

Amlak Finance PJSC and its Subsidiaries

**REVIEW REPORT AND CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2022 (UNAUDITED)**

Amlak Finance PJSC and its Subsidiaries

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**The Board of Directors
Amlak Finance PJSC
Dubai
United Arab Emirates**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Amlak PJSC, Dubai, United Arab Emirates** (the “Company”) **and its Subsidiaries** (together referred to as the “Group”) as at 30 September 2022, and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Deloitte & Touche (M.E.)



Musa Ramahi
Registration No.: 872
14 November 2022
Dubai
United Arab Emirates

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

For the period ended 30 September 2022 (Unaudited)

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Income from Islamic financing and investing assets		29,694	37,584	96,917	119,640
Fee income		1,109	3,016	3,320	6,275
Income on deposits		490	287	1,066	932
Rental income	8	6,363	5,748	12,485	18,566
Fair value loss on investment properties	8	(6,710)	(14,541)	(9,150)	(16,563)
Gain / (loss) on sale of investment properties		-	1,221	494	(129)
Gain on debt settlement	10	162,192	228,695	387,599	464,852
Income on settlement against advance for investment properties	7	-	613,059	-	613,059
Other income		809	371	11,301	10,802
		193,947	875,440	504,032	1,217,434
(Impairment) / reversal of impairment:					
- Islamic financing and investing assets		7,708	(6,805)	32,749	(3,116)
- Other assets		593	(484)	1,457	(1,476)
- Investment properties		(44)	(727)	22,973	16,621
- Advance for investment properties		-	142,781	50,000	142,781
Amortisation of initial fair value gain on investment deposits	10	(40,802)	(40,137)	(113,576)	(125,448)
Operating expenses		(24,425)	(66,518)	(65,100)	(109,990)
Share of results of an associate	9	4,483	4,966	13,853	14,092
PROFIT BEFORE DISTRIBUTION TO FINANCIERS / INVESTORS		141,460	908,516	446,388	1,150,898
Distribution to financiers / investors		(17,897)	(21,376)	(56,485)	(67,171)
PROFIT FOR THE PERIOD		123,563	887,140	389,903	1,083,727
Profit per share attributable to:					
Equity holders of the parent:					
Basic profit per share (AED)	3	0.082	0.591	0.259	0.722
Diluted profit per share (AED)	3	0.049	0.320	0.156	0.381

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2022 (Unaudited)

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2022 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2021 AED'000</i>
Profit for the period	123,563	887,140	389,903	1,083,727
Other comprehensive income				
<i>Item that will be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(8,923)	(562)	(45,536)	(2,372)
Share of other comprehensive income in associates	(5)	-	3,351	-
Other comprehensive loss for the period	(8,928)	(562)	(42,185)	(2,372)
Total comprehensive income for the period	114,635	886,578	347,718	1,081,355

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
ASSETS			
Cash and balances with banks	4	170,635	189,056
Islamic financing and investing assets, net	5	1,595,339	2,052,252
Investment securities	6	7,596	7,824
Investment properties	8	1,489,438	1,558,830
Investment in an associate	9	217,602	212,799
Other assets		37,017	47,363
Furniture, fixtures and office equipment		11,041	12,435
TOTAL ASSETS		3,528,668	4,080,559
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits and other Islamic financing	10	1,724,542	2,496,034
Term Islamic financing		223,917	273,089
Employees' end of service benefits		4,181	3,309
Other liabilities		153,005	125,432
Total liabilities		2,105,645	2,897,864
Equity			
Share capital		1,500,000	1,500,000
Statutory reserve		228,614	228,614
General reserve		228,614	228,614
Special reserve		99,265	99,265
Mudaraba Instrument	11	111,993	155,567
Mudaraba Instrument reserve	11	421,050	584,867
Cumulative changes in fair value		4,213	862
Foreign currency translation reserve		(347,123)	(301,587)
Accumulated losses		(823,603)	(1,313,507)
Total equity		1,423,023	1,182,695
TOTAL LIABILITIES AND EQUITY		3,528,668	4,080,559

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Group as of, and for the periods presented therein.

Approved by the Board of Directors on 14 November 2022 and signed on its behalf by:



Director



Chief Executive Officer

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the period ended 30 September 2022 (Unaudited)

	<i>Nine months ended 30 September</i>	
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
OPERATING ACTIVITIES		
Profit for the period	389,903	1,083,727
Adjustments for:		
Depreciation	2,213	2,910
Share of results of an associate	(13,853)	(14,092)
(Reversal of impairment) / impairment of financing and investing assets	(32,749)	3,116
(Reversal of impairment) / impairment of other assets	(1,457)	1,476
Reversal of provision on settlement of advance of investment properties -net	(50,000)	(142,781)
Fair value loss on investment properties	9,150	16,563
Release of impairment on investment property	(22,973)	(16,621)
Amortisation of fair value gain on investment deposits	113,576	125,448
Gain on debt settlement	(387,599)	(464,852)
Gain on settlement of advance of investment properties	-	(613,059)
Distribution to financiers / investors	56,485	67,171
Income on deposits	(1,066)	(932)
(Gain) / loss realised on sale of investment properties	(494)	129
Provision for employees' end of service benefit	1,224	539
Operating profit before changes in operating assets and liabilities:	62,360	48,742
Islamic financing and investing assets	305,361	321,840
Other assets	11,803	(8,048)
Other liabilities	28,008	19,037
Cash generated from operations	407,532	381,571
Employees' end of service benefit paid	(352)	(703)
Net cash generated from operating activities	407,180	380,868
INVESTING ACTIVITIES		
Dividend from an associate	13,131	12,367
Cash received against settlement of advance for investment properties	-	50,000
Proceeds on sale of investment properties	11,967	131,282
Increase in investment properties	-	(18,503)
Movement in restricted cash	1,201	(2,556)
Proceeds from wakala deposits	1,800,000	1,110,000
Placement of wakala deposits	(1,682,500)	(1,153,000)
Purchase of furniture, fixtures and office equipment	(869)	(719)
Income on deposits	1,066	932
Net cash generated from investing activities	143,996	129,803
FINANCING ACTIVITIES		
Receipt of term Islamic financing	43,913	56,162
Repayment of term Islamic financing	(56,316)	-
Investment deposits and other Islamic financing	(424,806)	(454,786)
Redemption of Mudaraba instrument	(84,970)	(56,363)
Director's fee paid	(682)	-
Net cash used in financing activities	(522,861)	(454,987)
INCREASE IN CASH AND CASH EQUIVALENTS	28,315	55,684
Foreign currency translation reserve	(45,536)	4,210
Cash and cash equivalents at the beginning of the period	79,020	83,644
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	61,799	143,538

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2022 (Unaudited)

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Special reserve AED'000</i>	<i>Mudaraba Instrument AED'000</i>	<i>Mudaraba Instrument reserve AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Foreign currency translation reserve AED'000</i>	<i>Accumulated losses AED'000</i>	<i>Total AED'000</i>
At 1 January 2022	1,500,000	228,614	228,614	99,265	155,567	584,867	862	(301,587)	(1,313,507)	1,182,695
Profit for the period	-	-	-	-	-	-	-	-	389,903	389,903
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	3,351	(45,536)	-	(42,185)
Total comprehensive income for the period	-	-	-	-	-	-	3,351	(45,536)	389,903	347,718
Debt settlement Adjustment (note 10)	-	-	-	-	(43,574)	(163,817)	-	-	-	(207,391)
Gain on debt settlement through equity (note 10)	-	-	-	-	-	-	-	-	100,683	100,683
Director's fee paid	-	-	-	-	-	-	-	-	(682)	(682)
At 30 September 2022	1,500,000	228,614	228,614	99,265	111,993	421,050	4,213	(347,123)	(823,603)	1,423,023

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2021 (Unaudited)

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Special reserve AED'000	Mudaraba Instrument AED'000	Mudaraba Instrument reserve AED'000	Cumulative changes in fair value AED'000	Foreign currency translation reserve AED'000	Accumulated losses AED'000	Total AED'000
At 1 January 2021	1,500,000	122,650	122,650	99,265	204,896	770,324	1,459	(299,108)	(2,277,605)	244,531
Profit for the period	-	-	-	-	-	-	-	-	1,083,727	1,083,727
Other comprehensive loss for the period	-	-	-	-	-	-	-	(2,372)	-	(2,372)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	(2,372)	1,083,727	1,081,355
Debt settlement Adjustment (note 10)	-	-	-	-	(49,329)	(185,457)	-	-	-	(234,786)
Gain on debt settlement through equity (note 10)	-	-	-	-	-	-	-	-	116,390	116,390
At 30 September 2021	1,500,000	122,650	122,650	99,265	155,567	584,867	1,459	(301,480)	(1,077,488)	1,207,490

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2022 (Unaudited)

1 ACTIVITIES

Amlak Finance PJSC (the ‘Company’) was incorporated in Dubai, United Arab Emirates, on 11 November 2000 as a private shareholding company in accordance with UAE Federal Law No (8) of 1984, as amended. At the constituent shareholders meeting held on 9 March 2004, a resolution was passed to convert the Company to a Public Joint Stock Company. The Federal Law No. 2 of 2015, which is replaced by the UAE Federal law No. 32 of 2021 on Commercial Companies (“the New Companies Law”) which was issued on 20 September 2021 and has come into effect on 2 January 2022.

The Company is licensed by the UAE Central Bank as a finance company and is primarily engaged in financing and investing activities based on structures such as Ijara, Murabaha, Mudaraba, Wakala and Musharaka. The activities of the Company are conducted in accordance with Islamic Sharia’a, which prohibits usury, and within the provisions of its Articles and Memorandum of Association

The registered address of the Company is P.O. Box 2441, Dubai, United Arab Emirates.

The condensed consolidated interim financial information comprises of the financial information of Amlak Finance PJSC and its subsidiaries (the “Group”). The principal activities of the subsidiaries are the same as those of the parent company. The extent of the Group’s shareholding in the subsidiaries is as follows:

Company	Basis for consolidation	Country of incorporation	Percentage of shareholding	
			30 September 2022	31 December 2021
Amlak Finance Egypt Company (S.A.E.)	Subsidiary	Egypt	100%	100%
Amlak Sky Gardens LLC	Subsidiary	UAE	100%	100%
Amlak Holding Limited	Subsidiary	UAE	100%	100%
Warqa Heights LLC	Subsidiary	UAE	100%	100%
Amlak Capital LLC	Subsidiary	UAE	100%	100%
Amlak Property Investment LLC	Subsidiary	UAE	100%	100%
Amlak Limited	Subsidiary	UAE	100%	100%
Amlak Nasr City Real Estate Investment LLC	Subsidiary	Egypt	100%	100%

2 ACCOUNTING POLICIES

2.1 ASSESSMENT OF GOING CONCERN ASSUMPTION

Due to the shrinking of the financing assets portfolio, the Group has reported a decline in financing income. The Group has a significant inventory of investment properties and other investments outside the UAE which are required to be disposed of by June 2023 to continue to remain compliant with the Finance Companies Regulations. Continued delinquencies in the financing assets portfolio also poses a future risk to generate sufficient cashflow to meet the repayment obligation of financiers.

The Group’s management has taken several steps to address the situation including the following:

- Debt settlement auctions undertaken throughout the period generated a profit of AED 388 million (30 September 2021 AED 465 million) during nine months period ended
- Planned offloading of assets within the real estate portfolio.

Management has witnessed increased demand for certain properties within the Group’s investment property portfolio and expects this to continue throughout 2022 given the various government initiatives being implemented and positive impact of Expo 2020. These realisations will ultimately contribute to profitability of the Group.

The Central Bank (CB) in its examination report pointed out that, growing the financing assets is critical, without which Amlak may not generate sufficient cash flows in future to meet financiers obligations. Further, the company is not competitive with other banks in terms of pricing the financing portfolio and has a significant inventory of real estate assets which may pose a risk on the company to become non-compliant with the Finance Companies Regulations by June 2023.

Management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared these consolidated financial statements on a going concern basis.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2022 (Unaudited) (continued)

2 ACCOUNTING POLICIES (continued)

2.2 BASIS OF PREPARATION

The condensed consolidated interim financial statements of Amlak Finance PJSC and its subsidiaries (the “Group”) are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2021.

The condensed consolidated interim financial statements do not include all the information or disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021. In addition, results for the nine months period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The condensed consolidated interim financial statements are prepared under the historical cost convention modified to include the measurement at fair value of investments at FVOCI, investment properties and advance for investment properties.

The condensed consolidated interim financial statements have been presented in UAE Dirhams (AED) and all values are rounded to the nearest thousand (AED’000) except when otherwise indicated.

No income of seasonal nature was recorded in the condensed consolidated interim statement of profit or loss for nine month periods ended 30 September 2022 and 30 September 2021.

2.3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

2.3.1 *New and revised IFRS applied with no material effect on the condensed consolidated interim financial statements*

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 16 <i>Property, Plant and Equipment</i> relating to Proceeds before Intended Use	1 January 2022
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	

2 ACCOUNTING POLICIES (continued)

2.3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

2.3.1 New and revised IFRS applied with no material effect on the condensed consolidated interim financial statements (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Annual Improvements to IFRS Standards 2018 – 2020 Makes amendments to the following standards:	1 January 2022
- IFRS 1 First-Time Adoption of International Financial Reporting Standards – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs. - IFRS 9 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. - IFRS 16 Leases – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. - IAS 41 Agriculture – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	
Amendments to IFRS 3 <i>Business Combinations</i> relating to Reference to the Conceptual Framework The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.	1 January 2022
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets relating to Onerous Contracts - Cost of Fulfilling a Contract</i> The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	1 January 2022
2.3.1 New and revised IFRS issue but not yet effective	
Amendment to IAS 8	
Amendment to IAS 1	
Amendment to IFRS 17	
Amendment to IFRS 10, IAS 28	

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2022 (Unaudited) (continued)

2 ACCOUNTING POLICIES (continued)

2.4 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.

3 BASIC AND DILUTED PROFIT PER SHARE

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2022 (Unaudited)</i>	<i>2021 (Unaudited)</i>	<i>2022 (Unaudited)</i>	<i>2021 (Unaudited)</i>
Profit for the period attributable to equity holders of the parent net of Directors' fee (AED'000)	122,881	887,140	389,221	1,083,727
Weighted average number of shares for basic EPS (in thousands)*	1,500,000	1,500,000	1,500,000	1,500,000
Effect of dilution: Mudaraba Instrument	996,202	1,267,497	996,202	1,341,500
Weighted average number of ordinary shares adjusted for the effect of dilution	2,496,202	2,767,497	2,496,202	2,841,500
Attributable to equity holders of the Parent:				
Basic profit per share (AED)	0.082	0.591	0.259	0.722
Diluted profit per share (AED)	0.049	0.320	0.156	0.381

4 CASH AND BALANCES WITH BANKS

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Cash on hand	58	58
Balances with banks	61,741	78,962
Deposits with banks	108,836	110,036
Cash and balances with banks	170,635	189,056
Less: Restricted cash and deposits		
Regulatory deposit with no maturity (note 4.1)	(35,000)	(35,000)
Restricted cash (note 4.2)	(73,836)	(75,036)
Cash and cash equivalents	61,799	79,020

4.1 Represents deposits with a local bank under lien to the Central Bank of UAE in accordance with Central Bank regulations for licensing.

4.2 At period ended 30 September 2022, the Group reported AED 74 million (31 December 2021: AED 75 million) of restricted cash. This represents the Group's share of the cash held and controlled by a joint venture (Note 8).

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2022 (Unaudited) (continued)

5 ISLAMIC FINANCING AND INVESTING ASSETS NET

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
<i>Financing assets:</i>		
Ijarah	1,505,686	1,769,730
Forward Ijarah	97,841	135,741
Shirkatul Milk	19,074	128,774
Real estate Murabaha	109	278
Others	110,118	110,988
	<u>1,732,828</u>	<u>2,145,511</u>
Allowance for impairment	(499,489)	(572,759)
Total financing assets	<u>1,233,339</u>	<u>1,572,752</u>
<i>Investing assets:</i>		
Wakala	362,000	479,500
Total investing assets	<u>362,000</u>	<u>479,500</u>
	<u>1,595,339</u>	<u>2,052,252</u>

The movement in the allowance for impairment is as follows:

Islamic Financing and investing assets and undrawn irrevocable commitments

	30 September 2022 AED'000 ECL (Unaudited)	31 December 2021 AED'000 ECL (Audited)
Balance at 1 January	572,759	627,970
(Release) / charge for impairment made during the period / year	(32,749)	26,463
Amounts written off during the period / year	(45,474)	(79,277)
Exchange and other adjustments	4,953	(2,397)
Closing balance	<u>499,489</u>	<u>572,759</u>

5.1 Carrying value of exposure by stage

30 September 2022

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross Exposure	617,653	499,181	615,994	1,732,828
Expected Credit Losses	(14,497)	(73,277)	(411,715)	(499,489)
	<u>603,156</u>	<u>425,904</u>	<u>204,279</u>	<u>1,233,339</u>

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2022 (Unaudited) (continued)

5 ISLAMIC FINANCING AND INVESTING ASSETS NET (continued)

31 December 2021

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross Exposure	797,373	544,232	803,906	2,145,511
Expected Credit Losses	(16,692)	(53,953)	(502,114)	(572,759)
	<u>780,681</u>	<u>490,279</u>	<u>301,792</u>	<u>1,572,752</u>

6 INVESTMENT SECURITIES

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Equities (FVOCI)	<u>7,596</u>	<u>7,824</u>

30 September 2022 (Unaudited)

	Total AED'000	<u>Investments carried at fair value</u>		
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Equities (FVOCI)	<u>7,596</u>	<u>-</u>	<u>-</u>	<u>7,596</u>

31 December 2021 (Audited)

	Total AED'000	<u>Investments carried at fair value</u>		
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Equities (FVOCI)	<u>7,824</u>	<u>-</u>	<u>-</u>	<u>7,824</u>

There were no transfers of securities between the Level 1 and Level 2 categories of the fair value hierarchy in the current and prior periods.

The following shows reconciliation from the opening balances to the closing balances for level 3 fair values:

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
Balance at 1 January	7,824	8,420
Disposal	-	(597)
Exchange movement	(228)	1
	<u>7,596</u>	<u>7,824</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the period ended 30 September 2022 (Unaudited) (continued)

7 ADVANCES FOR INVESTMENT PROPERTIES

The Group paid advances towards the acquisition of units in under-development real estate project in Dubai. The project has been delayed by a number of years and the date of completion is uncertain. The Group commenced arbitration in 2013 with one developer to facilitate recovery of advances paid of AED 780 million with a carrying value of AED Nil (31 December 2020: AED Nil). During the year ended 31 December 2019, the arbitration was awarded in the Group's favor with the cancelation of the original SPAs and addendum. Post arbitration ruling in Amlak's favor, negotiation for a settlement was initiated with the developer which was concluded in Q3 2021, with a settlement for undeveloped plots approximately valued at AED 706 million and four cash installments of AED 50 million each, over 2 years.

During the year ended 31 December 2021, as a result of agreed settlement, plots valuing AED 706 million and cash of AED 50 million was received. Remaining cash installments of AED 150 million was recorded as receivable with full provision, of which cash installment of AED 50 million was received during the period ended 30 September 2022, accordingly provision of same amount was released.

8 INVESTMENT PROPERTIES

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At 1 January	1,558,830	1,251,854
Additions during the period / year	61,864	32,588
Additions on settlement of advance for investment properties (note 7)	-	705,840
Disposals during the period	(6,955)	(158,660)
Fair value loss on investment properties	(9,150)	(12,620)
Investment properties exchanged in debt settlement (note 10.2)	(98,807)	(290,728)
Foreign exchange fluctuation	(39,317)	181
Reversal of provision during the period / year	22,973	30,375
Closing	<u>1,489,438</u>	<u>1,558,830</u>

Investment properties consist of land, villas and units in buildings held for lease or sale. In accordance with its accounting policy, the Group carries investment properties at fair value.

The fair values of the properties are based on valuations performed at quarter end by independent professionally qualified valuers who hold a recognised relevant professional qualification and have relevant experience in the locations and segments of the investment properties valued. The valuation model used is in accordance with that recommended by the Royal Institute of Chartered Surveyors.

Investment properties as at 30 September 2022 include a plot of land and one unit (31 December 2021: six units) in Egypt owned by the Group's subsidiaries amounting to AED 162 million (31 December 2021: AED 202 million). All other investment properties are located within the UAE. The carrying values of AED 162 million (31 December 2021: AED 202 million) also includes foreign exchange gains and losses on currency translation of investment properties in Egypt which is included in equity.

Except for investment properties in a joint venture, investment properties are categorised as Level 3 for fair value measurement as they have been derived using the comparable price approach based on comparable transactions for similar properties. Sales prices of comparable properties in proximity are adjusted for differences in the key attributes such as property size and location. The most significant input into this valuation approach is the estimated price per square foot for each given location. There were no transfers into or out of the Level 3 category during the year.

Valuation technique used for investment properties in the joint venture is based on the income approach which uses significant unobservable inputs, hence is classified as Level 3. Inputs used by valuator include sale price range from AED 120 to AED 328 per sq ft with absorption period of 4 years at 12% fair value rate.

Significant increases/(decreases) in comparable market value in isolation would result in a significantly higher/ (lower) fair value of the properties.

During the period ended 30 September 2022, provision of AED 23 million (31 December 2021: AED 30 million) was released from the provision of AED 30 million (2021: AED 60 million) which was previously booked on foreclosed properties as recommended by the Central Bank.

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For the period ended 30 September 2022 (Unaudited) (continued)

8 INVESTMENT PROPERTIES (continued)

As at 30 September 2022, investment properties having fair value of AED 553 million (31 December 2021: AED 574 million) are mortgaged / assigned in favor of the security agent as part of the restructuring.

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Rental income derived from investment properties	12,485	35,447
Direct operating expenses (including repairs and maintenance) generating rental income	(10,591)	(13,655)
Profit arising from investment properties carried at fair value	1,894	21,792

On 1 October 2014, the Group entered into a joint venture agreement with another party to develop a jointly owned plot of land in Nad Al Hammar. Amlak Finance PJSC acquired a 50% interest in Al Warqa Gardens LLC, a jointly controlled entity to develop a jointly owned plot of land in Nad Al Hammar. The Group has a 50% share in the assets, liabilities, revenue and expenses of the joint venture and accordingly under IFRS 11 it is deemed to be a jointly controlled operation. As the land is under development with a view to disposal in the market, it has been treated as property under development with an initial cost equal to its fair value at the time of transfer from investment property portfolio for AED 330 million. Subsequent expenditure to develop the land for resale is included in the cost of the property. The cash held by the joint venture is restricted, given that it is contractually committed to the development of the land under the joint venture agreement. The Group's share of this restricted cash balance at 30 September 2022 is AED 74 million (31 December 2021: AED 75 million) (note 4).

The following items represent the Group's interest in the assets, liabilities, revenue and expenses of the joint operation after elimination of intercompany transactions:

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Investment properties	236,244	240,980
Cash and balances with banks (Note 4.2)	73,836	75,036
Other assets – receivables	3,565	6,871
Deferred income and other liabilities	(9,768)	(15,300)
Net Assets	303,877	307,587

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Revenue	-	3
Operating expenses	(620)	(33)
Income on deposits	518	432
Other income	1,409	380
Profit for the period	1,307	782

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For the period ended 30 September 2022 (Unaudited) (continued)

9 INVESTMENT IN AN ASSOCIATE

Amlak International for Real Estate Finance Company Saudi Arabia (AIRE) is Saudi joint stock company established to provide real estate finance under Saudi Central Bank (SAMA) regulations.

	<i>Percentage holding</i>		<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
	<i>2022</i>	<i>2021</i>		
Amlak International for Real Estate Finance Company, Saudi Arabia (AIRE)	18.35%	18.35%	217,602	212,799
			<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Assets			3,328,631	3,460,956
Liabilities			(2,147,644)	(2,300,185)
Equity			1,180,987	1,160,771
Group's carrying amount of the investment			217,602	212,799
Revenue			204,862	282,295
Profit for the period/year			75,498	104,661
Group's share of profit for the period/year			13,853	19,043

10 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING

	<i>Frequency of instalments</i>	<i>Final instalment date</i>	<i>Profit rate</i>	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Murabaha	Monthly	25 October 2026	2%	1,883,231	2,771,763
Unamortised fair value adjustment (note 10.1)				(158,689)	(275,729)
				1,724,542	2,496,034

Investments deposits and other Islamic financing are secured against assignment and mortgages over the Group's investment properties located in UAE (note 8), assignment of insurance, pledge over bank accounts (note 4), assignment of rights to receive payments in connection with the Islamic financing and investing assets portfolio and corporate guarantees of the Group's subsidiaries. Securities offered would be held by a security agent on behalf of financiers.

10 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING (continued)**10.1 Unamortised fair value adjustment**

	30 September 2022 AED'000 (Unaudited)	31 December 2021 AED'000 (Audited)
At 1 January	275,729	417,041
Amortisation charged for debt under settlement process	(3,464)	-
Amortisation charged for the period / year	(113,576)	(141,312)
	158,689	275,729

The nature of the Company's deposits was significantly changed due to the restructuring undertaken in 2014, resulting in a fixed obligation to be paid to the Commercial Financiers and Liquidity Support Providers. In accordance with IFRS, due to the substantial changes in the terms of the investment deposits through the restructuring, a fair valuation assessment of the restructured obligations was performed based on the net present value of the contracted cash flows. As at 25 November 2014, the restructured obligations were initially recognised at fair value in the statement of financial position giving rise to AED 911 million of fair value gain which was recorded in the consolidated statement of income.

In June 2020, the Company again undertook restructuring of deposits of Commercial financiers; the face value of the restructured fixed obligations at period end is AED 4,219 million. Upon revised restructuring, repayment behaviour was significantly changed resulting into scheduled and non scheduled instalment payments linked to sale of certain investment properties.

The fair value adjustment is calculated using the original effective profit rate of 4.89%. The cumulative value of fair value gain amortised till to 30 June 2020 was AED 627 million (31 December 2019: AED 584 million) giving a residual fair value gain of AED 284 million as at 30 June 2020 (31 December 2019: AED 328 million). However upon restructuring in 2020, this residual fair value gain as at 30 June 2020 was increased to AED 497 million which will be fully reversed out over the repayment period till October 2026, with a resulting charge to the consolidated statement of income each year.

The obligations are subsequently to be measured at amortised cost using the effective finance rate method.

Restructured investment deposits and other Islamic financing are secured against assignment and mortgage over the Group's investment properties located in UAE (note 8), assignment of insurances, pledge over bank accounts (note 4), assignment of rights to receive payments in connection with the Islamic financing and investing assets portfolio and corporate guarantees of the Group's subsidiaries. Securities offered would be held by a security agent on behalf of the financiers.

10.2 Debt Settlement

Based on the revised Common Terms Agreement (CTA) with financiers, the Group conducted debt settlement auctions both through cash and real estate asset swap during the period ended 30 September 2022

For the debt settlement through cash, a cash consideration of AED 383 million (30 September 2021: AED 267 million) was offered to financiers against settlement of their exposures and certain financiers settled their exposure of AED 782 million (30 September 2021: AED 566 million) which included investment deposits of AED 608 million (30 September 2021, AED 447 million), Mudaraba Instrument of AED 166 million (30 September 2021: AED 115 million) and profit in kind of AED 8 million. (30 September 2021: AED 4 million). As a result of this settlement, the Group has recorded a gain of AED 255 million (30 September 2021: AED 190 million) in statement of profit or loss after netting of amortization of fair value adjustment on restructuring amounting to AED 55 million (30 September 2021: AED 46 million) and recorded a gain of AED 81 million (30 September 2021: AED 59 million) related to Mudaraba instrument, in statement of changes in equity.

10 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING (continued)**10.2 Debt Settlement (continued)**

For the debt settlement through asset swap, consideration in form of investment properties amounting to AED 99 million was offered to financiers against settlement of their exposures and certain financiers settled their exposure of AED 198 million which included investment deposits of AED 154 million, Mudaraba Instrument of AED 42 million and profit in kind of AED 2 million. As a result of this settlement, the Group has recorded a gain of AED 62 million in statement of profit or loss after netting of amortization of fair value adjustment on restructuring amounting to AED 15 million and recorded a gain of AED 20 million related to Mudaraba instrument, in statement of changes in equity. Another debt settlement auction through real estate assets swap was executed during the quarter ended 30 September 2022 by offering consideration of AED 24 million against settlement of investment deposits of AED 37 million, which is in process and outcome will be recorded upon completion of transaction. The investment deposits of AED 37 million and related amortization of AED 3.4 million is recorded under other liabilities.

11 MUDARABA INSTRUMENT

	30 September 2022 AED'000	31 December 2021 AED'000
Mudaraba Instrument (nominal value)	533,043	740,434
Mudaraba Instrument Reserve	(421,050)	(584,867)
Mudaraba Instrument (carrying value)	111,993	155,567

On 25 November 2014, a Mudaraba Instrument of AED 1,300 million with a maturity in November 2026 was issued through a special purpose vehicle owned by the Group. On maturity, the Mudaraba Instrument to the extent it is not redeemed, will mandatorily convert into ordinary shares of the Company with the face value of AED 1 each.

The Mudaraba Instrument at the time of issue comprised:

1. Face Value of AED 1,300 million.
2. An expected profit rate of 1% per annum on the outstanding balance each year, payable as profit in kind ("PIK") which the Company can elect to make distributions in cash or in the form of shares.
3. A contingent issuance of upto 500 million shares applicable only to the extent the Mudaraba Instrument remains outstanding at maturity. The number of contingent shares to be issued is prorated with the amount of Mudaraba Instrument remaining outstanding.

As the Mudaraba Instrument is redeemed, there will be a proportionate reduction in the contingent share issuance due.

The Mudaraba Instrument was recorded at fair value at the time of issuance. The difference between the fair value of the Mudaraba Instrument and the carrying value of the deposits it replaced of AED 1,027 million was recorded as a gain in the 2014 income statement as required by IFRS. Subsequent to initial recognition, the carrying value of the Mudaraba Instrument will not be re-measured. The fair value gain of AED 1,027 million on initial recognition of the Mudaraba Instrument was transferred from accumulated losses to the Mudaraba Instrument reserve. This reserve will be utilized in the event of any repayment of the Mudaraba Instrument or on issue of shares in the Company on maturity of the Mudaraba Instrument. Any difference between the par value of shares issued on conversion and the carrying value of the Mudaraba Instrument and Mudaraba Instrument reserve will be posted to retained earnings / accumulated losses.

The fair value of the Mudaraba Instrument was determined based on management's best estimate of the expected cash flows that will arise, discounted at the Company's cost of equity. For this purpose, management assumed that the Mudaraba Instrument will be redeemed, in full, in year 12 and the PIK charge for the 12 year period will be settled on the same date.

The fair value of the Mudaraba Instrument was calculated using a cost of equity of 14.96% calculated under the Capital Assets Pricing Model wherein the risk free return was based on UAE Government's long term bond; levered beta was based on comparable company's beta within similar businesses and a market risk premium was based on current market conditions which reflects the additional expected return over a risk free investment.

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11 MUDARABA INSTRUMENT (continued)

On 12 August 2015, the Board of Directors of the Company voluntarily opted to redeem AED 200 million against the Mudaraba Instrument which has reduced the Mudaraba Instrument and Mudaraba Instrument reserve by AED 42 million and 158 million respectively. The Company also paid AED 9 million in 2015, in respect of PIK charge falling due as a consequence of the repayment of the Mudaraba Instrument with the amount being 1% of the outstanding Mudaraba Instrument from the date of restructuring to the date of redemption. This charge was recorded in accumulated losses in equity.

On 23 November 2017, the Board of Directors of the Company voluntarily opted to redeem AED 75 million against the Mudaraba Instrument which has reduced the Mudaraba Instrument and Mudaraba Instrument reserve by AED 16 million and AED 59 million respectively. The Company also paid AED 25 million in 2017, in respect of PIK (profit) as a consequence of the redemption of the capital under the Mudaraba Instrument with the amount being 1% of the outstanding Mudaraba Instrument from the 1st redemption date to the 2nd redemption date. This charge was recorded in accumulated losses in equity.

During the period ended 30 September 2022 the Group redeemed Mudaraba instrument in the value of AED 208 million (31 December 2021: AED 235 million) through the debt settlement mechanism (note 10).

At 30 September 2022, the maximum number of shares which may convert under the instrument are 786 million (31 December 2021: 1,092 million).

12 SEGMENTAL INFORMATION

For management purposes, the Group is organised into three business segments, real estate finance (comprising of financing and investing activities), real estate investment (comprising of property transactions), corporate finance investment (comprising of corporate finance investment).

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and assessment of performance.

Operating segments:

The Group's revenues and expenses for each segment for the nine months period ended 30 September are as follows:

30 September 2022 (Unaudited):

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
Operating income / (loss)	483,122	(9,337)	30,247	504,032
Release of allowances for impairment	56,201	51,479	(501)	107,179
Amortisation of initial fair value gain on deposits	(67,706)	(42,164)	(3,706)	(113,576)
Expenses (including allocated expenses)	(36,143)	(16,405)	(12,552)	(65,100)
Share of results of an associate	-	-	13,853	13,853
Distribution to financiers/investors	(24,397)	(24,229)	(7,859)	(56,485)
Profit / (loss) for the period	<u>411,077</u>	<u>(40,656)</u>	<u>19,482</u>	<u>389,903</u>

30 September 2021 (Unaudited):

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
Operating income	579,105	611,157	27,172	1,217,434
Allowances for impairment	19,450	136,870	(1,510)	154,810
Amortisation of fair value gain on deposits	(80,194)	(41,570)	(3,684)	(125,448)
Expenses (including allocated expenses)	45,463	(55,384)	(9,143)	(109,990)
Share of results of an associate	-	-	14,092	14,092
Distribution to financiers/investors	(32,815)	(26,248)	(8,108)	(67,171)
Equity holders of the parent	<u>440,083</u>	<u>624,825</u>	<u>18,819</u>	<u>1,083,727</u>

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For the period ended 30 September 2022 (Unaudited) (continued)

12 SEGMENTAL INFORMATION (continued)

Segment assets and liabilities:

The following table presents segment assets and liabilities of the Group as at 30 September 2022 and 31 December 2021:

30 September 2022 (Unaudited):

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
Segment assets	1,524,139	1,513,560	490,969	3,528,668
Segment liabilities	1,830,855	37,466	237,324	2,105,645

31 December 2021 (Audited):

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
Segment assets	1,954,307	1,584,665	541,587	4,080,559
Segment liabilities	2,584,438	32,686	280,740	2,897,864

13 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Group's management. Transactions with such related parties are made on substantially the same terms, as those prevailing at the same time for comparable transactions with external customers and parties:

Balances with related parties included in the consolidated statement of financial position are as follows:

30 September 2022 (Unaudited):

	<i>Major shareholders AED'000</i>	<i>Directors and senior management AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Islamic financing and investing assets	-	628	-	628
Investment deposits	56,441	-	123,420	179,861
Other liabilities	19	-	41	60

31 December 2021 (Audited):

	<i>Major shareholders AED'000</i>	<i>Directors and senior management AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Islamic financing and investing assets	-	2,788	-	2,788
Investment deposits	107,093	-	60,979	168,072
Other liabilities	42	-	24	66

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For the period ended 30 September 2022 (Unaudited) (continued)

13 RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties included in the statement of income are as follows:

30 September 2022 (Unaudited)

	<i>Major shareholders AED'000</i>	<i>Directors and senior management AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Income from Islamic financing and investing assets	-	23	-	23
Distribution to financiers / investors	1,465	-	1,913	3,378

30 September 2021 (Unaudited)

	<i>Major shareholders AED'000</i>	<i>Directors and senior management AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Income from Islamic financing and investing assets	-	180	55	235
Distribution to financiers / investors	1,678	-	955	2,633

Compensation of key management personnel

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

	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>30 September 2021 AED'000 (Unaudited)</i>
Salaries and other benefits	10,053	6,997
Employee termination benefits	133	425
	<u>10,186</u>	<u>7,422</u>

14 COMMITMENTS AND CONTINGENCIES

Commitments

	<i>Notes</i>	<i>30 September 2022 AED'000 (Unaudited)</i>	<i>31 December 2021 AED'000 (Audited)</i>
Irrevocable commitments to advance financing	14.1	7,086	96,038
		<u>7,086</u>	<u>96,038</u>

14.1 Credit-related commitments include commitments to extend facilities designed to meet the requirements of the Group's customers. Commitments generally have fixed expiration dates, or other termination clauses, and normally require the payment of a fee. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Contingencies

The Group is engaged in certain litigation proceedings in the United Arab Emirates, involving claims by and against it, mainly in respect of certain sale and financing transactions. The Group is defending these cases and, based on legal counsel advice received, believes it is less than probable that such actions taken by counter parties would succeed, a provision of AED 21 million (2021: AED 23 million) that has been made.

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15 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The maturity analysis of assets, liabilities and off balance sheet items is analysed according to when they are expected to be recovered, settled or sold. The values presented in this table include the impact of fair value adjustment as per the statement of financial position and excludes profit not yet due at the period end.

At 30 September 2022 (Unaudited)

	<i>Up to 1 year</i>			<i>Total up to 1 year</i>	<i>1 year to 5 years</i>	<i>Over 5 years</i>	<i>Items with no maturity</i>	<i>Total</i>
	<i>Less than 3 months AED'000</i>	<i>3 months to 6 months AED'000</i>	<i>6 months to 1 year AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Assets								
Cash and balances with banks	61,799	-	-	61,799	73,836	-	35,000	170,635
Islamic financing and investing assets	322,600	82,271	53,079	457,950	408,233	729,156	-	1,595,339
Investment securities	-	-	7,596	7,596	-	-	-	7,596
Investment properties	19,051	24,693	33,924	77,668	1,411,770	-	-	1,489,438
Investments in an associate	-	-	-	-	217,602	-	-	217,602
Other assets	7,672	1,635	13,243	22,550	14,467	-	-	37,017
Furniture, fixture, and office equipment	-	-	-	-	-	-	11,041	11,041
Total assets	411,122	108,599	107,842	627,563	2,125,908	729,156	46,041	3,528,668
Liabilities								
Investment deposits and other Islamic financing	28,010	28,010	56,019	112,039	1,612,503	-	-	1,724,542
Term Islamic financing	9,460	8,763	17,219	35,442	83,405	105,070	-	223,917
Employees' end of service benefits	-	-	-	-	-	-	4,181	4,181
Other liabilities	50,120	17,675	62,369	130,164	22,841	-	-	153,005
Total liabilities	87,590	54,448	135,607	277,645	1,718,749	105,070	4,181	2,105,645
Commitments	86	7,000	-	7,086	-	-	-	7,086
Net liquidity gap	323,446	47,151	(27,765)	342,832	407,159	624,086	41,860	1,415,938
Cumulative net liquidity gap	323,446	370,597	342,832	342,832	749,991	1,374,077	1,415,937	1,415,937

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For the period ended 30 September 2021 (Unaudited) (continued)

15 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

31 December 2021

	Up to 1 year			Total up to 1 year	1 year to 5 years	Over 5 years	Items with no maturity	Total
	Less than 3 months AED'000	3 months to 6 months AED'000	6 months to 1 year AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Assets								
Cash and balances with banks	79,020	-	-	79,020	75,036	-	35,000	189,056
Islamic financing and investing assets	443,485	89,824	92,965	626,274	467,505	958,473	-	2,052,252
Investment securities	-	7,824	-	7,824	-	-	-	7,824
Investment properties	24,028	254,982	89,590	368,600	1,190,230	-	-	1,558,830
Investment in an associate	-	-	-	-	212,799	-	-	212,799
Other assets	9,774	952	32,296	43,022	4,341	-	-	47,363
Furniture, fixture and office equipment	-	-	-	-	-	-	12,435	12,435
Total assets	556,307	353,582	214,851	1,124,740	1,949,911	958,473	47,435	4,080,559
Liabilities								
Investment deposits and other Islamic financing	29,257	29,257	74,767	133,281	2,362,753	-	-	2,496,034
Term Islamic financing	11,062	10,247	20,135	41,444	97,525	134,120	-	273,089
Employees' end of service benefits	-	-	-	-	-	-	3,309	3,309
Other liabilities	48,475	7,626	43,972	100,073	25,359	-	-	125,432
Total liabilities	88,794	47,130	138,874	274,798	2,485,637	134,120	3,309	2,897,864
Commitments	4,038	-	7,000	11,038	85,000	-	-	96,038
Net liquidity gap	463,475	306,452	68,977	838,904	(620,726)	824,353	44,126	1,086,657
Cumulative net liquidity gap	463,475	769,927	838,904	838,904	218,178	1,042,531	1,086,657	1,086,657