576**	167,055

A deposit of AED 66 million is held under lien in accordance with the issuance requirements of the sukuk issued by Tamweel Funding III Limited.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

5. Islamic financing and investing assets

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Ijara and forward ijara (constructed and handed over properties)	**6,758,950**	7,058,762
Gross murabaha investments and mudaraba receivables	**332,144**	333,015
Less: Deferred profit	**(6,671)**	(6,633)
Net murabaha investments and mudaraba receivables	**325,473**	326,382
Istisna'a and forward Ijara (under construction properties)	**774,779**	868,490
	1,100,252	1,194,872
	7,859,202	8,253,634
Less: Profit suspended	**(158,277)**	(150,023)
Less: Provision for impairment	**(427,443)**	(427,443)
	7,273,482	7,676,168

All Islamic financing and investing assets financed by the Group are within the U.A.E. and include accrued profits amounting to AED 273 million (31 December 2013: AED 278 million).

Included under Islamic financing and investing assets are receivables amounting to AED 348 million (31 December 2013: AED 342 million) in respect of which the Group has obtained the clear legal title to the properties financed and is in the process of finalizing formalities for possession of such properties. Such receivables are carried at current market values of the properties and a full provision has been made for the remaining exposure.

Provisions for impairment

Movements in the provision for impairment were as follows:

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Balance at beginning of the period / year	**427,443**	373,404
Provision made during the period / year	**-**	54,721
Provision written off during the period / year	**-**	(682)
Balance at end of the period / year	**427,443**	427,443

Collateral

The Group enters into collateral arrangements with counter parties in appropriate circumstances to limit credit exposure. With a relatively dominant Ijara financing structure, the legal ownership of the finance property is maintained with the Group until the customer (lessee) has fulfilled all his obligations under the relevant Ijara.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

6. Other investments carried at FVTOCI

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Investments measured at FVTOCI		
Quoted securities	**38,681**	33,767
	38,681	33,767

7. Investment properties

	Land AED'000	Other real estate AED'000	Investment properties under construction AED'000	Total AED'000
Cost				
At 1 January 2014	339,811	106,329	149,531	595,671
At 31 March 2014	**339,811**	**106,329**	**149,531**	**595,671**
Accumulated depreciation				
At 1 January 2014	-	4,309	-	4,309
Charge for the period	-	1,329	-	1,329
At 31 March 2014	**-**	**5,638**	**-**	**5,638**
Provision for impairment				
At 1 January 2014	150,888	32,223	31,370	214,481
At 31 March 2014	**150,888**	**32,223**	**31,370**	**214,481**
Carrying amount				
At 31 March 2014 (unaudited)	**188,923**	**68,468**	**118,161**	**375,552**
At 31 December 2013 (audited)	188,923	69,797	118,161	376,881

At reporting date, the fair value of the investment property approximates its net carrying value. The valuations are carried out by professional valuers not related to the Group who hold recognised and relevant professional qualification and have recent experience in the location and category of the investment property being valued.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

8. Financing obligations

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Wakalas	**4,225,000**	4,650,000
Sukuk	**1,102,500**	1,102,500
	5,327,500	5,752,500

Wakalas

Short term Wakala investments are received from Dubai Islamic Bank P.J.S.C. The effective average profit rate on these Wakalas is 4% (31 December 2013: 4%).

9. Employees' benefit plan

On 26 February 2006, the Group had established an Employee benefit plan (the "Plan") to recognise and retain good performing key employees. The Plan gave the employee the right to purchase the Company's shares at an exercise price and was established with 18,000,000 shares, at par value, of the Group which were held by two trustee companies. Out of these 18 million shares, the Group had granted 7,117,123 shares at AED 1.015 per share up to 31 December 2012, net of forfeitures.

During 2013, the Group decided not to grant any further shares under the employees' benefit plan and to accept the share swap offer by Dubai Islamic Bank P.J.S.C ("DIB"). Accordingly, in 2013 the remaining 10,882,877 shares under the employees' benefit plan were swapped for 6,046,042 shares of DIB. Employees who left the Group forfeited Nil shares of DIB during the period (Year ended 31 December 2013: 334,502 shares).

At 31 March 2014, there were 877,522 shares of DIB (equivalent to 1,579,540 shares of the Company, prior to conversion) that were granted to the employees and due for vesting in 2014.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

10. Earnings per share - basic and diluted

Basic earnings per share are calculated by dividing the profit for the period, adjusted for directors' remuneration, by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit for the period, adjusted for directors' remuneration, by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into shares. The diluted earnings per share arising from the issue of employee share options does not result in any change from the reported basic earnings per share.

Basic earnings per share

	Three months ended 31 March	
	2014	2013
	AED'000	AED'000
	(unaudited)	(unaudited)
Profit for the period net of directors' remuneration	**31,506**	19,356
	Number of shares	
Weighted average number of shares outstanding during the period (in thousands)	**1,000,000**	1,000,000
Basic and diluted earnings per share (AED)	**0.032**	0.019

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these condensed consolidated financial statements for issuance.

11. Fire damage to Tamweel Tower

On 18 November 2012, offices of the Group in Tamweel Tower suffered fire damage. The Group had contents insurance cover in relation to the offices and Tamweel Tower was insured by the building's Owners Association. The Group advised the contents insurer and submitted a claim in line with the policy. The Owners Association advised the property insurer and received an acknowledgement from the insurer of the liability in relation to the damage. The insurance company in consultation with Owners Association appointed a consultant to assess the damage.

The consultant submitted his report of the extent of damage and the scope of restoration which has been sent for approval to the insurer and the regulatory authorities. Both the insurers have acknowledged the claims and management is of the view that there is no requirement for provision in relation to the carrying value of the property and contents assets in respect of loss or damage. The net carrying value of the property and the content assets is AED 18.85 million (31 December 2013: AED 19.43 million).

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

12. Segment information

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

Islamic financing and investing activities	-	Principally handling Islamic financing and investing activities.
Property trading and investment activities	-	Principally involved in the purchase and sale of properties and related activities including commissions.
Other	-	Functions other than the above core lines of business.

These segments are the basis on which the Group reports its segments information. Segment information is as follows:

	For the period ended 31 March 2014 (unaudited)				For the period ended 31 March 2013 (unaudited)			
	Islamic financing and investing activities AED'000	**Property trading and investment activities AED'000**	**Other AED'000**	**Total AED'000**	Islamic financing and investing activities AED'000	Property trading and investment activities AED'000	Other AED'000	Total AED'000
Gross income	**116,863**	**1,334**	**-**	**118,197**	148,480	565	-	149,045
Allocable expenses	**(84,240)**	**(208)**	**-**	**(84,448)**	(102,575)	(4,185)	-	(106,760)
Depreciation	**(914)**	**(1,329)**	**-**	**(2,243)**	(1,879)	-	-	(1,879)
Segment result	**31,709**	**(203)**	**-**	**31,506**	44,026	(3,620)	-	40,406
Provision for impairment and litigation losses	**-**	**-**	**-**	**-**	(19,900)	-	-	(19,900)
Segment result after provision	**31,709**	**(203)**	**-**	**31,506**	24,126	(3,620)	-	20,506
Profit for the period				**31,506**				20,506
	AED'000	**As at 31 March 2014 (unaudited) AED'000**	**AED'000**	**AED'000**	AED'000	As at 31 December 2013 (audited) AED'000	AED'000	AED'000
Segment assets	**7,295,645**	**377,518**	**263,509**	**7,936,672**	7,698,891	379,005	303,283	8,381,179
Segment liabilities	**5,120,051**	**264,940**	**184,922**	**5,569,913**	5,507,861	271,144	221,835	6,000,840
Capital expenditure	**-**	**-**	**-**	**-**	-	-	840	840

No secondary segment information has been provided as currently the operations of the Group are concentrated primarily in the U.A.E.

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

13. Commitments

	31 March 2014 AED'000 (unaudited)	31 December 2013 AED'000 (audited)
Irrevocable commitments to extend credit	**399,388**	478,676

This represents contractual commitments to provide Islamic financing. Commitments generally have fixed expiry dates, or other termination clauses and normally require the payment of a fee. Since these may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

14. Contingencies

a) The Group's bankers have provided a guarantee of AED 50 million (31 December 2013: AED 50 million) favouring the U.A.E. Central Bank against the share capital.

b) The Group's bankers have also provided a guarantee of AED 5 million (31 December 2013: AED 5 million) to the Economic Affairs Division of the Government of Dubai for establishing a subsidiary company.

c) At reporting date, the Group is in legal proceedings against certain customers in the UAE to recover AED 300 million (31 December 2013: AED 300 million). The customers are also counter claiming against the Group. These proceedings are in various stages in the courts of first instance and appeal court. Based on legal advice, the management of the Group is contesting the counterclaims as they believe such counter claims are without basis and is pursuing the full recovery of the outstanding balances. Accordingly, no provision for any liability has been made in these condensed consolidated financial statements.

15. Related party transactions

The Group enters into transactions with shareholders, directors, key management personnel and their related concerns in the ordinary course of business at commercial profit and commission rates. All facilities to related parties are performing facilities and are free of any provision for possible impairment.

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

The significant balances and transactions of related parties included in the condensed consolidated financial statements are as follows:

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

15. Related party transactions (continued)

	For the period ended 31 March 2014 (unaudited)		For the period ended 31 March 2013 (unaudited)	
	Key management personnel AED'000	**Major shareholders AED'000**	Key management personnel AED'000	Major shareholders AED'000
Income from Islamic financing and investing activities	-	-	272	-
Income on mudaraba deposits and wakala investments	-	**216**	-	1,226
Other income	-	**6,420**	-	3,125
Depositors'/investors' share of profit and related costs	-	**45,231**	-	15,314
General and administrative expenses	-	-	-	113

Related party transactions with other related parties during the period amounted to AED 3.2 million (31 March 2013: AED 1.6 million).

	As at 31 March 2014 (unaudited)		As at 31 December 2013 (audited)	
	Key management personnel AED'000	**Major shareholders AED'000**	Key management personnel AED'000	Major shareholders AED'000
Islamic financing and investing assets	-	-	10,153	-
Bank balances and cash	-	**179,545**	-	233,062
Other investments	-	**38,681**	-	33,767
Advances, prepayments and other receivables	-	**17,620**	-	10,108
Financing obligations	-	**4,225,000**	-	4,650,000
Depositors'/investors' share of profit and related costs payable	-	**6,103**	-	6,717

The compensation paid to key management personnel of the Group is as follows:

	For the period ended	
	31 March 2014 (unaudited) AED'000	31 March 2013 (unaudited) AED'000
Short term employee benefits	**1,900**	1,309
Termination and other benefits	**82**	57
	1,982	1,366

Notes to the condensed consolidated financial statements for the period ended 31 March 2014 (continued)

16. Dividends paid

The shareholders at their Annual General Meeting held on 22 February 2014 approved a cash dividends of AED 0.05 per share, AED 50 million for the year ended 31 December 2013 (31 December 2012: AED 0.05 per share, AED 50 million).

17. Approval of the condensed consolidated financial statements

The condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 20 April 2014.