

Amlak Finance PJSC and its Subsidiaries

**REVIEW REPORT AND CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2024 (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 31 March 2024, and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three 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.

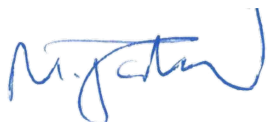
Scope of review

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

Deloitte & Touche (M.E.)



Mohammad Jallad
Registration No.: 1164
8 May 2024
Dubai
United Arab Emirates

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

For the three month period ended 31 March 2024 (Unaudited)

		<i>Three month ended 31 March</i>	
	<i>Notes</i>	<i>2024 AED'000</i>	<i>2023 AED'000</i>
Income from Islamic financing and investing assets		33,416	29,238
Fee and commission income		731	826
Income from investment properties, net	4	28,211	9,217
Gain on debt settlement, net		-	30,432
Share of results of an associate		2,127	2,297
Other income	5	3,214	2,152
		67,699	74,162
Reversal/(Charge) of impairments, net		7,690	(3,380)
Amortisation of initial fair value gain on investment deposits	11	(8,078)	(11,801)
Operating expenses		(23,137)	(29,863)
PROFIT BEFORE DISTRIBUTION TO FINANCIERS / INVESTORS		44,174	29,118
Distribution to financiers / investors		(15,533)	(14,536)
PROFIT FOR THE PERIOD BEFORE INCOME TAX		28,641	14,582
Income tax expense	12	(1,882)	(457)
NET PROFIT FOR THE PERIOD		26,759	14,125
Profit per share attributable to:			
Equity holders of the parent:			
Basic profit per share (AED)	3	0.018	0.009
Diluted profit per share (AED)	3	0.013	0.006

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2024 (Unaudited)

	<i>Notes</i>	<i>Three month ended 31 March</i>	
		<i>2024 AED'000</i>	<i>2023 AED'000</i>
Profit for the period		26,759	14,125
Other comprehensive income			
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(56,100)	(31,916)
<i>Item that will not be reclassified to profit or loss:</i>			
Share of other comprehensive loss of an associate		(3,769)	-
Other comprehensive loss for the period		(59,869)	(31,916)
Total comprehensive loss for the period		(33,110)	(17,791)

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		31 March 2024	31 December 2023
	<i>Notes</i>	AED'000 (Unaudited)	AED'000 (Audited)
ASSETS			
Cash and balances with banks	6	249,987	222,126
Islamic financing and investing assets	7	1,186,142	1,318,764
Investment securities	8	390	597
Investment properties	9	1,376,799	1,376,047
Investment in an associate	10	214,966	216,617
Other assets		103,923	100,117
Furniture, fixtures and office equipment		9,582	9,809
TOTAL ASSETS		3,141,789	3,244,077
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits and other Islamic financing	11	1,214,171	1,229,168
Term Islamic financing		147,664	201,253
Employees' end of service benefits		5,039	4,845
Other liabilities		184,316	185,102
Total liabilities		1,551,190	1,620,368
Equity			
Share capital		1,500,000	1,500,000
Statutory reserve		302,155	302,155
Special reserve		99,265	99,265
Mudaraba Instrument	12	82,872	82,872
Mudaraba Instrument reserve	12	311,565	311,565
Cumulative changes in fair value		453	4,222
Foreign currency translation reserve		(474,574)	(418,474)
Accumulated losses		(231,137)	(257,896)
Total equity		1,590,599	1,623,709
TOTAL LIABILITIES AND EQUITY		3,141,789	3,244,077

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial information 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 8 May 2024 and signed on its behalf by:



Director



Chief Executive Officer

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2024 (Unaudited)

	<i>Three months ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
OPERATING ACTIVITIES		
Profit for the period before income tax expense	28,641	14,582
Adjustments for:		
Depreciation	277	365
Share of results of an associate	(2,127)	(2,297)
(Reversal) / allowance of impairment of financing and investing assets	(7,690)	3,380
Fair value gain on investment properties	(15,741)	(4,098)
Amortisation of fair value gain on investment deposits	8,078	11,801
Gain on debt settlement	-	(30,432)
Distribution to financiers / investors	15,533	14,536
Other income	(1,899)	(959)
Income on deposits	(1,315)	(592)
Gain realised on sale of investment properties	(173)	(410)
Provision for employees' end of service benefit	206	329
Operating profit before changes in operating assets and liabilities:	23,790	6,205
Islamic financing and investing assets	85,131	91,652
Other assets	499	(8,433)
Other liabilities	(1,461)	66,358
Cash generated from operations	107,959	155,782
Employees' end of service benefit paid	(12)	(124)
Net cash generated from operating activities	107,947	155,658
INVESTING ACTIVITIES		
Proceed on sale of investment properties	2,958	17,080
Movement in restricted cash	(15,818)	(3,755)
Proceeds from wakala deposits	1,291,253	532,000
Placement of wakala deposits	(1,306,099)	(543,500)
Purchase of furniture, fixtures and office equipment	(95)	(678)
Income on deposits	1,315	592
Net cash (used in) / generated from investing activities	(26,486)	1,739
FINANCING ACTIVITIES		
Receipt of term Islamic financing	30,285	26,912
Repayment of term Islamic financing	(13,966)	(10,150)
Investment deposits and other Islamic financing	(29,637)	(74,414)
Redemption of Mudaraba instrument	-	(10,806)
Net cash used in financing activities	(13,318)	(68,458)
INCREASE IN CASH AND CASH EQUIVALENTS	68,143	88,939
Foreign currency translation reserve	(56,100)	(31,916)
Cash and cash equivalents at the beginning of the period	91,431	143,136
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	103,474	200,159

The attached notes 1 to 18 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 three month period ended 31 March 2024 (Unaudited)

	<i>Share capital AED'000</i>	<i>Statutory 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 2024	1,500,000	302,155	99,265	82,872	311,565	4,222	(418,474)	(257,896)	1,623,709
Profit for the period	-	-	-	-	-	-	-	26,759	26,759
Other comprehensive loss for the period	-	-	-	-	-	(3,769)	(56,100)	-	(59,869)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(3,769)	(56,100)	26,759	(33,110)
At 31 March 2024	1,500,000	302,155	99,265	82,872	311,565	453	(474,574)	(231,137)	1,590,599

The attached notes 1 to 18 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 three month period ended 31 March 2023 (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 2023	1,500,000	276,229	276,229	99,265	107,624	404,627	4,213	(384,703)	(822,721)	1,460,763
Profit for the period	-	-	-	-	-	-	-	-	14,125	14,125
Other comprehensive loss for the period	-	-	-	-	-	-	-	(31,916)	-	(31,916)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	-	(31,916)	14,125	(17,791)
Debt settlement Adjustment (note 10)	-	-	-	-	(4,309)	(16,204)	-	-	-	(20,513)
Gain on debt settlement through equity (note 10)	-	-	-	-	-	-	-	-	9,705	9,705
At 31 March 2023	1,500,000	276,229	276,229	99,265	103,315	388,423	4,213	(416,619)	(798,891)	1,432,164

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

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 by the Federal Law No. 2 of 2015 and by Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”).

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 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	
			31 March 2024	31 December 2023
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

For the period ended 31 March 2024 the Group has generated a profit of AED 21 million (31 March 2023: AED 14 million) and operating cash flows of AED 108 million (31 March 2023: AED 156 million).

The Group has reported a decline in financing income year on year due to the shrinking of the financing assets portfolio which poses a future risk to generate sufficient cashflow to meet the repayment obligation of financiers. With the passage of time and given the changes in market dynamics and macro-economic factors the restructured Common Term Agreement (CTA) to be less viable and detrimental to the long-term prospects of the Group.

The Group’s management and Board of Directors have developed a new business plan where management as a first step has commenced negotiations to exit the Common Term Agreement (CTA) signed in 2014 and amended in 2016 and 2020. The Group has a total outstanding of AED 1.68 billion due to its financiers at 31 March 2024, including equity instruments.

Based on the proposed terms:

- 38% of the total outstanding will potentially settle their outstanding exposure at a discount and
- the remaining 62% are expected to receive 30% of the outstanding amount as an upfront settlement and 70% will be restructured for a period of 8 years.

Accordingly, the Group needs to generate significant cashflows to fulfill the above commitments during 2024. Although this event indicates that a material uncertainty exists, that may cast a significant doubt on the Group’s ability to continue as a going concern, the management and Board of Directors believe that the new business plan will ensure the going concern of the Group. As a part of the process, the Group will seek all formal and necessary approvals to formally execute the plan.

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

2 ACCOUNTING POLICIES (continued)

2.1 ASSESSMENT OF GOING CONCERN ASSUMPTION (continued)

The Group's management and Board of Directors are considering several steps, as part of new business plan, to address the above situation including the following:

- a. Redeeming the Wakala Deposits;
- b. Selling the real estate and financing assets; and
- c. Selling the equity investments.

The Management and the Board of Directors have determined that the above actions will be sufficient to mitigate the uncertainty and have therefore prepared these condensed consolidated interim financial information on a going concern basis.

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.

2.2 BASIS OF PREPARATION

The condensed consolidated interim financial information 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 information are consistent with those used in the preparation of the financial statements for the year ended 31 December 2023 except as described below.

Income tax expense for the period

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the three months ended 31 March 2024 was 9.7% percent (three months ended 31 March 2023: Nil percent) since the new corporate tax CT regime has become effective for accounting periods beginning on or after 1 June 2023.

The change of the accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2024.

The condensed consolidated interim financial information does 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 2023. In addition, results for the three month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The condensed consolidated interim financial information is prepared under the historical cost convention modified to include the measurement at fair value of investments at FVOCI, investment properties.

The condensed consolidated interim financial information has 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 income for three month periods ended 31 March 2024 and 31 March 2023.

2.3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**2.3.1 New and amended IFRS Standards that are effective for the current period.**

In the current period, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed consolidated interim financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial statements.

New and revised IFRS	Summary
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
Amendments to IFRS 16 Leases relating to Lease Liability in a Sale and Leaseback	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.
Amendments to IAS 1 Presentation of Financial Statements relating to Non-current Liabilities with Covenants	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements	The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

2.3.2 New and revised IFRS in issue but not yet effective and not early adopted.

At the date of authorisation of these condensed consolidated interim financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

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

2.3.2 New and revised IFRS in issue but not yet effective and not early adopted. (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	
IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial statements of Group in the period of initial application.

2.4 RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the condensed consolidated interim financial statements as at and for the year ended 31 December 2023.

3 BASIC AND DILUTED PROFIT PER SHARE

	<i>Three month ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
Profit for the period attributable to equity holders of the parent net of Directors' fee (AED'000)	26,759	14,125
Weighted average number of shares for basic EPS (in thousands)	1,500,000	1,500,000
Effect of dilution: Mudaraba Instrument	581,467	745,952
Weighted average number of ordinary shares adjusted for the effect of dilution	2,081,467	2,245,952
Attributable to equity holders of the Parent:		
Basic profit per share (AED)	0.018	0.009
Diluted profit per share (AED)	0.013	0.006

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

4 INCOME FROM INVESTMENT PROPERTIES, NET

	<i>Three month ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Rental income	8,631	4,550
Gain on sale of investment properties in joint operation-net (Note 9)	3,666	159
Gain on sale of investment properties.	173	410
Fair value gain on investment properties (Note 9)	15,741	4,098
	<u>28,211</u>	<u>9,217</u>

5 OTHER INCOME

	<i>Three month ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Gain on initial recognition of repossessed properties	485	959
Reversal of liabilities no longer payable	420	52
Income on deposits and saving accounts	1,315	681
Others	994	460
	<u>3,214</u>	<u>2,152</u>

6 CASH AND BALANCES WITH BANKS

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Cash on hand	48	58
Balances with banks (Note 6.3)	103,426	91,374
Deposits with banks	146,513	130,694
Cash and balances with banks	<u>249,987</u>	<u>222,126</u>
Less: Restricted cash and deposits		
Regulatory deposit with no maturity (Note 6.1)	(35,000)	(35,000)
Restricted cash Note 6.2)	<u>(111,513)</u>	<u>(95,695)</u>
Cash and cash equivalents	<u>103,474</u>	<u>91,431</u>

- 6.1 Represents deposits with a local bank under lien to the Central Bank of UAE in accordance with Central Bank regulations for licensing.
- 6.2 At period ended 31 March 2024, the Group reported AED 112 million (31 December 2023: AED 96 million) of restricted cash. This represents the Group's share of the cash held and controlled by a joint venture (Note 8).
- 6.3 Includes AED 11 million (31 December 2023, AED 15 million) balance with banks in subsidiaries outside UAE.

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

7 ISLAMIC FINANCING AND INVESTING ASSETS

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<i>Financing assets:</i>		
Ijarah	817,030	927,562
Forward Ijarah	40,988	42,241
Real estate Murabaha	6,601	7,335
Shirkatul Milk	562	1,484
Others	24,603	23,665
	<u>889,784</u>	<u>1,002,287</u>
Allowance for impairment	(172,169)	(187,065)
Total financing assets	<u>717,615</u>	<u>815,222</u>
<i>Investing assets:</i>		
Wakala	468,527	503,542
Total investing assets	<u>468,527</u>	<u>503,542</u>
	<u><u>1,186,142</u></u>	<u><u>1,318,764</u></u>

Net Islamic financing and investing assets by geographical area are as follows:

	<i>2023 AED'000 (Unaudited)</i>	<i>2022 AED'000 (Audited)</i>
Within U.A.E.	938,714	966,356
Outside U.A.E.	247,428	352,408
	<u><u>1,186,142</u></u>	<u><u>1,318,764</u></u>

The movement in the allowance for impairment is as follows:

Islamic Financing and investing assets and undrawn irrevocable commitments.

	<i>31 March 2024 AED'000 ECL (Unaudited)</i>	<i>31 December 2023 AED'000 ECL (Audited)</i>
Balance at 1 January	187,065	404,176
Reversal for impairment made during the year	(3,883)	(17,975)
Write back / recoveries made during the year	(3,807)	(5,738)
	<u>(7,690)</u>	<u>(23,713)</u>
Amounts written off during the year	(10,446)	(195,179)
Exchange and other adjustments	3,240	1,781
Closing balance	<u><u>172,169</u></u>	<u><u>187,065</u></u>

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

7 ISLAMIC FINANCING AND INVESTING ASSETS (continued)

7.1 Carrying value of exposures by stage.

31 March 2024 (Unaudited)

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross Exposure	462,896	265,704	161,184	889,784
Expected Credit Losses	(8,322)	(37,503)	(126,344)	(172,169)
	<u>454,574</u>	<u>228,201</u>	<u>34,840</u>	<u>717,615</u>

31 December 2023 (Audited)

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Gross Exposure	540,970	293,183	168,134	1,002,287
Expected Credit Losses	(9,931)	(37,493)	(139,641)	(187,065)
	<u>531,039</u>	<u>255,690</u>	<u>28,493</u>	<u>815,222</u>

8 INVESTMENT SECURITIES

	<i>31 March</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
Equities (FVOCI)	<u>390</u>	<u>597</u>

31 March 2024 (Unaudited)

	<i>Total</i> <i>AED'000</i>	<i>Investments carried at fair value</i>		
		<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
Equities (FVOCI)	<u>390</u>	<u>-</u>	<u>-</u>	<u>390</u>

31 December 2023 (Audited)

	<i>Total</i> <i>AED'000</i>	<i>Investments carried at fair value</i>		
		<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
Equities (FVOCI)	<u>597</u>	<u>-</u>	<u>-</u>	<u>597</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.

8 INVESTMENT SECURITIES (continued)

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

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Balance at 1 January	597	7,397
Disposal during the period / year	-	(6,652)
Exchange movement	(207)	(148)
	390	597

9 INVESTMENT PROPERTIES

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At 1 January	1,376,047	1,347,043
Additions during the period/year	3,800	39,808
Disposals during the period/year	(18,789)	(71,590)
Fair value gain on investment properties during the period/year	15,741	60,286
Reversal of provision on foreclosed properties during period / year	-	500
At period/year end	1,376,799	1,376,047

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.

All investment properties are located within the UAE. Except for investment properties in a joint venture, investment properties are categorized 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.

The valuation technique used for investment properties in the joint venture - Warqa Garden Project – has been derived using the comparable price approach based on comparable transactions for similar properties. Inputs used by valuator include sale price range from AED 80 to AED 110 per sq ft for GFA for mixed use plots, It has been adopted a rate of AED103 per sq ft of GFA for the mixed use and residential plots for Warqa Garden Project, For the School and Showroom plots, it have been adopted a premium rate of AED256 and AED307 per sq ft, respectively.

As at 31 March 2024, investment properties having fair value of AED 530 million (31 December 2023: AED 542 million) are mortgaged / assigned in favor of the security agent as part of the restructuring.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

9 INVESTMENT PROPERTIES (continued)

	<i>Three month ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Rental income derived from investment properties	8,631	4,550
Direct operating expenses (including repairs and maintenance) generating rental income	(3,419)	(2,366)
Profit arising from investment properties carried at fair value	<u>5,212</u>	<u>2,184</u>

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 31 March 2024 is AED 112 million (31 December 2023: AED 96 million) (Note 6).

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>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Investment properties	210,975	225,128
Cash and balances with banks (Note 11)	111,513	95,695
Other assets – receivables (Note 18.2)	66,039	47,859
Deferred income and other liabilities	(61,253)	(41,807)
Net Assets	<u>327,274</u>	<u>326,875</u>

	<i>Three month ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Gain on sale of investment properties in joint operation-net of cost	3,666	159
Operating expenses	(905)	(773)
Other income	1,617	427
Profit for the period	<u>4,378</u>	<u>(187)</u>

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

10 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>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
	<i>2024</i>	<i>2023</i>		
Amlak International for Real Estate Finance Company, Saudi Arabia (AIRE)	18.35%	18.35%	214,966	216,617
			<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Assets			3,813,132	3,564,467
Liabilities			(2,641,573)	(2,386,044)
Equity			1,171,559	1,178,423
Group's carrying amount of the investment			214,966	216,617
Revenue			97,151	300,369
Profit for the period / year			11,594	38,496
Group's share of profit for the period/year			2,127	7,064

11 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING

	<i>Frequency of instalments</i>	<i>Final instalment date</i>	<i>Profit rate</i>	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Purchase price payable	Monthly	25 October 2026	2%	1,282,306	1,305,381
Unamortised fair value adjustment (Note 11.1)				1,282,306 (68,135)	1,305,381 (76,213)
				1,214,171	1,229,168

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 5), 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.

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

11 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING (continued)**11.1 Unamortised fair value adjustment**

	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
At 1 January	76,213	144,449
Amortisation charged for the period / year - regular	(8,078)	(38,946)
Amortisation charged for the period / year - debt settlement	-	(29,290)
	68,135	76,213

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 condensed consolidated interim statement of income.

In September 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 in 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 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 condensed consolidated interim 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 5), 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.

12 TAXATION

On 9 December 2023, the United Arab Emirates (UAE) Ministry of Finance ("MOF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. The CT Law confirms the rate of 9% to be applied to taxable income exceeding a specified threshold.

As the Group's accounting year ends on 31 December, accordingly the effective implementation date for the Group will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

It is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in financial year 2024.

The new CT Law provides certain transitional rules and gives choices for irrevocable elections regarding the treatment to be followed for calculation of taxable income.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

12 TAXATION (continued)

12.1 Income tax expense

	<i>Three month ended 31 March</i>	
	<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>
Current tax	4,011	457
Deferred Tax	(2,129)	-
Balance at 31 December	<u>1,882</u>	<u>457</u>

12.2 Provision for taxation

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Balance at 1 January	20,335	1,493
Addition during the period / year.	4,011	20,109
Paid during the period / year.	-	(1,334)
Foreign exchange effect	(361)	67
Closing balance	<u>23,985</u>	<u>20,335</u>

12.3 Deferred tax assets / (liability)

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Balance at 1 January	3	(1)
Charged during the period / year.	2,129	4
Closing balance	<u>2,132</u>	<u>3</u>

Effective tax rate reconciliation is not material in relation to the condensed consolidated interim financial statements as tax charge relates to overseas subsidiaries only.

13 MUDARABA INSTRUMENT

	<i>31 March 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Mudaraba Instrument (nominal value)	394,437	394,437
Mudaraba Instrument Reserve	(311,565)	(311,565)
Mudaraba Instrument (carrying value)	<u>82,872</u>	<u>82,872</u>

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

13 MUDARABA INSTRUMENT (continued)

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

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 three month period ended 31 March 2024 the Group redeemed Mudaraba instrument in the value of AED nil million (year ended 31 December 2023: AED 118 million) through the debt settlement mechanism.

At 31 March 2024, the maximum number of shares which may convert under the instrument are 581 million (31 December 2023: 581 million).

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

14 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 three month period ended 31 March are as follows:

31 March 2024 (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	21,860	29,807	16,032	67,699
Allowances for impairment	7,998	-	(308)	7,690
Amortisation of initial fair value gain on deposits	(4,161)	(2,868)	(1,049)	(8,078)
Expenses (including allocated expenses)	(6,771)	(15,419)	(947)	(23,137)
Distribution to financiers/investors	(3,376)	(2,326)	(9,831)	(15,533)
Income tax expense	(48)	-	(1,834)	(1,882)
Profit for the period	<u>15,502</u>	<u>9,194</u>	<u>2,063</u>	<u>26,759</u>

31 March 2023 (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	51,963	11,111	11,088	74,162
Allowances for impairment	(3,159)	-	(221)	(3,380)
Amortisation of initial fair value gain on deposits	(6,761)	(3,611)	(1,429)	(11,801)
Expenses (including allocated expenses)	(12,936)	(14,770)	(2,157)	(29,863)
Distribution to financiers/investors	(5,151)	(2,751)	(6,634)	(14,536)
Income tax expense	-	-	(457)	(457)
Profit/(loss) for the period	<u>23,956</u>	<u>(10,021)</u>	<u>190</u>	<u>14,125</u>

Segment assets and liabilities:

The following table presents segment assets and liabilities of the Group as at 31 March 2024 and 31 December 2023:

31 March 2024 (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	<u>1,194,654</u>	<u>1,554,756</u>	<u>392,379</u>	<u>3,141,789</u>
Segment liabilities	<u>1,315,347</u>	<u>79,773</u>	<u>156,070</u>	<u>1,551,190</u>

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

14 SEGMENTAL INFORMATION (continued)

31 December 2023 (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	1,206,010	1,573,901	464,166	3,244,077
Segment liabilities	1,331,984	74,340	214,044	1,620,368

15 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 condensed consolidated interim statement of financial position are as follows:

31 March 2024 (Unaudited):

	<i>Major shareholders AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Investment deposits	14,240	17,975	32,215
Mudaraba Instrument	46,331	58,434	104,765
Other liabilities	18	23	41

31 December 2023 (Audited):

	<i>Major shareholders AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Investment deposits	47,164	59,486	106,650
Other liabilities	18	23	41
Mudaraba instrument	14,240	17,975	32,215

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

31 March 2024 (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>
Distribution to financiers / investors	237	-	299	536

The attached notes 1 to 18 form part of these condensed consolidated interim financial information.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

15 RELATED PARTY TRANSACTIONS (continued)

31 March 2023 (Unaudited)

	Major shareholders AED'000	Directors and senior management AED'000	Other related parties AED'000	Total AED'000
Income from Islamic financing and investing assets	-	1	-	1
Distribution to financiers / investors	258	-	581	839

Compensation of key management personnel

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

	31 March 2024 AED'000 (Unaudited)	31 March 2023 AED'000 (Unaudited)
Salaries and other benefits	4,179	3,064
	<u>4,179</u>	<u>3,064</u>

16 COMMITMENTS AND CONTINGENCIES

Commitments

	Notes	31 March 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
Irrevocable commitments to advance financing	16.1	-	2,000

16.1 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 0.95 million (2023: AED 0.95 million) that has been made.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

17 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 31 March 2024 (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	103,474	-	-	103,474	111,513	-	35,000	249,987
Islamic financing and investing assets	456,512	24,326	40,465	521,303	242,139	422,700	-	1,186,142
Investment securities	-	-	390	390	-	-	-	390
Investment properties	8,101	8,075	90,389	106,565	1,270,234	-	-	1,376,799
Investments in an associate	-	-	-	-	214,966	-	-	214,966
Other assets	14,626	11,815	23,842	50,283	53,640	-	-	103,923
Furniture, fixture, and office equipment	-	-	-	-	-	-	9,582	9,582
Total assets	582,713	44,216	155,086	782,015	1,892,492	422,700	44,582	3,141,789
Liabilities								
Investment deposits and other Islamic financing	21,849	21,849	43,699	87,397	1,126,774	-	-	1,214,171
Term Islamic financing	9,453	10,600	13,264	33,317	94,319	20,028	-	147,664
Employees' end of service benefits	-	-	-	-	-	-	5,039	5,039
Other liabilities	52,053	14,656	113,247	179,956	4,360	-	-	184,316
Total liabilities	83,355	47,105	170,210	300,670	1,225,453	20,028	5,039	1,551,190
Commitments	-	-	-	-	-	-	-	-
Net liquidity gap	499,358	(2,889)	(15,124)	481,345	667,039	402,672	39,543	1,590,599
Cumulative net liquidity gap	499,358	496,469	481,345	481,345	1,148,384	1,551,056	1,590,599	1,590,599

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three month period ended 31 March 2024 (Unaudited) (continued)

17 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

31 December 2023

	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	91,432	-	-	91,432	95,694	-	35,000	222,126
Islamic financing and investing assets	503,116	27,423	48,581	579,120	327,533	412,111	-	1,318,764
Investment securities	-	-	597	597	-	-	-	597
Investment properties	8,101	8,075	87,469	103,645	1,272,402	-	-	1,376,047
Investment in an associate	-	-	-	-	216,617	-	-	216,617
Other assets	9,098	16,201	37,142	62,441	37,676	-	-	100,117
Furniture, fixture and office equipment	-	-	-	-	-	-	9,809	9,809
Total assets	611,747	51,699	173,789	837,235	1,949,922	412,111	44,809	3,244,077
Liabilities								
Investment deposits and other Islamic financing	300,728	21,728	43,457	365,913	863,255	-	-	1,229,168
Term Islamic financing	12,077	9,115	20,602	41,794	132,642	26,817	-	201,253
Employees' end of service benefits	-	-	-	-	-	-	4,845	4,845
Other liabilities	52,747	16,148	113,549	182,444	2,658	-	-	185,102
Total liabilities	365,552	46,991	177,608	590,151	998,555	26,817	4,845	1,620,368
Commitments	2,000	-	-	2,000	-	-	-	2,000
Net liquidity gap	244,195	4,708	(3,819)	245,084	951,367	385,294	39,964	1,621,709
Cumulative net liquidity gap	244,195	248,903	245,084	245,084	1,196,451	1,581,745	1,621,709	1,621,709

18 COMPARATIVE INFORMATION

Certain comparative amounts in the condensed consolidate interim financial information and notes to the condensed consolidate interim financial information have been adjusted to conform with current period presentation.