INTEGRATED REPORT
2024

www.amlakfinance.com

AMLAK

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About
Amlak

Amlak Finance PJSC is a pioneering real estate financier in the Middle East, renowned for its innovative, Sharia-compliant property financing solutions. Established in November 2000 as the region's first specialized financial services provider, Amlak has consistently adapted to meet the dynamic needs of the property market.

Initially founded as a private shareholding company in Dubai, UAE, Amlak transitioned into a Public Joint Stock Company in 2004, operating under UAE Federal Law. Licensed by the UAE Central Bank as a finance company, Amlak specializes in Sharia-compliant financing structures such as Ijara, Murabaha, Mudaraba, Wakala, and Musharaka, conducting all activities in accordance with Islamic principles and its founding Articles of Association.

In 2007, Amlak expanded its footprint by launching its first international office in Cairo under the name Amlak Finance Egypt Company S.A.E. and established business associations in Saudi Arabia through Amlak International Finance Co.

Over the years, Amlak has garnered numerous prestigious accolades, reflecting its commitment to excellence, innovation, and corporate responsibility.

Recent awards include:

- Global Islamic Business Award (GIBA)
- Best Sharia' Compliant Property Finance Company
- Best Islamic Finance CSR Company in the UAE
- Most Innovative Takaful Product
- Platinum Lifestyle Takaful
- Innovation in Islamic Finance

Today, Amlak Finance offers a range of tailored property finance solutions, empowering individuals, and businesses to achieve their real estate aspirations in the UAE. Beyond financial services, Amlak remains dedicated to contributing positively to the broader UAE community through innovation and ethical practices.

Global Islamic Business Award (GIBA)

Dubai Chamber of Commerce and Industry's CSR Label

Most Innovative Takaful Product Platinum Lifestyle Takaful

Best Sharia Compliant Property Finance Company

Best Islamic Finance CSR Company in UAE

Chairman’s Message

“We have strengthened our foundation for growth by enhancing operational efficiency, effective debt management and diversifying our investments. The progress we made in 2024 is a testament to the hard work of our team and the trust of our stakeholders.

The year 2024 was a defining period for the UAE, as the nation continued to solidify its position as a global hub for innovation, economic resilience, and sustainable growth. UAE’s real estate sector witnessed remarkable expansion, driven by visionary leadership, strategic initiatives, and strong investor confidence. This vibrant growth has further strengthened the country’s positioning as a leader in shaping dynamic and future-ready industries.

Within this thriving environment, Amlak Finance has achieved notable milestones, reflecting our alignment with the nation’s ambitious vision for progress. Our strategic focus on innovation and value creation enabled us to deliver impactful results, reinforcing our position.

As we look ahead, Amlak Finance remains committed to leveraging opportunities presented by Dubai’s thriving real estate sector and the UAE’s broader economic ambitions. Our focus remains on delivering excellence, fostering innovation, and creating long-term value for our shareholders and stakeholders.

I would like to express my deepest gratitude to His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, and ruler of Dubai for his visionary leadership. He has been a source of inspiration for us, leading us to pursue excellence in all aspects of our business.

I would like to extend my gratitude and thanks to our board members, leadership team, employees, customers, and partners for their unwavering commitment.

Together, we will continue to drive Amlak’s journey, embracing the opportunities of the future with confidence and purpose.

Warm regards,

Jamal Hamed Almarri
Chairman of the Board
Amlak Finance

CEO’s Message

“One of the key milestones of the year was our progress in debt management. Successful settlement with two financiers reduced our total number of financiers, leading to substantial liability reduction. This has strengthened our financial position and enabled us to direct our focus towards future opportunities.

2024 was a transformative and challenging year for Amlak Finance that demonstrated our resilience and unity. We undertook strategic steps to reshape our business in alignment with evolving market dynamics and stakeholder expectations. Our commitment to operational excellence and innovation guided us through a year of significant achievements, laying the groundwork for sustainable growth.

In line with our vision for business transformation, we took deliberate steps to enhance operational efficiency and explore opportunities for future growth. We made progress toward identifying strategic real estate investments that align with market trends and stakeholder priorities. These efforts are part of our commitment to creating sustainable value and building a foundation for long-term success.

At the core of our progress lies a focus on people and purpose. In 2024, we prioritized employee engagement, professional development, and wellbeing, introducing programs to foster collaboration, innovation, and a shared commitment to excellence. Additionally, our CSR initiatives reinforced our role as a responsible corporate organization, contributing positively to the community.

As we enter 2025, I extend my heartfelt gratitude to our Board of Directors, employees, customers, shareholders, vendors & partners, for their trust and support. Together, we will continue to pursue our transformative journey with resilience and determination, seizing new opportunities and delivering long-term value.

Warm regards,

Arif Alharmi Albastaki
CEO, Amlak Finance

Board of Directors

Mr. Jamal Hamed Almarri
Chairman

Mr. Shaker Fareed Zainal
Vice Chairman

Mr. Mastafa Ismail Karam
Member of the Board

Mr. Khalid Salim Alhalyan
Member of the Board

Mr. Rashed Mohammad Ali Abdulrahman
Member of the Board

Mr. Ayad Hammad Alharazeen
Member of the Board

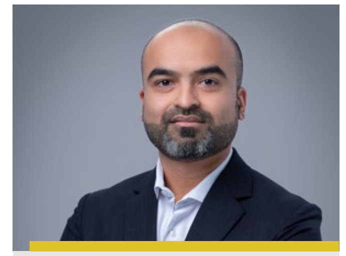
Mrs. Fatima Ahmed Rashid Qasimi
Member of the Board

Executive Management

Arif Alharmi Albastaki
Chief Executive Officer

Ahmad Salameh
Chief Financial Officer

Syed Kashif Hussain
Head of Revenue

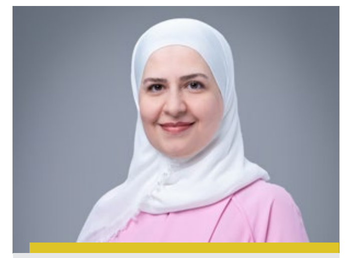


Nilesh Dutta
Head of Strategy

Harsh Sood
Head of Human Resources and Administration

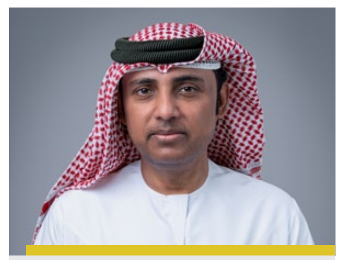
Zaki Ahmed
Head of Asset Transformation

Emad Naqvi
Head of Enterprise Risk Management



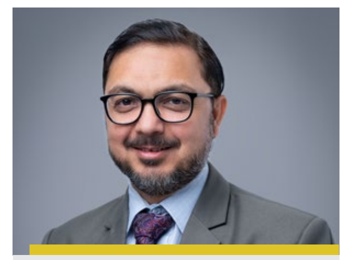
Lama Takieddin
Head of Corporate Governance and Company Secretary

Wafiq Muhsen
Head of Internal Audit

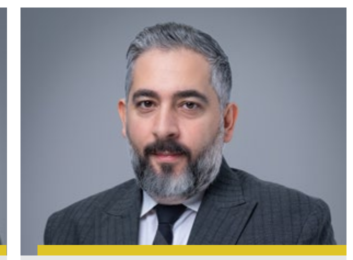


Mohamed AlMaazmi
Head of Collections and Customer Service

Yasser Asser
Head of Asset Management



Muhammad Sajid Latif
Head of Finance



Rawad Khoja
Head of Legal

Ismail Al Awadhi
Head of Internal Sharia Control

What Drives Us Forward

Vision

To be the specialized and customer centric real estate financing institution of the UAE.

Mission

To provide niche financial solutions, customized to fit our customers' needs while maximizing shareholders' value and nurturing our employees.

Our Corporate Values

Agility

We are innovative and imaginative in working with opportunities and challenges. We continuously improve the way we work, making it simpler, better and faster.

Collaboration

We work collaboratively with colleagues and form effective partnerships with internal and external stakeholders. Promoting cross-disciplinary working as a means of achieving shared goals.

Trust

We do what is best for Amlak and our customers. We deliver on our promises and work to high standards. We are reliable, open and honest.

Accountability

We hold ourselves and others accountable for delivering high quality and end to end service. We are courageous and speak up when the interest of the department and Amlak is at stake.

Amlak Through The Years

2000

Incorporated as a private shareholding company in Dubai, UAE.

2004

- Converted into Sharia compliant public joint stock company.
- Listed on DFM.

2005

- Rights issue.
- Successfully launched Sukuk.

2006

- Launched "First Amlak Real Estate Fund".
- Invested in Amlak International for Real Estate Finance Company KSA (Associate).

2007

- Invested in Amlak Finance & Real Estate Investment (S.A.E.) (100% subsidiary in Egypt)

2008

- The financial turmoil hit the UAE.
- Suspension of share trading on DFM.

2009-13

It was the stand still period for Amlak growth. However, management proactively adopted focused strategies covering:

I. Continue serving financier.
II. Effective Portfolio management.
III. Robust liquidity management.
IV. Cost rationalization.
V. Negotiated significant reduction in liabilities & commitments.
VI. Protecting Shareholders' value.

2014

- Implementation of the approved restructuring plan in November.
- Settled AED 2.8 Bn of liabilities in cash.

2015

Resumption of share trading on DFM in June.

Redemption of AED 200 Mn of Contingent Convertible Instrument (CCI) within the first year after restructuring Advance Payment of AED 558 Mn to Financiers.

2016

Successful renegotiation of key restructuring terms led Amlak to meet its strategic intents.

I. Long term sustainability and growth.
II. Improved ability to attract new funding.
III. Enhancement in shareholder value.
IV. Advance Payment of AED 274 Mn to Financiers.

2017

CCI Redemption of AED 100 Mn.

2018

Advance payment of AED 684 million to financiers

2019

- Amlak announces Renegotiation of Restructuring Terms with its Financiers.
- Amlak announces completion of labour camp project.

2020

- Debt restructuring completed in 2020.
- Debt settlement of AED 257 million and full settlement with three financier.
- Partial exit from Amlak KSA through IPO generating AED 98.3 million.
- Repayment of AED 157 million to financiers (Tranche B) in 2020 and full settlement of liquidity support providers (Tranche A) in 2020.
- Amlak's Egypt affiliate records 68% increase in profit from previous year.

2021

- Debt settlement of AED 1.15 billion and full settlement with four financiers.
- Concluded arbitration ruling in Amlak's favor with a net value of AED 725 million.

2022

Debt settlement of AED 1.08 billion and full settlement with 2 Financiers.

2023

- Amlak entered into negotiations with Financiers in order to exit from Common Terms Agreement.
- Settled facilities of 7 Financiers by reducing debts by an amount of AED 531 million.

2024

- 2 Financiers with an exposure of AED 237 million have received 70% of exposure and fully exited the Common Terms Agreement in December 2024.
- An agreement has been reached with 6 remaining Financiers regarding the payment plan for the balance of outstanding facilities of AED 1.4 billion. The full repayment is scheduled to be completed by October 2026 through the sale of assets including Ras Al Khor Plots. Amlak have also managed to settle AED 428 million on 31 December 2024 as an upfront payment to the outstanding balance from the cash available on balance sheet.

Strategy

Guided by its vision and mission, Amlak pursues a strategy of sustainable growth, customer centricity and operational excellence, underpinned by prudence, corporate governance and corporate responsibility.

Funding

Optimum and sustainable long-term funding remains a critical focus for the organization while we continue to flawlessly implement the restructuring milestones in the financing structures. This will underpin Amlak's balance sheet and profitability growth strategy in years to come.

Amlak continues to explore innovative options to repay financiers with a view to achieve a sustainable capital structure.

Shareholder Value

Sustainable growth has been placed at the root of Amlak's corporate strategy. The key focus will be on maximizing shareholder value through delivering dedicated service to our customers and generating optimum value from financial assets.

Amlak is also committed to creating long term value from its real estate investment portfolio by efficient management and development of long-term investment strategies that are aligned with Amlak's future plans.

Cost Rationalization

Achieving operational efficiency with a view to reduce costs is a key area of focus. Amlak continues to explore digital solutions as a means to deliver improved internal and external service delivery while effectively managing costs.

Organization Capabilities

Other main strategic priorities will include improving customer service delivery through technology, process reengineering to drive efficiency, robust risk management, progressive staff development and talent management as well as boosting corporate brand.

Risk Management

Risk Management continues to be a top priority for Amlak Finance. Risk is an integral part of our business and decision-making process. Our performance depends on our ability to manage risk at every level. Amlak is committed to achieving an optimum balance between risk and return to minimize potential adverse impacts on the Company's financial performance.

Aligned with this objective, the Board of Directors established the Board Risk Committee (BRC). The BRC's main responsibility is to oversee the organization's enterprise risk management. It is governed by a Charter that sets the roles and responsibilities of the Committee, its authority, composition and relationship with different stakeholders.

Furthermore, Amlak has established subcommittees and working groups comprising of stakeholders from business units and support functions to discuss financial and non-financial risks.

Risk Management Philosophy / Strategy

Amlak has a strong risk culture that is anchored to our strategy, and all staff are responsible for highlighting and managing potential risks in the course of their work. We reinforce individual accountability through a focus on the Three Lines of Defence model. In this model, as depicted here, management control is the first line of Defence in risk management, Enterprise Risk Management (ERM) and compliance oversight functions are the second line of Defence, while independent assurance internal audit team is the third.

Risk Appetite

As part of our continued efforts to improve our risk management framework, Amlak manages its risks by seeking to ensure that its exposures in each business segment remain within acceptable risk tolerance levels.

The risk tolerances are translated into risk limits for operational purposes. The risk appetite is collectively managed throughout the organization through adherence to its risk management policies and procedures. Risk Limits are periodically reviewed to ensure that they remain within the risk appetite of the Group.

Amlak's Risk Management Framework

1 Risk Mitigation
Identifying existing and new mitigation factors to effectively manage risks.

2 Risk Response Strategies
Once a risk has been assessed, an appropriate risk response strategy needs to be put in place in order to manage the risk.

3 Risk Identification
Process to identify and document risks that may prevent achieving objectives.

4 Risk Assessment
Overall process of risk measurement and risk evaluation.

5 Risk Reporting
Reporting the status of risks and mitigation factors to the Management.

Risk Management Approach

Amlak addresses the challenges of risks through an enterprise-wide risk management framework. The key features of this framework are as follows:

- The Board of Directors provides overall risk management direction and oversight.
- The Company's risk appetite is approved by the Board of Directors.
- Risk Management is embedded as an intrinsic process and is a core competency of all employees.
- Amlak manages its Credit, Market, Operational, Information Security and Liquidity risks in a coordinated manner within the organization, and in line with regulatory requirements
- Enterprise Risk management Department is independent of business units.

Amlak continuously modifies and enhances its risk management policies and systems to reflect changes in the market, products, and international best practices.

Training, individual responsibility and accountability together with a disciplined and cautious culture of control is an integral part of Risk management.

Amlak's risk management structures and processes are continually reviewed to ensure their adequacy and appropriateness for the Company's risk profile. Further, this enables us to remain up to date with changes in strategy, business environment, and trends in Risk Management.

Products & Services

Since Inception, Amlak Finance has been the real estate specialist providing Sharia compliant property financing solutions, designed to meet the rapidly evolving ecosystem comprising real estate markets and customer demands. Through its innovative & customized products and services, Amlak has been making the dream of owning a property in the UAE become a reality for UAE residents, and contributes positively to the growth of Dubai's real estate sector.

Customer Service

Amlak provides focused customer service by servicing each customer through a dedicated relationship. Amlak's customer service has been rated above industry benchmarks by independent evaluators.

Our suite of products & services includes:

Istithmari

Istithmari is the first-of-its-kind Buy-To-Let property finance (Ijarah) product in the region, designed for investors looking to invest in completed residential and commercial properties. In addition to providing personalized and professional relationship management, customers are provided with a full suite of Property Management Services.

Ijarah

Ijarah is the standard home finance product aimed towards end users of ready residential and commercial properties. Under Ijarah, Amlak buys the property from the developer/seller and leases it out to the customer with a promise to sell at the end of the lease term. The customer pays monthly rentals that comprise of fixed, variable and supplementary rentals.

Tatweer

Tatweer is a product aimed at financing under-construction properties for investors as well as for end users. Finance is supplied with a full suite of property management services that come into effect post completion and handover of the property.

Double Your Property

This product has been designed for UAE resident investors who have own a property in UAE to avail an opportunity to double their property portfolio. The product offers eligible investors to unlock their equity and increase their real estate returns through attractive financing terms from Amlak.

Amlak will facilitate the second investment process from offering its real estate portfolio to financing the transaction. In addition, investors can also avail profess-ional property management services.

Private Construction Finance

Private Construction Finance is offered to individuals or corporates that undertake construction of commercial or residential projects. Amlak is one of the handful financiers offering this product to a target market comprising UAE nationals as well as Expatriates for the purposes of renting in future or occupying. Amlak also prides in having substantial experience in managing construction financing transactions via trusted third-party contractors and consultants as well as personalized relationship management of its clients.

Corporate Social Responsibility (CSR)

At Amlak Finance, corporate social responsibility is more than a commitment – it is an integral part of our strategy and culture, shaping how we create value for our stakeholders and communities. It reflects our dedication to building a sustainable future and aligning our objectives with positive social and environmental impact.

Our CSR initiatives are aligned with the United Nations SDG's and the vision of the UAE. CSR is not just a standalone activity for us, it shapes how we innovate, grow, and engage with the world around us.

Relief Campaign with Emirates Red Crescent: #UAE stands with Lebanon

Amlak arranged a relief campaign where many employees came forward with donations that included food (oil, rice, canned food, and baby-food) in addition to monetary donations which contributed to the purchase of blankets, warm clothing for men, women and children and additional ready-to-eat canned food for adults and babies. The quantity of items collected was so large, we donated them in two batches to the Emirates Red Crescent as part of their #UAE stands with Lebanon campaign.

To further empower Amlak Finance's CSR initiatives, we have sought budgetary approval from our Board of Directors and Shareholders during the company's annual general assembly to enhance our CSR efforts.

Responsible waste management

Responsible Corporate Citizenship, having an active CSR plan empowers Amlak employees to generate value for society. We take pride in sustainability and responsible production and consumption in line with the United Nations SDG's. As responsible corporate citizens we should reduce carbon footprint and take steps to preserve our natural resources. In line with SDG 12, we organised a responsible waste management campaign to segregate waste at our office premises and introduced separate dustbins for this purpose. The 3R's (Reduce Reuse Recycle) are an important part of our environmental preservation strategy.

Corporate Social Responsibility (CSR) Continued

Rashid Center for people of determination

Amlak is committed to supporting the Rashid Center for the people of determination. We contributed and offered our support demonstrating our dedication to empowering individuals /children. As part of our CSR strategy, we believe in supporting NGO's that contribute to humanitarian causes and make a significant impact to the world.

Al Noor Rehabilitation and Welfare Association for people of determination

In our ongoing efforts to nurture learning and development and extend our support to children and individuals with special needs we contributed to the development and recreation of the children of the Al Noor Centre. We sponsored their family fun fair this helped the centre organize the event with fun activities for the children. This is in line with our CSR strategy and in sync with United Nations SDG goals. It gives a deep sense of responsibility when we come forward with such acts of kindness. NGOs like Al Noor are a great example of organizations doing selfless acts and truly making a difference to the community.

Corporate Social Responsibility (CSR) Continued

Emirates Down Syndrome Association (EDSA)

Amlak believes in supporting organizations that selflessly work towards making a difference to the community. EDSA is one such NGO. We sponsored the speech therapy of underprivileged children, demonstrating our dedication to empowering individuals with disabilities.

Al Hanan Centre for underprivileged children

Supporting education aligns with Amlak's, commitment to fostering growth and building a brighter future. By investing in educational initiatives, we aim to empower individuals, nurture talent, and contribute to the development of a skilled and knowledgeable society. We supported Al Hanan centre and contributed to the education of the less fortunate children. As part of our CSR efforts, we promote inclusive, equitable and lifelong learning in line with UN SDG 4: Quality Education. Education is the foundation for progress, and through strategic partnerships, Amlak seeks to make a lasting impact on communities and drive sustainable growth.

Umrah

The CSR team at Amlak nominated a few employees for performing UMRAH in Dec 2024. A selection of junior and support staff was nominated. This gave them an opportunity to embark on a blessed journey sponsored by the organization. The pilgrimage was organized for 5 Amlak employees.

Dubai Fitness Challenge 30 x 30

During the Dubai Fitness Challenge, Amlak encouraged employees to be fit and healthy. The challenge included prizes for the Most Valuable Player (MVP) in both the Female and Male categories for the top three places.

Breast Cancer Awareness Month

At Amlak, we are committed to prioritizing health and wellbeing of employees and community members. In October, which is the global awareness month for Breast Cancer, we organized a workshop. This helped us raise awareness about breast cancer and highlighted the importance of early detection. This was in collaboration with BMS Masaood and Fakeeh University Hospital. This initiative reflected our dedication to supporting a critical cause.

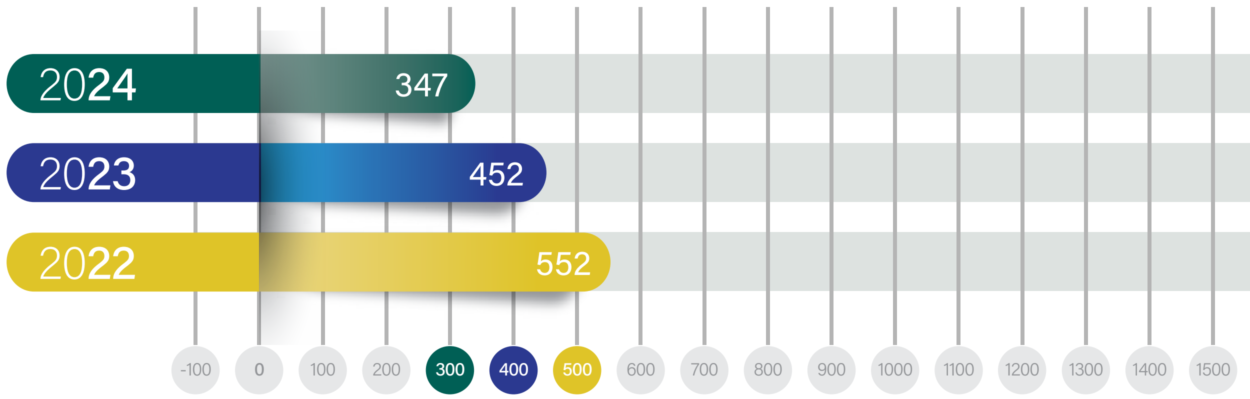
Key Highlights:

- 20 Initiatives across Workplace, Community, Environment and Marketplace categories.
- Areas of Impact linked to UN SDGs 1, 2, 3, 4, 10, 12, 13, 15, 16.
- Cross-functional & multi-level employees engaged in CSR.
- Key CSR Stakeholders in 2024: Mohammed bin Rashid Al Maktoum Global Initiatives, Emirates Red Crescent, Al Noor Rehabilitation and Welfare Association for People of Determination, Rashid Centre of People of Determination, UAE Deaf Association, Emirates Down Syndrome Association, Friends at Kidney patients, UAE Genetics Disease Association, Al Fakeeh Hospital, Dubai Fitness Challenge 30 x 30.
- Annual CSR Reports are available on Amlak Finance's website in the CSR Library Section https://www.amlakfinance.com/csr-library/
- For any questions, please contact the CSR team.

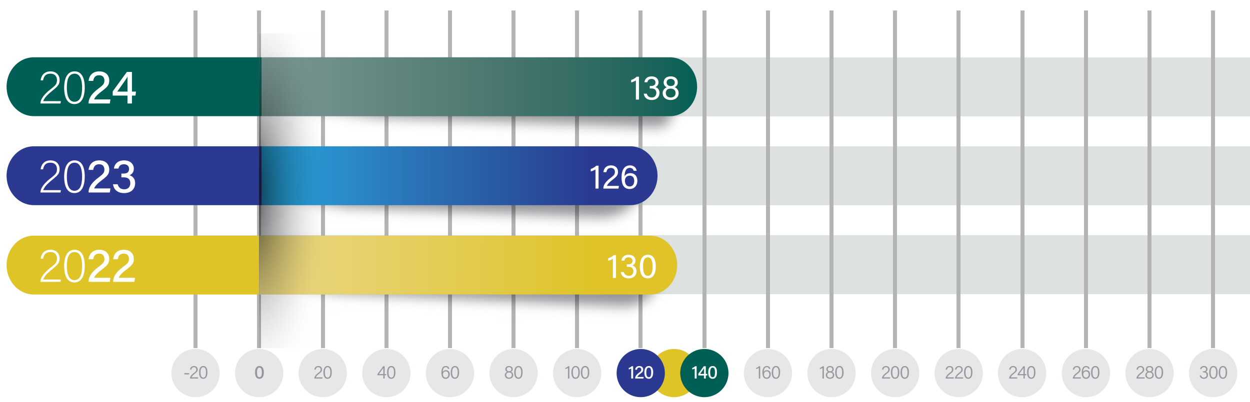
Financial Trends

1. Group Income Statement AED in Mn

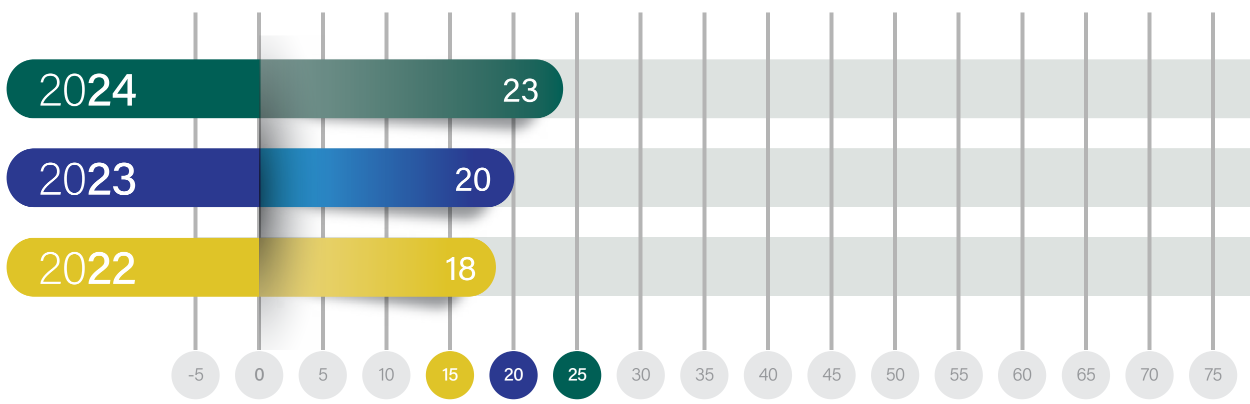
Total Income



Income from Financing and Investing Assets



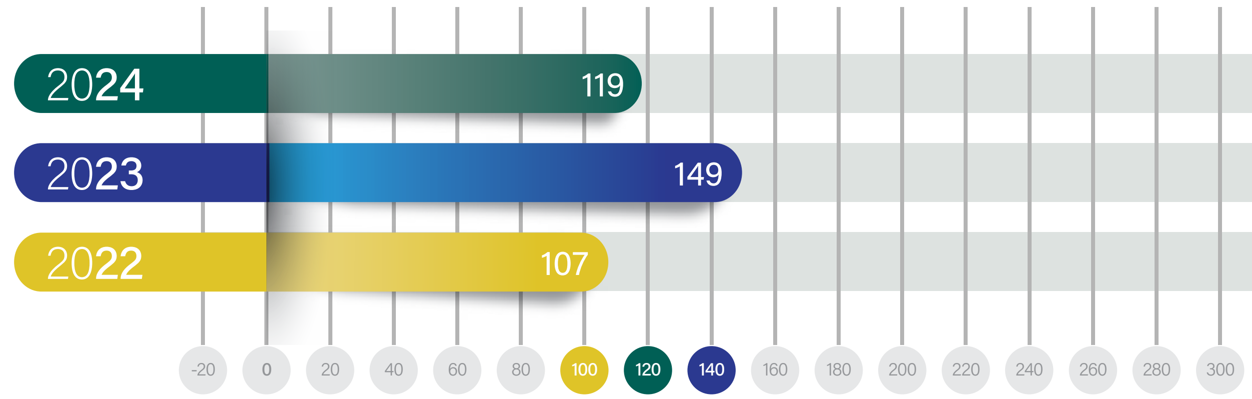
Rental Income



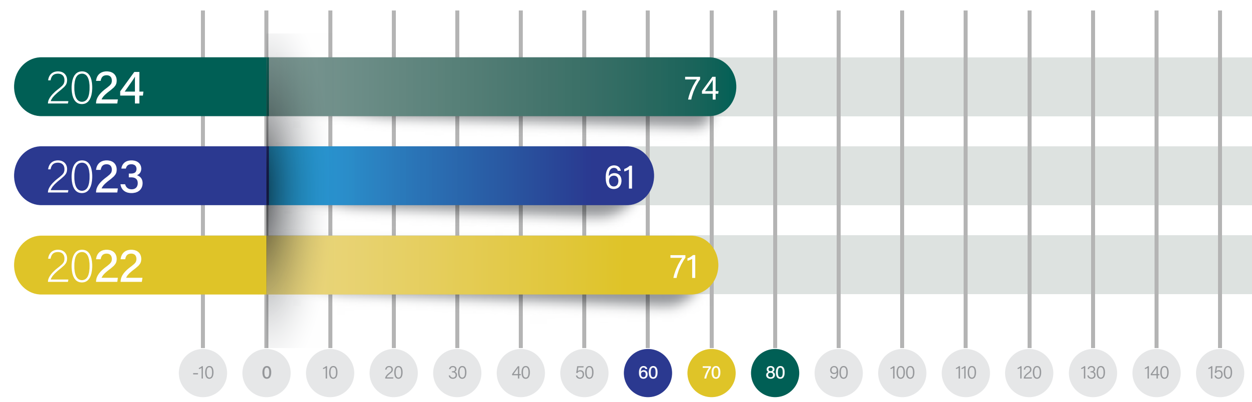
Financial Trends (Continued)

1. Group Income Statement AED in Mn

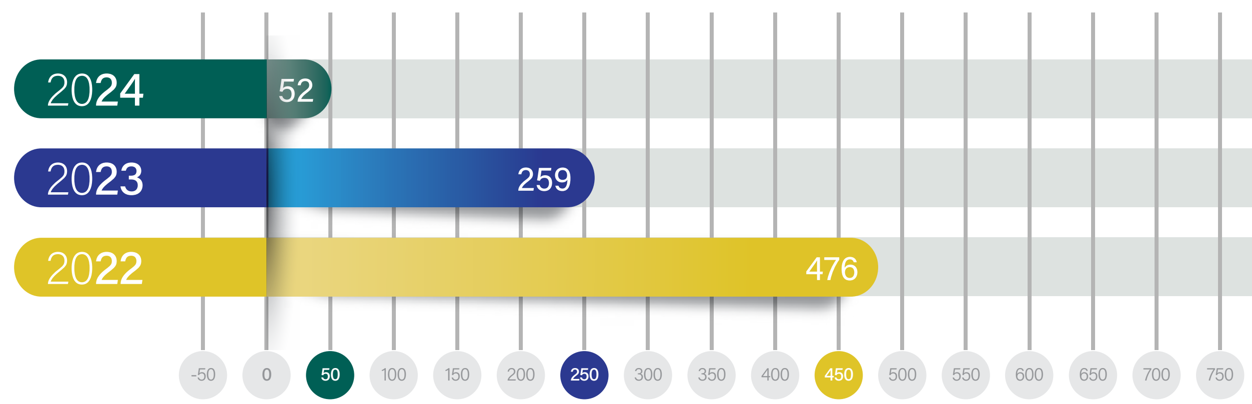
Operating Expenses



Distribution to Financiers / Investors



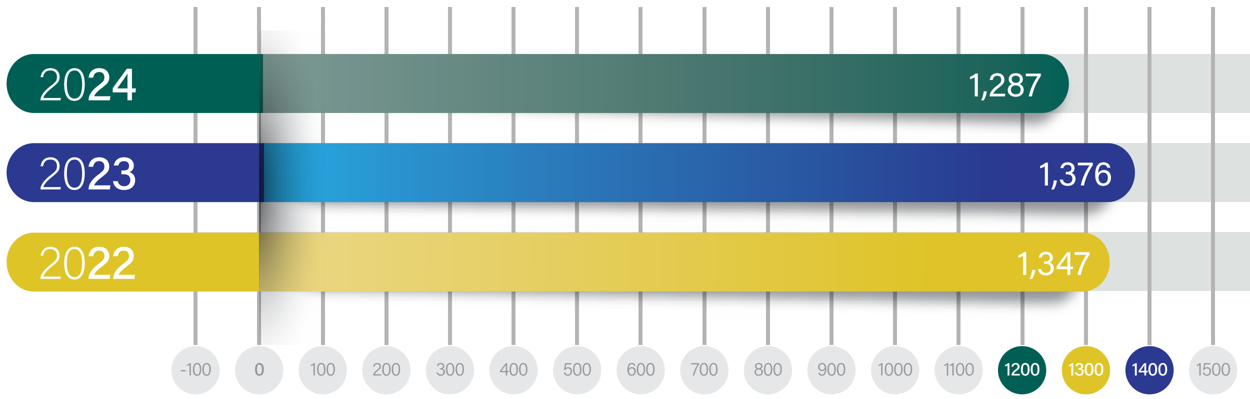
Profit / Loss for the year



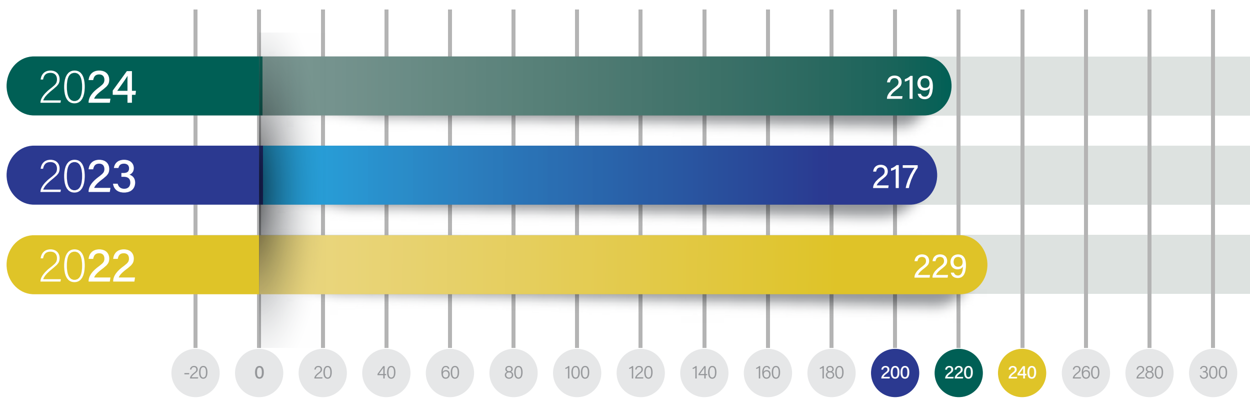
Financial
Trends (Continued)

2. Group Balance Sheet AED in Mn

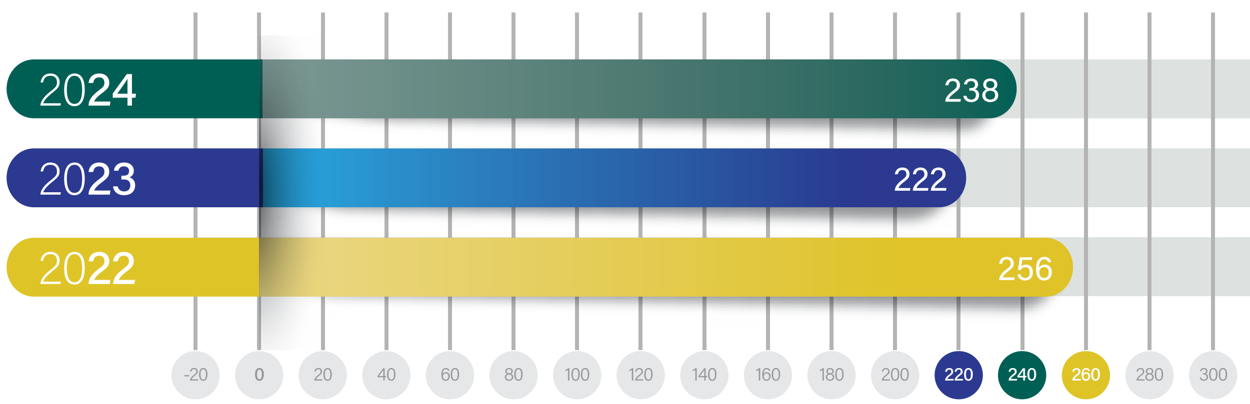
Real Estate Investments



Corporate Investments



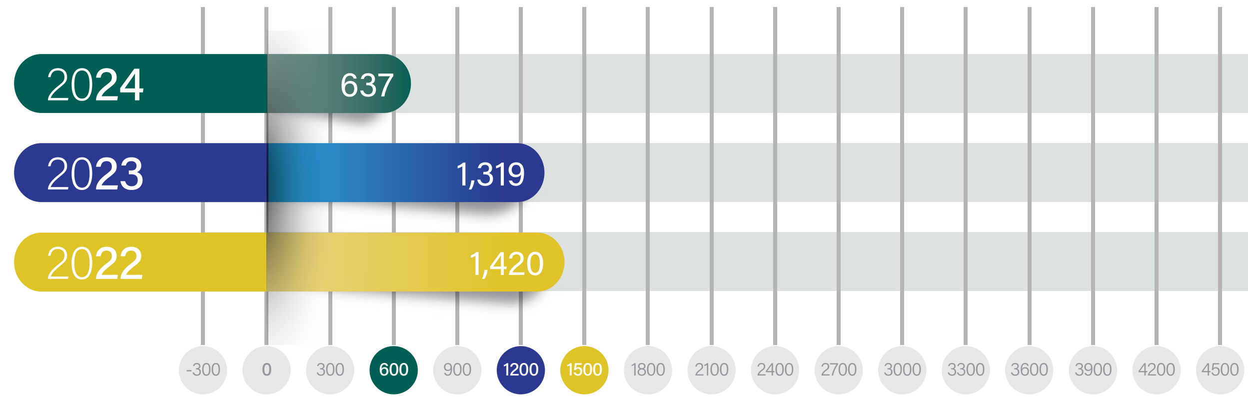
Cash and Balances with banks



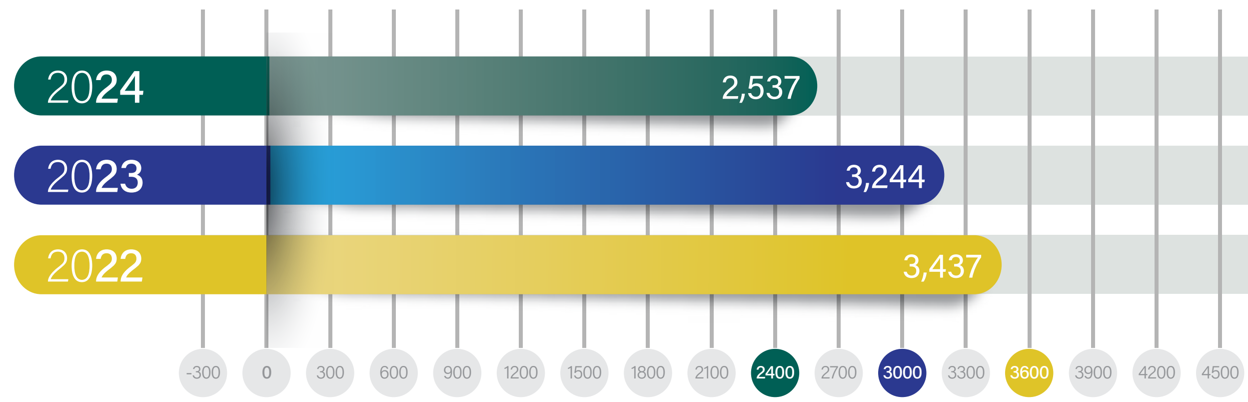
Financial
Trends (Continued)

2. Group Balance Sheet AED in Mn

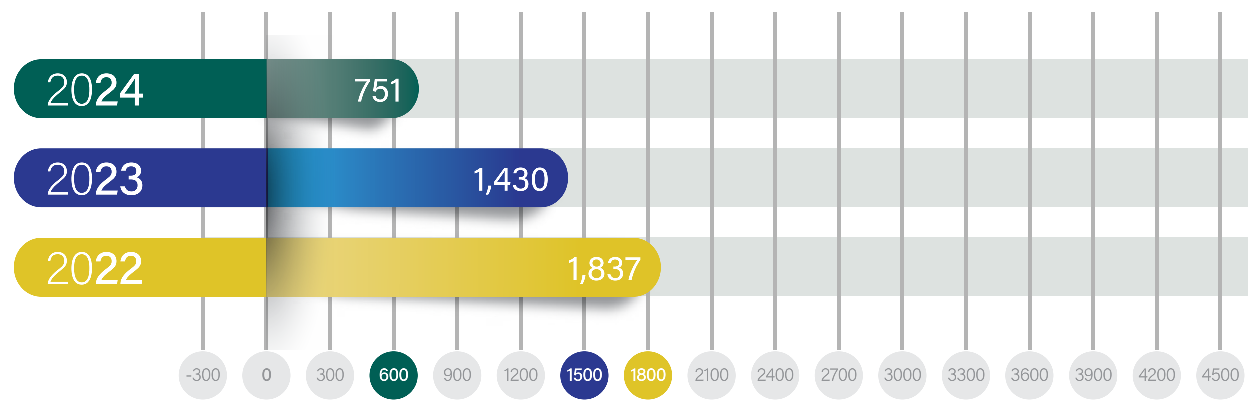
Islamic financing and investing assets



Total Assets

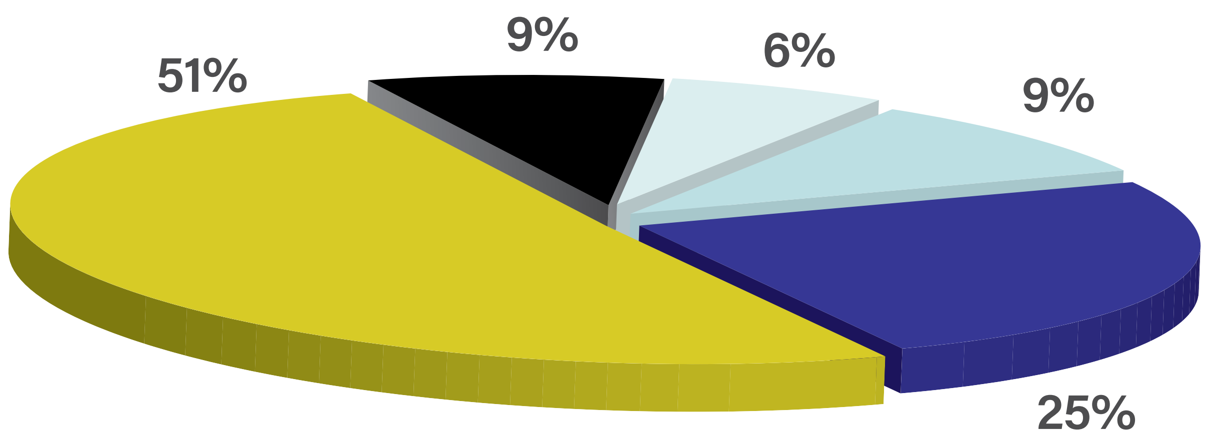


Investment Deposits and Other Islamic Financing



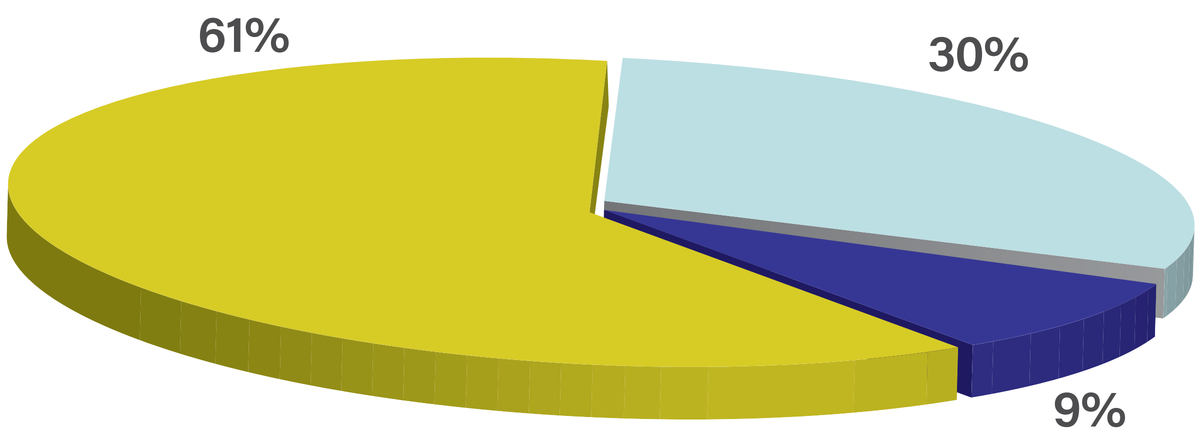
Financial Trends (Continued)

2. Group Balance Sheet AED in Mn



Assets Mix – Dec 2024

- Cash and balances with banks
- Islamic financing and investing assets
- Real Estate Investments
- Corporate Investments
- Other Assets



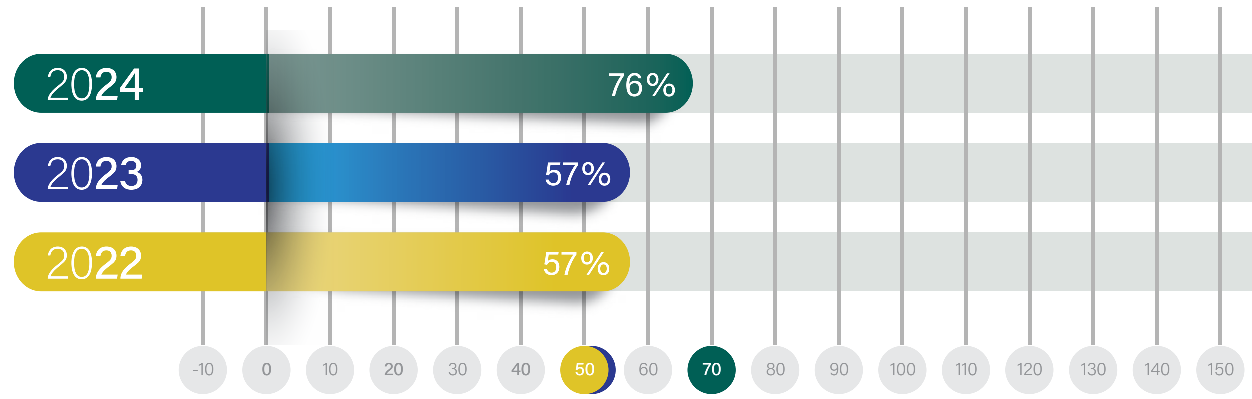
Liability and Equity Mix – Dec 2024

- Investment deposits and other Islamic financing
- Other liabilities
- Equity

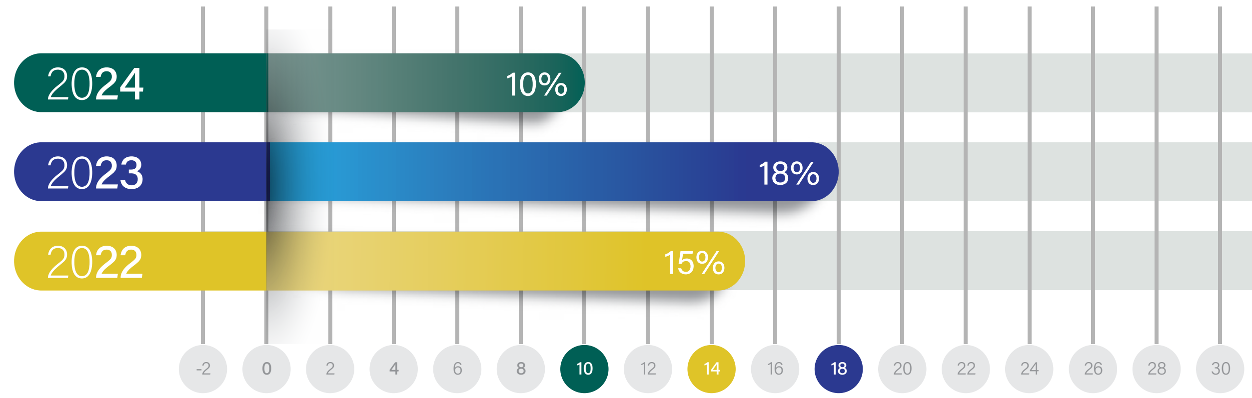
Financial Trends (Continued)

3. Financial Ratios

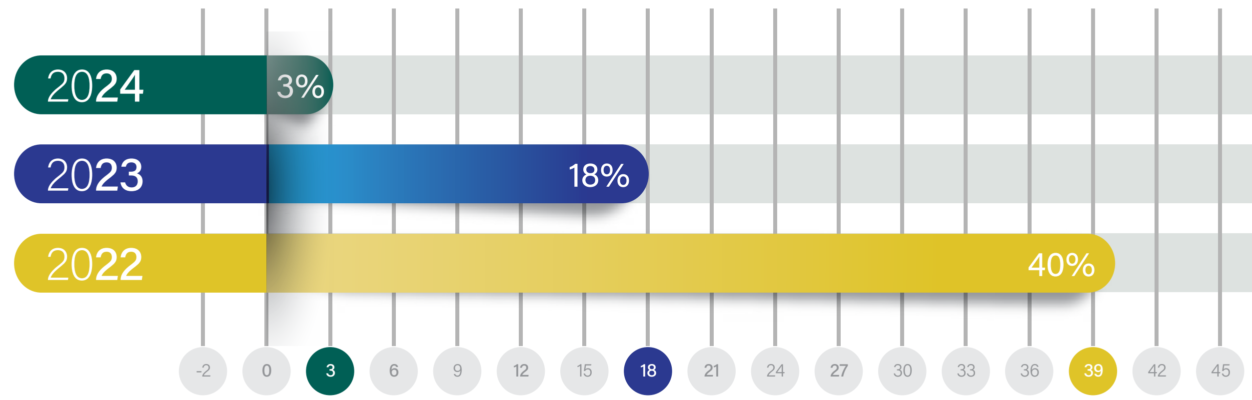
Net Financing to Deposit Ratio



Liquid Assets to Total Assets Ratio



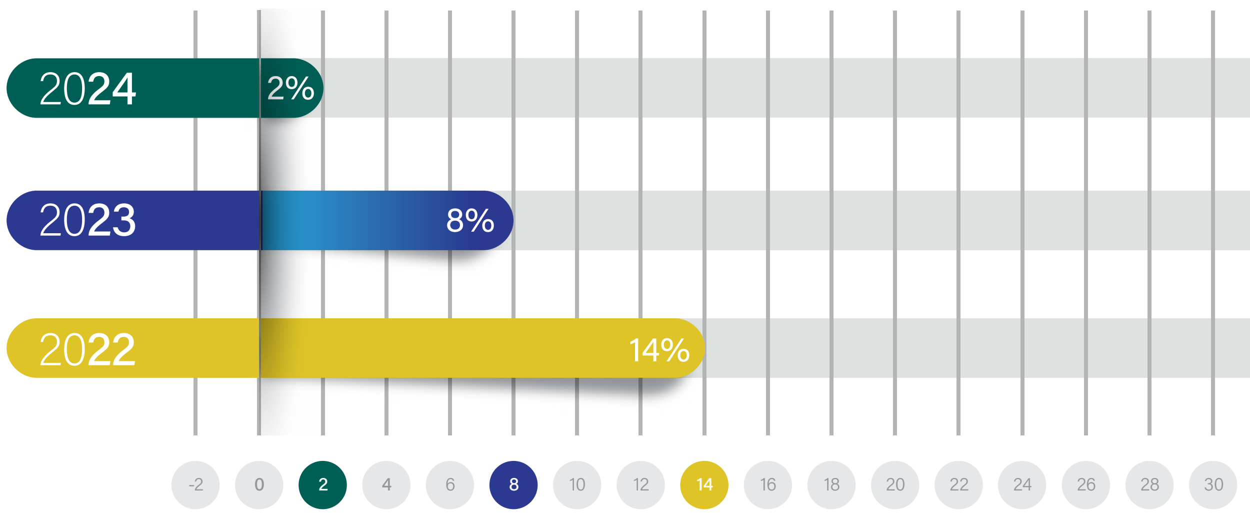
Return on Equity (ROE)



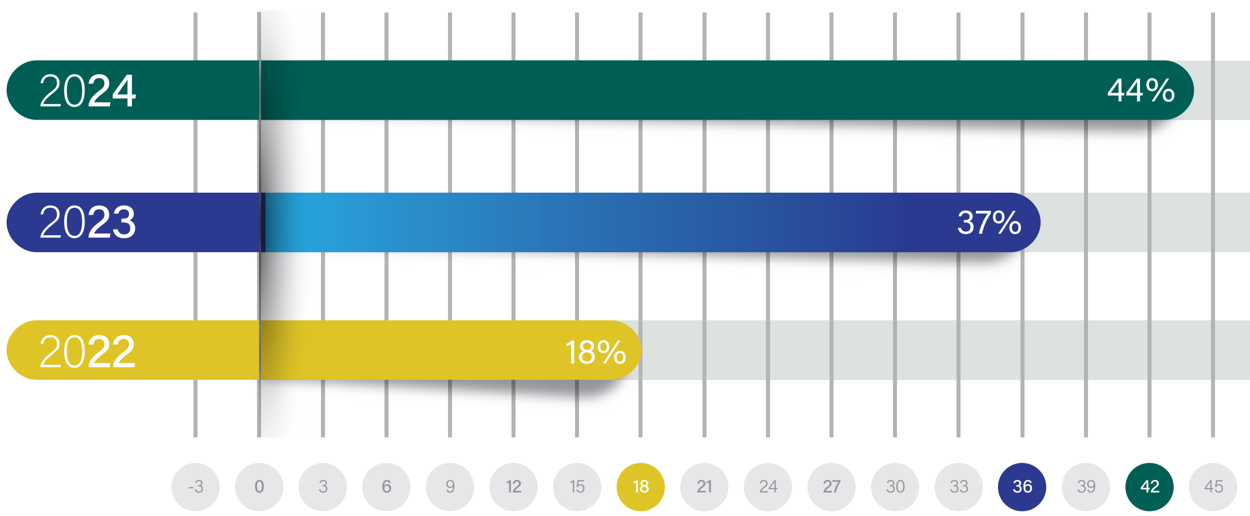
Financial Trends (Continued)

3. Financial Ratios

Return on Assets (ROA)



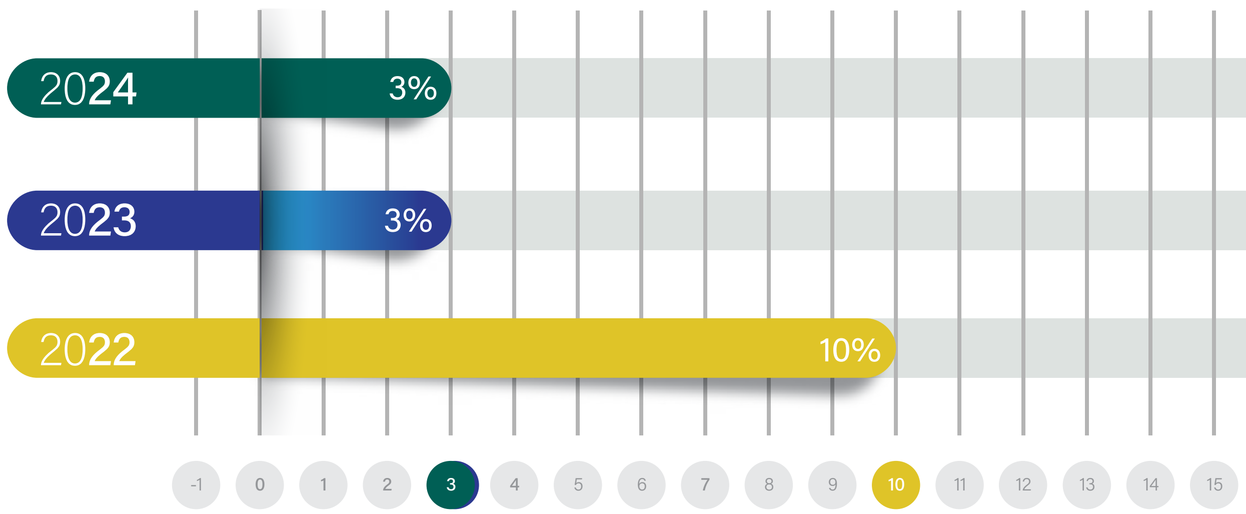
Cost to Income Ratio



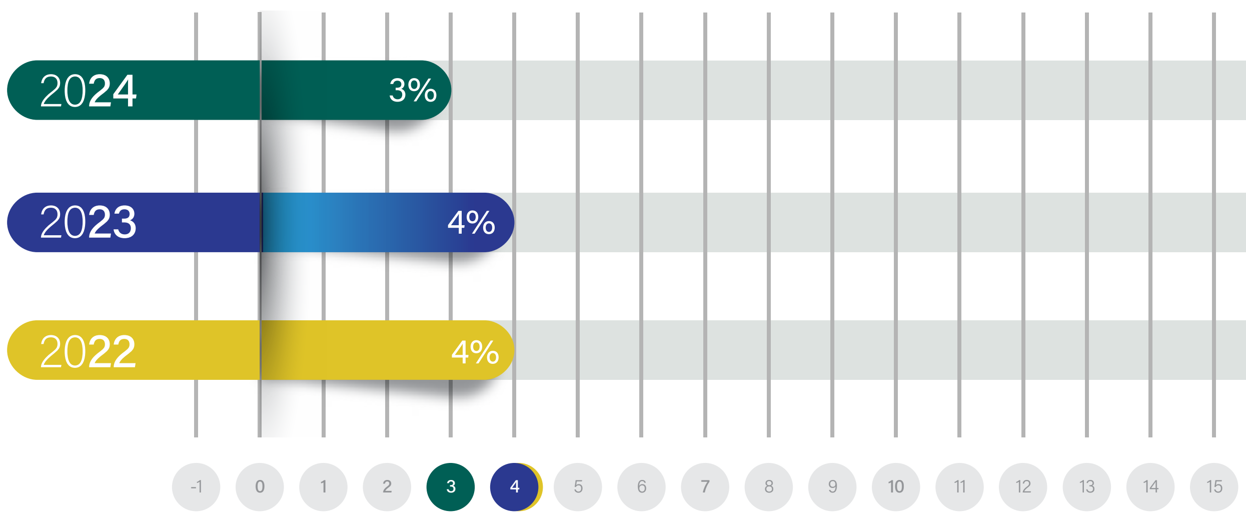
Financial Trends (Continued)

3. Financial Ratios

Non-performing financing to total asset ratio



Net profit margin



Annual Report of The Internal Shari'ah Supervision Committee

Amlak Finance PJSC for the year Ended 31st December 2024

Praise be to Allah – lord of the worlds, and peace and blessings be upon the best of messengers our Prophet Muhammad, His family and companions.

Issued on: 18th February 2025

To: **Shareholders of Amlak Finance PJSC ("Amlak")**

After greetings,

Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the **Regulatory Requirements**"), the Internal Shari'ah Supervision Committee of Amlak ("**ISSC**") presents to you the ISSC's Annual Report for the financial year ending on 31st December 2024 ("**Financial Year**").

Annual Report of The Internal Shari'ah Supervision Committee (continued)

Amlak Finance PJSC for the year Ended 31st December 2024

1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of Amlak; and Amlak's policies, accounting standards, operations and activities in general (to the extent of what was presented to the ISSC), memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between Investment accounts holders and shareholders ("**Amlak's Activities**") and issue Shari'ah resolutions in this regard, and determine Shari'ah parameters necessary for Amlak's Activities, and Amlak's compliance with Islamic Shari'ah within the scope of the rules, principles, and standards set by the Higher Shari'ah Authority ("HSA") to ascertain compliance of Amlak with Islamic Shari'ah.

The senior management is responsible for Amlak's compliance with Islamic Shari'ah in accordance with the HSA's resolutions, fatwas, and opinions, and the ISSC's resolutions within the framework of the rules, principles, and standards set by the HSA ("Compliance with Islamic Shari'ah") in all Amlak's Activities, and the Board bears the ultimate responsibility in this regard.

2. Shari'ah Standards

In accordance with the HSA's resolution (No. 18/3/2018), the ISSC has, to the best of its judgment, abided by the Shari'ah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shari'ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to Amlak's Activities.

3. Duties Fulfilled by the ISSC During the Financial Year

The ISSC conducted Shari'ah supervision of Amlak's Activities by reviewing those Activities, and monitoring them through the internal Shari'ah Control Department and Shari'ah Audit Department, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:

Annual Report of The Internal Shari'ah Supervision Committee (continued)

Amlak Finance PJSC for the year Ended 31st December 2024

a. Convening (4) meetings during the year.
b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to Amlak's Activities.
c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by Amlak to the ISSC for approval / ratification.
d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders with parameters set by the ISSC.
e. Supervision through the Internal Shari'ah Control Department and the Shari'ah Audit Department of Amlak's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
f. Providing guidance to relevant parties in Amlak – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah Control Department and Shari'ah Audit Department– and where applicable issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.
g. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
h. Clarifying the amount of Zakat due on each of Amlak's shares.
i. Communicating with the Board and its sub-committees, and the senior management of Amlak (as needed) concerning Amlak's compliance with Islamic Shari'ah.

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that Amlak is compliant with Islamic Shari'ah.

4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties with utmost independence. The ISSC received the required support and cooperation of the senior management and the Board of Amlak to have access to all documents and data, and to discuss all amendments and Shari'ah requirements.

5. The ISSC's Opinion on the Shari'ah Compliance Status of Amlak

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah, the ISSC has concluded with a reasonable level of confidence, that Amlak's Activities are in compliance with Islamic Shari'ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measure in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

Dr. Mohammad Abdul Rahim Sultan Al Olama	Mr. Moosa Tariq Khoory	Dr. Azzedine Ben Zughaiba
Chairman	Executive Member	Member

Zakat

Zakat on Amlak Shares for the year ended 31st December 2024

Praise be to Allah – Lord of the worlds, and peace and blessings be upon the best of Messengers our Prophet Muhammad, His family and companions.

The Internal Sharia Supervision Committee of Amlak Finance has reviewed the financial statements and clarifications and information related to its items for the purpose of calculating the Zakat on the company's shares, and after reviewing and examining the necessary information in this regard, the Committee states that the amount of Zakat due is 0.0018 AED for each share. Note that paying Zakat is the responsibility of the shareholders and not the responsibility of the company.

The ISSC has approved Zakat calculation and advices shareholders to pay Zakat in order to purify their funds and discharge their responsibility.

This, and God knows best.

And may God bless our Prophet Muhammad and his family and companions.

Board of Directors' Report

The Directors present their report and consolidated financial statements for the year ended 31 December 2024.

Principal Activities

Amlak Finance PJSC is primarily engaged in Islamic financing and investing activities based on structures such as Ijara, Murabaha, Mudaraba, Wakala and Musharaka. These activities are conducted in accordance with Islamic Sharia'a which prohibits usury, and within the provisions of its Articles and Memorandum of Association.

Results

The results of the Group for the year ended 31 December 2024 are set out in the attached consolidated financial statements.

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the years presented in the report.

Signed on behalf of the Board of Directors

10 March 2025
Dubai, United Arab Emirates

Independent Auditor's Report

The Shareholders Amlak Finance PJSC Dubai, United Arab Emirates.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of **Amlak Finance PJSC** (the "Company") **and its subsidiaries** (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.1 in the consolidated financial statements, which indicates that the Group has a risk of default on settling amounts owing under the Common Term Agreement which can only be addressed through the sale of certain assets. As stated in note 2.1, these events or conditions, along with other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast a significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters

Key audit matter	How our audit addressed the key audit matter
Impairment of Islamic financing and investing assets	
As at 31 December 2024, the Group's gross Islamic financing and investing assets amounted to AED 1.0 billion and the related expected credit loss (ECL) allowance amounted to AED 187 million, comprising AED 47 million against Stage 1 and 2 exposures and AED 140 million against exposures classified under Stage 3. The audit of the impairment of Islamic financing and investing assets is a key area of focus because of its size (representing 41% of total assets) and due to the significance of the estimates and judgments used in classifying Islamic financing and investing assets into various stages, determining related allowance requirements, and the complexity of the judgements, assumptions and estimates used in the Expected Credit Loss models. Refer to note 3 to the consolidated financial statements for the accounting policy, note 2.4 for critical judgements and estimation used by management and note 32 for the credit risk disclosure. The Group recognizes allowances for expected credit losses (ECLs) at an amount equal to 12-month ECL (Stage 1) or full lifetime ECL (Stage 2). A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective profit rate. The Group employs statistical models for ECL calculations and the key variables used in these calculations are probability of default (PD), loss given default (LGD); and exposure at default (EAD), which are defined in note 3 to the consolidated financial statements.	We obtained a detailed understanding of the Group's Islamic financing and investing assets business processes and the accounting policies of IFRS 9 Financial Instruments including the critical accounting estimates and judgments used. We have involved our subject matter experts to assist us in auditing the IFRS 9 ECL models as at 31 December 2024. We tested the design, implementation and operating effectiveness of the relevant controls which included testing: • System-based and manual controls over the timely recognition of impaired Islamic financing and investing assets and advances; • Controls over the ECL calculation models; • Controls over collateral valuation estimates; and • Controls over governance and approval process related to impairment provisions and ECL Models including continuous reassessment by the management. We understood and evaluated the theoretical soundness of the ECL model by involving our internal experts to ensure its compliance with the minimum requirements of the standard. We tested the mathematical integrity of the ECL model by performing recalculations. We assessed the consistency of various inputs and assumptions used by the Group's management to determine impairment.

Independent Auditor's Report
To the Shareholders of Amlak Finance PJSC, Dubai (continued)

Key audit matters

Key audit matter	How our audit addressed the key audit matter
Impairment of Islamic financing and investing assets	
The measurement of ECL amounts for exposures classified as Stage 1 and Stage 2 are carried out by the models with limited manual intervention, however, it is important that models (PD, LGD, EAD and macroeconomic adjustments) are valid throughout the reporting period. Exposures are classified as impaired as soon as there is doubt about the borrower's ability to meet payment obligations to the Group in accordance with the original contractual terms. Stage 3 in default Islamic financing and investing assets are measured on the basis of the present value of expected future cash flows including observable market price or fair value of the collateral. The impairment loss is calculated based on the shortfall in the Islamic financing and investing assets carrying value compared to the net present value of future cash flows using original effective profit rate. The factors considered when determining impairment losses on individually assessed accounts include the customer's aggregate borrowings, risk rating, value of the collateral and probability of successful repossession and the costs involved to recover the debts.	For allowances against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Group's methodology, assessed the underlying assumptions and the sufficiency of the data used by the management. We assessed the Group's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. For samples of exposures, we evaluated the appropriateness of the Group's staging. For forward looking assumptions used by the Group's management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information. We selected samples of Islamic financing and investing assets and checked the accuracy of the Exposure at Default (EAD), appropriateness of the Probability of Default (PD) and calculations of the Loss Given Default (LGD) used by the management in their ECL calculations. For exposures determined to be individually impaired, we tested samples of Islamic financing and investing assets and examined and assessed management's estimate of future cash flows, and reperformed the resultant allowance calculations. Further, we challenged the estimates and assumptions used by management around the LGD calculation for individually impaired exposures by testing the enforceability and adequacy of valuation of underlying collaterals and estimated recovery on default.
Fair valuation of investment properties	
Investment properties comprise 42% of the total assets of the Group. Investment properties are carried at AED 1.38 billion in the consolidated statement of financial position. The Group's investment properties are measured under the fair value model, with changes in fair value presented in the consolidated statement of profit or loss. Management determines the fair values of the investment properties on a quarterly basis and has used external third party specialists in accordance	We obtained an understanding of the Group's investment properties and the relevant controls over inputs and assumptions used by the Group in the valuation of the investment properties. In addition, our work performed included the below procedures, amongst others, on the Group's valuations: We assessed the design and implementation and tested the operating effectiveness of the key controls over the estimation of the fair value of the investment properties;

Independent Auditor's Report

To the Shareholders of Amlak Finance PJSC, Dubai (continued)

Key audit matters

Key audit matter	How our audit addressed the key audit matter
Fair valuation of investment properties	
with the RICS Valuation - Professional Standards and the requirements of IFRSs and take into account, where available, discounted cash flows and evidence of market transactions for properties and locations comparable to those of the Group's properties. The Group's portfolio comprises retail, offices and residential property. The valuation of an investment property at fair value is highly dependent on estimates and assumptions, such as realisable sales values, rental value, occupancy rate, discount rate, maintenance status, financial stability of tenants, market knowledge and historical transactions. Given the size and complexity of the valuation of investment properties and the importance of the disclosures relating to the assumptions used in the valuation, we assessed this as a key audit matter. Refer to the following notes in the financial statements for further detail: • Note 3 – Significant accounting policies on investment properties; • Note 2.4 – Critical accounting judgement and key sources of estimation uncertainty of valuation of investment properties; and • Note 15 – Investment properties.	We assessed the valuer's skills, competence, objectivity and capabilities and read their terms of engagement with the Group to determine that the scope of their work was sufficient for audit purposes; We agreed the total valuation in the valuer's report to the amount reported in the consolidated statement of financial position; We tested, on a sample basis, the accuracy of the standing data provided by the Group to the Valuers; We utilised our internal real estate valuation specialists to review selected properties valued by the external valuers and internally by management and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRSs; Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made; We reperformed the arithmetical accuracy of the valuations on a sample basis; and We assessed the disclosures in the consolidated financial statements against the requirements of IFRSs.

Other information

The Board of Directors and management are responsible for the other information. The other information comprises the Board of Directors' report. We obtained the Board of Directors' report prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Shareholders of Amlak Finance PJSC, Dubai (continued)

Key audit matters

Other information

When we read the remaining information of the annual report of the Group, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

To the Shareholders of Amlak Finance PJSC, Dubai (continued)

Key audit matters

Auditor's responsibilities for the audit of the consolidated financial statements

- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;
- the Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the Group's books of account;
- note 13 to the consolidated financial statements of the Group discloses its investments in equity instruments during the financial year ended 31 December 2024;
- note 30 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which they were conducted and principles of managing conflict of interests as at 31 December 2024;
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2024, with any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- note 33 to the consolidated financial statements discloses social contributions made during the financial year ended 31 December 2024.

Further, as required by Article (114) of the Decretal Federal Law No. (14) of 2018, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

Deloitte & Touche (M.E.)

Musa Ramahi
Registration No. 872
10 March 2025
Dubai, United Arab Emirates

Amlak Finance PJSC and its Subsidiaries

Consolidated Statement of Profit or Loss

For the year ended ***31 December 2024***

	Notes	2024 AED'000	2023 AED'000
Income from Islamic financing and investing assets	4	135,006	122,264
Fee and commission income		3,283	3,717
Income on deposits		13,063	6,296
Income from investment properties, net	5	130,173	126,290
Gain on debt settlement, net	17	44,536	173,939
Share of results of an associate	14	8,519	7,064
Other income	6	12,298	11,997
		346,878	451,567
(Charge) / reversal of impairments, net	7	(37,143)	76,365
Amortisation of initial fair value gain on investment deposits	17	(48,649)	(38,946)
Operating expenses	8	(118,972)	(148,643)
PROFIT BEFORE DISTRIBUTION TO FINANCIERS / INVESTORS		142,114	340,343
Distribution to financiers / investors	9	(73,910)	(60,966)
PROFIT FOR THE YEAR BEFORE TAX		68,204	279,377
Income tax expense, net	21.1	(15,834)	(20,109)
NET PROFIT FOR THE YEAR AFTER TAX		52,370	259,268
Profit per share attributable to equity holders of the parent			
Basic profit per share (AED)	10	0.034	0.17
Diluted profit per share (AED)	10	0.025	0.12

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended ***31 December 2024***

	Notes	**2024 AED'000**	2023 AED'000
Profit for the year		52,370	259,268
Other comprehensive (loss) / income			
Item that will be reclassified subsequently to profit or loss:			
Exchange losses on translation of foreign operations		**(68,861)**	(33,771)
Share of other comprehensive (loss) / income of an associate		**(4,762)**	9
Other comprehensive loss for the year		**(73,623)**	(33,762)
Total comprehensive (loss) / income for the year		**(21,253)**	225,506

The attached notes 1 to 31 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

Consolidated Statement of Financial Position

As at ***31 December 2024***

	Notes	**31 Dec 2024 AED'000**	31 Dec 2023 AED'000
ASSETS			
Cash and balances with banks	11	**238,267**	222,126
Islamic financing and investing assets	12	**637,177**	1,318,764
Investment properties	13	**1,287,011**	1,376,047
Investment in an associate	14	**218,804**	216,617
Other assets	15	**146,902**	100,714
Furniture, fixtures and office equipment	16	**9,033**	9,809
TOTAL ASSETS		**2,537,194**	3,244,077
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits and other Islamic financing	17	**590,672**	1,229,168
Term Islamic financing	18	**160,306**	201,253
Employees' end of service benefits	19	**5,688**	4,845
Other liabilities	20	**222,328**	185,102
TOTAL LIABILITIES		**978,994**	1,620,368
EQUITY			
Share capital	22	**1,500,000**	1,500,000
Statutory reserve	23	**307,392**	302,155
Special reserve	24	**99,265**	99,265
Mudaraba Instrument	25	**70,872**	82,872
Mudaraba Instrument reserve	25	**266,448**	311,565
Cumulative changes in fair value		**(540)**	4,222
Foreign currency translation reserve		**(391,435)**	(418,474)
Accumulated losses		**(293,802)**	(257,896)
TOTAL EQUITY		**1,558,200**	1,623,709
TOTAL LIABILITIES AND EQUITY		**2,537,194**	3,244,077

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial position, results of operation and cash flows of the Group as of, and for the years presented therein.

The consolidated financial statements were authorised for issue by the Board of Directors and signed on its behalf by:

Chairman

Chief Executive Officer

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended ***31 December 2024***

	Notes	**2024 AED'000**	2023 AED'000
OPERATING ACTIVITIES			
Profit for the year before tax		**68,204**	279,377
Adjustments for:			
Depreciation	16	**1,092**	1,480
Share of results of an associate	14	**(8,519)**	(7,064)
Charge / (reversal) of impairment, net	7	**37,143**	(76,365)
Fair value gain on investment properties	13	**(70,432)**	(60,286)
Amortisation of fair value adjustment on investment deposits	17	**57,144**	38,946
Distribution to financiers/investors	9	**73,910**	60,966
Income on deposits		**(13,063)**	(6,296)
Gain on initial recognition of repossessed properties	6	**(2,293)**	(4,111)
Other income	6	**(10,005)**	(7,886)
Gain on sale of investment properties	5	**(36,538)**	(46,037)
Gain on debt settlement	17	**(44,536)**	(173,939)
Provision for employees' end of service benefits	19	**875**	1,143
Operating profit before changes in operating assets and liabilities:		**52,982**	(72)
Islamic financing and investing assets		**204,775**	249,518
Other assets		**(47,924)**	(45,930)
Other liabilities		**34,653**	56,500
Cash generated from operating activities		**244,486**	260,016
Employees' end of service benefits paid	19	**(32)**	(604)
Tax paid	21.2	**(12,853)**	(1,334)
Net cash generated from operating activities		**231,601**	258,078
INVESTING ACTIVITIES			
Dividend received		**140,000**	12,637
Sale of investment properties		**121,738**	198,922
Movement in restricted cash flow	11	**(73,962)**	(18,134)
Proceeds from repayments of loan from subsidiary		**11,752**	-
Proceeds on settlement of advance for investment property		**-**	50,000
Proceeds from disposal of investment securities		**4,303**	2,616
Proceeds from Wakala deposits		**5,045,615**	4,106,099
Placement of Wakala deposits		**(4,667,996)**	(4,237,641)
Purchase of furniture, fixtures and office equipment	16	**(533)**	(497)
Income on deposits		**13,063**	6,296
Net cash generated from investing activities		**593,980**	120,298

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows (continued)

For the year ended ***31 December 2024***

	Notes	**2024 AED'000**	2023 AED'000
FINANCING ACTIVITIES			
Receipt of Term Islamic financing		**75,221**	118,744
Repayment of Term Islamic financing		**(37,212)**	(50,740)
Investment deposits and other Islamic financing		**(671,167)**	(400,689)
Redemption of Mudaraba instrument		**(39,982)**	(62,225)
Directors' fee paid		**(1,400)**	(1,400)
Net cash used in financing activities		**(674,540)**	(396,310)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**151,041**	(17,934)
Foreign currency translation reserve		**(68,861)**	(33,771)
Cash and cash equivalents at the beginning of the year		**91,431**	143,136
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	**173,611**	91,431
Non-cash transactions:			
Initial recognition of repossessed properties		**37,600**	39,030

The attached notes 1 to 31 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

Consolidated Statement of Change in Equity

For the year ended ***31 December 2024***

Amlak Finance PJSC and its Subsidiaries

Consolidated Statement of Change in Equity

For the year ended ***31 December 2024***

	Share capital AED'000	*Statutory 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 Equity AED'000*
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 year	-	-	-	-	-	-	-	52,370	52,370
Other comprehensive loss for the year	-	-	-	-	-	(4,762)	(68,861)	-	(73,623)
Total comprehensive (loss) / income for the year	-	-	-	-	-	(4,762)	(68,861)	52,370	(21,253)
Transfer to statutory reserve	-	5,237	-	-	-	-	-	(5,237)	-
Debt settlement adjustment (Note 17.2)	-	-	-	(12,000)	(45,117)	-	-	-	(57,117)
Gain on debt settlement through equity (Note 17.2)	-	-	-	-	-	-	-	14,261	14,261
Impact of changes in net assets**	-	-	-	-	-	-	95,900	(95,900)	-
Directors' fee paid	-	-	-	-	-	-	-	(1,400)	(1,400)
At 31 December 2024	1,500,000	307,392	99,265	70,872	266,448	(540)	(391,435)	(293,802)	1,558,200

The attached notes 1 to 31 form part of these consolidated financial statements.

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Change in Equity (continued)

For the year ended ***31 December 2024***

	Share capital AED'000	*Statutory reserve AED'000*	*Special reserve AED'000*	*Mudaraba instrument AED'000*
At 1 January 2023	1,500,000	276,229	276,229	99,265
Profit for the year	-	-	-	-
Other comprehensive income/(loss) for the year	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-
Transfer to statutory reserve	-	25,926	-	-
Transfer from general reserve	-	-	(276,229)	-
Debt settlement adjustment (Note 17.2)	-	-	-	-
Gain on debt settlement through equity (Note 17.2)	-	-	-	-
Movement on disposal of investment securities	-	-	-	-
Directors' fee paid	-	-	-	-
At 31 December 2023	1,500,000	302,155	-	99,265

* This relates to foreign exchange differences on translation of the Group's subsidiaries in Egypt.

**This relates to translation of net assets after repatriation of funds from subsidiary in Egypt.

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Change in Equity

For the year ended ***31 December 2024***

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 Equity AED'000*
107,624	404,627	4,213	(384,703)	(822,721)	1,460,763
-	-	-	-	259,268	259,268
-	-	9	(33,771)	-	(33,762)
-	-	9	(33,771)	259,268	225,506
-	-	-	-	(25,926)	-
-	-	-	-	276,229	-
(24,752)	(93,062)	-	-	-	(117,814)
-	-	-	-	55,589	55,589
-	-	-	-	1,065	1,065
-	-	-	-	(1,400)	(1,400)
82,872	311,565	4,222	(418,474)	(257,896)	1,623,709

The attached notes 1 to 31 form part of these consolidated financial statements.

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.

2. ACCOUNTING POLICIES

2.1 ASSESSMENT OF GOING CONCERN ASSUMPTION

For the year ended 31 December 2024 the Group has generated a profit of AED 52 million and operating cash flows of AED 251 million. AED 45 million of the Group profits have been generated from gains on debt settlements from the auctions held during the year as disclosed in Note 17.2.

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 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 971 million due to its financiers on 31 December 2024, including equity instruments.

Under the terms of the agreement, the full repayment is scheduled to be completed by October 2026 through Based on negotiations, a new payment plan to sell some of the company's assets including Ras Al Khor plots. The company will coordinate to obtain shareholders' consent regarding the sale. The document governing this agreement with was agreed with all financiers which is currently at final stage of under documen- tation completion stage and has following key features:

a. AED 1.4 billion, is payable to financiers over restructuring period till 30 September 2026 in various tranches of which AED 428 million (representing 30.6%) due on 31 January 2025 and was paid in December 2024 as upfront payment.;
b. Mudaraba Instrument and profit in kind is payable in full, instead of conversion into shares, accordingly Mudaraba Instrument will move from equity to investment deposits upon signing of restructuring; and
c. Outstanding finance will carry expected profit rate of EIBOR + 2% per annum whereas Mudaraba Instrument converted finance will carry a profit rate of 1% per annum.

Accordingly, the Group needs to generate significant cashflows to pay the above upcoming commitments. The Group's management and Board of Directors are considering several steps to generate cash inflows required to cover payment plan terms. The Group is in process to update the new business plan to reflect final terms agreed with the financiers pending sign off.

Based on the payment plan, AED 490 million is payable to financiers in 2025 with the major tranche of AED 280 million due in November 2025, which is planned to be sourced by selling certain key assets including the following:

a. Selling the real estate assets including Ras Al Khor plots;
b. Exiting of financing assets; and
c. Divestment of the investment in associate.

Although these events indicate 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 cash inflows from disposal of assets will ensure the going concern of the Group. As a part of process, the Group will seek all formal and necessary approvals to formally liquidate the assets.

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

Basis of preparation

The Group's consolidated financial statements have been prepared under the historical cost basis except for investment properties carried at fair value and investment securities measured at fair value through other comprehensive income.

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

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards), the Shariah rules and principles as determined by the Internal Sharia Supervision Committee of the Company and applicable requirements of United Arab Emirates laws.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Amlak Finance PJSC and its subsidiaries (the Group) as at 31 December 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;

- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

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 Shareholding*	
			2024	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%

2.2 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

New and amended IFRS Accounting Standards that are effective for the current period

In the current year, the Group has applied a number of amendments to IFRS Accounting 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 IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements of the group. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements of the group.

New and revised IFRS Accounting Standards	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 IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024

New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

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

New and revised IFRS Accounting Standards	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.	1 January 2025

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
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.	1 January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026
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
IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	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 information 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 information of Group in the period of initial application.

2.3 DEFINITIONS

The following terms are used in the consolidated financial statements with the meaning specified:

Istisna'a

Istisna'a is a sale contract between two parties whereby one party (seller) undertakes to construct, for the other party (buyer), an asset or property according to certain pre-agreed specifications in consideration of a pre-determined price to be delivered during a pre-agreed period of time. The work undertaken is not restricted to be accomplished by the Seller alone, whole or part of the construction can be undertaken by third parties under the seller's control and responsibility. Under an Istisna'a contract the Group may act as the seller or the buyer, as the case may be.

Ijarah (Ijarah Muntahia Bittamleek)

A lease agreement whereby one party (lessor) leases an asset to the other party (lessee), after purchasing/acquiring the asset according to the other party's request against certain rental payments for specified lease term/periods. The duration of the lease, as well as the basis for rental payments, are set and agreed in advance. The lessor retains ownership of the asset throughout the lease term. Ijarah ends by transfer of ownership in the asset to the lessee pursuant to a sale and purchase agreement. Under an Ijarah contract the Group may act as a lessor or a lessee as the case may be.

Forward Ijarah (Ijara Mausoofa Fiz Zimma)

Forward Ijarah is an arrangement whereby the parties' (i.e. lessor and lessee) agree that the lessor shall on a specified future date provide certain described property on lease to the lessee upon its completion and delivery by the developer, from whom the lessor has purchased the property. The lessee pays on-account rentals during the construction period which is setoff against lease rental obligations which commence only upon the lessee having received possession of the property from the Group. Forward Ijarah ends by transfer of ownership in the asset to the lessee. Under a Forward Ijara, the Group may act as a lessor or a lessee, as the case may be.

Sharikatul Milk

Sharikatul Milk is a joint ownership of two or more entities/persons is created in a particular asset or property without common intention to engage in business with respect to such asset or property. The parties share income/revenues from such joint ownership when the asset or property is either leased or sold.

Murabaha to the purchase orderer

Murabaha to the purchase orderer is an agreement whereby one party sells (seller) an asset to the other party (purchaser) after purchasing the assets which the seller has purchased based on a promise received from the purchaser to buy the asset to be purchased according to specific terms and conditions. The seller should disclose cost of the asset and an agreed profit to the purchaser. Under the Murabaha contract the Group may act either as a seller or a purchaser, as the case may be.

Mudaraba

An agreement between two parties whereby one party as a fund provider (Rab Al Mal) would provide funds (Mudaraba Capital), to the other party (Mudarib). Mudarib would then invest the Mudaraba Capital in a specific enterprise or activity against an agreed share in the profit. Mudaraba is an investment contract, however the Mudarib would bear the loss in case of default, negligence or violation of any of the terms and conditions of the Mudaraba by the Mudarib. Under the Mudaraba contract the Group may act either as Mudarib or as Rab Al Mal, as the case may be.

Sharia'a

Sharia'a is the body of Islamic law and is essentially derived from the Quran and the Sunna'h, Ijma and Qiyas. The Group, being an Islamic Financial Institution, incorporates the Principles of Sharia'a in its activities, as interpreted by its Internal Sharia Supervision Committee.

Wakala Investments

An agency agreement whereby the principal (Muwakkil) provides a certain sum of money (Wakala Capital) to an agent (Wakeel) to invest it in a Sharia'a compliant manner and in accordance with the feasibility study/investment plan submitted to the Muwakkil by the Wakeel. Wakeel for the services is entitled to a fixed fee

Wakala Investments	*Mudaraba Instrument*
(Wakala fee) and if the Wakeel achieves a return over and above the amount of expected profit (as stated in the feasibility study/investment plan) Muwakkil may grant such excess to the Wakeel as an incentive for its excellent performance. However, the Wakeel is obliged to return the invested amount in case of its default, negligence or violation of any of the terms and conditions of the Wakala. The Group may either receive the funds from the investors as their investment agent (Wakeel) or provide the funds for management/investment as Muwakkil.	An instrument issued in favour of a facility agent, acting for and on behalf of the financiers (as Agent) in respect of their share in the finance portfolio pursuant to which the Agent transferred rights, interests, benefits and entitlements in the finance portfolio to Amlak Shaheen Limited (as Issuer). The Company and the Issuer (as Rab Al Maal) entered into Mudaraba whereby the finance portfolio as Mudaraba Capital will be invested by the Company. Any redemption of the Mudaraba Instrument will be through the Group making a payment under a Mudaraba contract to the Issuer.

2.4 SIGNIFICANT MANAGEMENT ESTIMATES AND JUDGMENTS

Use of estimates

The preparation of the consolidated financial statements requires management to use its judgment and make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions for impairment and fair values. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Significant items where the use of estimates and judgments are required are outlined below:

(i) Financial instruments

Judgments made in applying accounting policies that have most significant effects on the amounts recognized in the consolidated financial statements of the year ended 31 December 2024 pertain:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payment of principal and profit on the principal amount outstanding.
- Calculation of expected credit loss (ECL): Assumptions and estimation uncertainties that have a significant impact on ECL for the year ended 31 December 2024. The impact is mainly driven by inputs, assumptions and techniques used for ECL calculation under IFRS 9 methodology.

Inputs, assumptions and techniques used for ECL calculation

Key concepts that have the most significant impact and require a high level of judgment, as considered by the Group while determining the ECL, are:

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes.

The Group's assessment of significant increases in credit risk is being performed at least quarterly for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. The Group has established thresholds for significant increase in credit risk based on movement in Probability of Default relative to initial recognition.
2. Additional qualitative reviews have been performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in risk.
3. IFRS 9 contains a rebuttable presumption that instruments which are 30 days past due have experienced a significant increase in credit risk.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of credit-impairment is based on individual assessment of financial assets for objective evidence of impairment.

The Group reviews its loans and receivables portfolio and Islamic financing receivables to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the contractual future cash flows from a loan or homogenous group of loans and receivables or Islamic financing receivables. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss.

Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios

The measurement of ECL for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) such as occupancy rates, oil prices, housing price index and GDP (where applicable), that are closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the Group's ECL calculation will have forecasts of the relevant macroeconomic variables.

The Group estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios.

The Group base case scenario is based on macroeconomic forecasts published by the external experts and other publicly available data. Upside and downside scenarios are set relative to the Group base case scenario based on reasonably possible alternative macroeconomic conditions. Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant.

Scenarios are probability-weighted according to the Group best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on a quarterly basis (if required). All scenarios considered are applied to all portfolios subject to ECL with the same probabilities. Sensitivity assessment due to movement in each macroeconomic variable and the respective weights under the three scenarios is periodically assessed by the Group.

In some instances the inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Such cases are subjected to the Group's Governance process for oversight.

Definition of default

The definition of default used in the measurement of ECL and the assessment to determine movement between stages is consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

The attached notes 1 to 31 form part of these consolidated financial statements.

Expected Life

When measuring ECL, the Group must consider the maximum contractual period over which the Group is exposed to credit risk. All applicable contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Governance

In addition to the existing risk management framework, the Group has established an internal workgroup to provide oversight to the IFRS 9 impairment process. The workgroup is comprised of senior representatives from the Finance and Risk Management team and will be responsible for reviewing and approving key inputs and assumptions used in the Group ECL estimates. It also assesses the appropriateness of the overall allowance results to be included in the Group financial statements.

(ii) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from quoted prices, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable market data where possible, but where this is not possible, a degree of judgment is required in establishing fair values. The judgments include consideration of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

Fair values are subject to a control framework designed to ensure that they are either determined or validated, by a function independent of the risk taker.

(iii) Impairment loss on investment in associates and jointly controlled entities

Management reviews its share of investments in associates and jointly controlled entities to assess impairment on a regular basis. In determining the assessment, management compares the recoverable amount with the carrying value of the investment. Estimating recoverable amount using value in use requires the Group to make an estimate of the expected future cash flows from the associates and jointly controlled entities and choosing a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Contingent liability arising from litigations

Due to the nature of its operations, the Group may be involved in litigations arising in the ordinary course of business. Provision for contingent liabilities arising from litigations is based on the probability of outflow of economic resources and reliability of estimating such outflow. Such matters are subject to many uncertainties and the outcome of individual matters is not predictable with assurance.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are applied prospectively.

(v) Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. The Group calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

(vi) Impairment of associate

When indications exist that the carrying amount of the investment in associates would not be recoverable, an impairment is recognised. The recoverable amount is the higher of value in use and fair value less cost to sell. The fair value less cost to sell is based on the Group's best estimate of the price the Group would achieve in a sale transaction of the investment.

The attached notes 1 to 31 form part of these consolidated financial statements.

(vii) Provisions, contingent liabilities and commitments

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the market assessments of the time value of money and the increase specific to the liability.

(viii) Revaluation of investment properties and advances for investment properties

The Group carries its investment properties and advances for investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit and loss. The Group engaged independent valuation specialists to assess fair value during the year. These are valued using appropriate valuation technique by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(ix) Allocation of transaction price to performance obligations in contracts with customers

The Group has elected to apply the input method in allocating the transaction price between respective performance obligations in a contract. In applying the input method the Group uses the fair values of the respective obligations to apportion the transaction value.

The Group has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Judgements

In addition to specific allowance against individually significant loans and receivables and Islamic financing receivables, the Group also makes a collective impairment allowance to recognise that at any reporting date, there will be an amount of loans and receivables and Islamic financing receivables which are impaired even though a specific trigger point for recognition of the loss has not yet been evidenced (known as the "emergence period').

Impairment of non-financial assets

The Group reviews its non-financial assets to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of income, the Group makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of non-financial assets.

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customers, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

The attached notes 1 to 31 form part of these consolidated financial statements.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgments the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when control of the unit has been handed over to the customer.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these Group consolidated financial statements, except for the changes explained in note 2.2.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements has pricing latitude and is also exposed to credit risks. Revenue is recognised in the income statement as follows:

Ijarah

Ijarah income is recognised on a time-proportion basis over the lease term.

Sharikatul Milk

Sharikatul Milk income is recognised on a time-proportion basis over the lease term or on transferring to the buyer the significant risks and rewards of ownership of the property.

Murabaha

Murabaha deferred profit is accounted for on a time-proportion basis over the period of the contract based on the net Murabaha amounts outstanding.

Mudaraba

Income or losses on Mudaraba financing are accounted for on a time-proportion basis if they can be reliably estimated. Otherwise, income is recognised on distribution by the Mudarib, whereas losses are charged to income on their declaration by the Mudarib.

Musharaka

Income is accounted for on the basis of the net invested Musharaka capital on a time- apportioned basis that reflects the effective yield on the asset.

Documentation fees

Documentation fees estimated to cover processing costs are recognised when related facilities are approved.

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the consolidated income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Rental income

Rental income on investment properties is recognised in the profit and loss component of the statement of income on a straight-line basis over the term of the lease where the lease is an operating lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease on a straight line basis.

Dividend

Dividend revenue is recognised when the right to receive the dividend is established.

Income on deposits

Income on deposits is accounted for on a time-apportioned basis based on the estimates of management and past history of income on similar deposits.

Allocation of profit

Allocation of profit between the financiers and the shareholders is calculated according to the Group's standard procedures and is approved by the Group's Internal Sharia Supervision Committee.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank dues, if any.

Islamic financing and investing assets

Islamic financing and investing assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Islamic financing and investing assets are initially recognised at fair value, which is the cash consideration to originate the Islamic financing and investing assets including any transaction costs, and measured subsequently at a mortised cost using the effective profit rate method. Income on Islamic financing and investing assets is included in the statement of income and is reported as income from Islamic financing and investing assets. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the Islamic financing and investing assets, and recognised in the statement of income as an impairment charge.

The Group assesses at the end of each reporting period whether there is objective evidence that Islamic financing and investing assets are impaired. Islamic financing assets are considered impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or profit;
- National or local economic conditions that correlate with defaults on the assets in the portfolio;
- Demise of the debtor; and
- Skip customers.

The Group first assesses whether objective evidence of impairment exists individually for Islamic financing and investing assets that are individually significant and collectively for Islamic financing and investing assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed Islamic investing and financing asset, it includes it in a group of Islamic financing and investing assets with similar credit risk characteristics and collectively assesses them for impairment. Islamic financing and investing assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For the purposes of a collective evaluation of impairment, Islamic financing and investing assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's evaluation process that considers category type, past-due status and other relevant factors).

The impairment charge on a group of Islamic financing and investing assets is collectively evaluated for impairment and estimated on the basis of historical trends of the probability of default, timing of recoveries and amount of loss incurred. Default rates, loss rates and expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure they remain appropriate. Where historical data is not sufficient to assess trends, market loss experience is substituted using a lagged approach whereby loss rates are based on movement of accounts from one stage of delinquency to another.

The amount of the loss is measured as the difference between the carrying amount of the Islamic financing and investing assets and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective profit rate of the Islamic financing and investing assets. The carrying amount of the Islamic financing and investing asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of income. If a Islamic financing and investing asset has a

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variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

When an Islamic financing and investing asset is uncollectible, it is written off against the related impairment allowance. If no related impairment allowance exists, it is written off to the statement of comprehensive income. Subsequent recoveries, if any, are credited to the statement of income. If the amount of impairment subsequently decreases due to an event occurring after the write down, the release of the allowance is credited to the statement of income.

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the statement of financial position. Fair values in the consolidated financial statements are determined based on valuations performed by an accredited external, independent valuer. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the statement of income in the period of derecognition.

Fair value is determined by reference to open market values based on valuations performed by independent surveyors and consultants. For advances for investment properties, valuations are adjusted for amounts to be paid in accordance with property purchase agreements.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or property under development, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property or property under development becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment or property under development up to the date of change in use.

Properties under development

Properties in the course of construction for sale are classified as properties under development. Sold and unsold properties under development are stated at cost less any impairment. Cost includes the cost of land, infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the property, which are capitalized as and when activities that are necessary to get the property ready for the intended use are in progress.

Where revenue is recognised over the duration of a contract, the associated share of costs within properties under development are released to cost of sales in the income statement.

Completion is defined as the earlier of issuance of a certificate of practical completion, or when management considers the project to be completed. Upon completion, cost in respect of properties with the intention to sell or capital appreciation / rentals are eliminated from properties under construction and transferred to properties held for sale at cost.

Assets held for sale

Assets held for sale classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Investment securities

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition costs.

At fair value through profit or loss

These are initially recognised at fair value. Gains and losses arising from changes in fair values are included in the statement of income for the year. Dividends received are included in other income according to the terms of the contract or when the right to the payment has been established.

At fair value through other comprehensive income

After initial recognition, investments classified as "fair value through OCI," are remeasured at fair value. Unrealised gains and losses are reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. Cumulative gains and losses on equity instruments recognized in OCI are transferred to retained earnings on disposal of an investment.

Investment in associates and joint operations

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group has an interest in a joint operation and recognises in relation to its interest in the joint operation its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of the revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Furniture, fixtures and office equipment

Furniture, fixtures and office equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight line basis over the estimated useful lives of assets as follows:

Offices	25 years
Furniture and fixtures	4 - 7 years
Computer and office equipment	3 - 5 years

Capital work in progress is stated at cost and is transferred to the appropriate asset category when it is brought into use and is depreciated in accordance with Group's accounting policies.

The carrying values of furniture, fixtures and office equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace furniture, fixtures and office equipment is capitalised and the carrying amount

of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related equipment. All other expenditure is recognised in the consolidated statement of income as the expense is incurred.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

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

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income on a straight-line basis over the lease term.

Employees' end of service benefits

With respect to its national employees in the UAE, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are recognised in the statement of income when due.

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium.

Trade and settlement date accounting

All "regular way" purchases and sale of financial assets are recognised on the "trade date", i.e. the date that the Group purchases or sells the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Financial instruments
(i) Initial recognition and measurement

a) Financial assets

Initial recognition

On initial recognition, a financial asset is classified as measured: at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Group's financial assets at amortized cost include Islamic financing and investing assets, cash and bank balances with banks and other assets except for prepayments.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in two categories:

- At amortised cost
- Financial assets at fair value (FVTPL or FVOCI)

Debt instrument

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

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

Group's financing assets and receivables including advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective profit rate (EPR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EPR. The EPR amortisation is included in finance income in the consolidated statement of income. The losses arising from impairment are recognised in the statement of income.

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

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

Equity instrument

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI, with only dividend income recognized in profit or loss. This election is made on an investment-by-investment basis.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to the Group's management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would

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not meet this condition. In making the assessment, the Group considers:

- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of profit rate.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass- through' arrangement; and either:
  a. the Group has transferred substantially all the risks and rewards of the asset, or
  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as FVOCI is not recognised in profit or loss account on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability.

Write-off

Assets carried at amortised cost and equity securities at FVOCI are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group has exhausted all legal and remedial efforts to recover from the customers. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Finances and advances

'Islamic financing and investing assets' caption in the statement of financial position include:

Finances and advances measured at amortised cost: they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective profit method.

Investment securities

The 'investment securities' caption in the statement of financial position includes equity investment securities designated as FVOCI.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses on equity instruments recognised in OCI are transferred to retained earnings on disposal of an investment.

b) Financial liabilities

Criteria for classification of financial liabilities under IFRS 9 is similar to IAS 39; financial liabilities are classified as financial liabilities at fair value through profit or loss, amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Initial recognition

Financial liabilities are initially recognized at fair value and, in case of financial liabilities not recorded at fair value through profit or loss, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, financing including bank overdrafts, financial guarantee contracts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are recorded at amortized cost.

The Group classifies financial liabilities as held for trading when they have issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Gains and losses arising from changes in fair values are included in the consolidated income statement in the year in which they arise.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group's financial liabilities at fair value through profit or loss are comprised of its finance rate derivative bifurcated from its term finance agreement.

Financing

After initial recognition, any financing obtained is subsequently measured at amortised cost using the EPR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EPR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EPR. The EPR amortisation is included as finance costs in the consolidated statement of income.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(i) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

(ii) Impairment

The Group recognises allowance for impairment for expected credit losses (ECL) on financial assets measured at amortised cost and commitments issued.

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The Group measures allowance for impairment at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL is measured.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

Measurement of ECL

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn finance commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default or past due event;
- the restructuring of a finance or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a collateral because of financial difficulties.

Impairment is determined as follows:

a. For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of income;
b. For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
c. For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective profit rate.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Zakat

Zakat is computed on the following basis:

- Zakat on shareholders' equity is computed on their Zakat pool (shareholders' equity less paid up capital, plus employees' end of service benefits).
- Zakat on the paid up capital is not included in the Zakat computation as well and is payable by the shareholders personally.

Fair value measurement

The Group measures financial instruments and non-financial assets at fair value at each reporting date.

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

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted investment securities.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at

fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

All the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4. INCOME FROM ISLAMIC FINANCING AND INVESTING ASSETS

	2024 AED'000	2023 AED'000
Financing assets:		
Ijarah	96,857	89,712
Forward Ijarah	656	890
Shirkatul Milk	46	270
Others	585	313
	98,144	91,185
Investing assets:		
Wakala	36,862	31,079
	135,006	122,264

5. INCOME FROM INVESTMENT PROPERTIES, NET

	Notes	2024 AED'000	2023 AED'000
Rental income		23,203	19,967
Gain on sale of investment properties in joint operation-net	13	26,161	4,610
Gain on sale of investment properties		10,377	41,427
Fair value gain on investment properties	13	70,432	60,286
		130,173	126,290

6. OTHER INCOME

	2024 AED'000	2023 AED'000
Gain on initial recognition of repossessed properties	2,293	4,111
Reversal of liabilities no longer payable	3,355	4,897
Others	6,650	2,989
	12,298	11,997

7. (CHARGE) / REVERSAL OF IMPAIRMENTS, NET

	Notes	2024 AED'000	2023 AED'000
(Charge) / reversal of impairment on:			
- Islamic financing and investing assets	12	(47,211)	23,713
- Investment properties	13	(13)	500
- Other assets		10,081	2,152
- Advances for investment properties		-	50,000
		(37,143)	76,365

8. OPERATING EXPENSES

	Notes	2024 AED'000	2023 AED'000
Personnel expenses		53,514	73,652
Legal, consultancy and professional		21,956	39,316
Property management	13	11,979	12,451
Marketing and selling expenses		10,814	2,472
Business process		4,865	4,883
Registration charges		4,358	259
IT related expense		1,917	2,908
Depreciation		1,092	1,479
Rent		807	896
Others		7,670	10,327
		118,972	148,643

9. DISTRIBUTION TO FINANCIERS / INVESTORS

The distribution of profit between the financiers and shareholders has been made in accordance with a basis ratified by the Internal Sharia Supervision Committee and in accordance with the agreements with the respective financiers.

10. BASIC AND DILUTED PROFIT PER SHARE

Profit per share is calculated by dividing profit attributable to the equity holders of the parent for the year net of directors' fees, by weighted average number of shares outstanding during the year.

Diluted profit per share is calculated by dividing the profit attributable to equity holders of the parent for the year net of directors' fees by the weighted average number of ordinary shares outstanding during the year plus the weighted average number average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares:

10. BASIC AND DILUTED PROFIT PER SHARE (continued)

	2024 AED'000	2023 AED'000
Profit for the year attributable to equity holders of the parent net of Directors' fee (AED'000)	50,970	257,868
Weighted average number of shares for basic EPS (in thousands)	1,500,000	1,500,000
Effect of dilution:		
Mudaraba Instrument (in thousands)	579,852	659,889
Weighted average number of ordinary shares adjusted for the effect of dilution	2,079,852	2,159,889

Attributable to equity holders of the parent:	2024	2023
Basic profit per share (AED)	0.034	0.17
Diluted profit per share (AED)	0.025	0.12

11. CASH AND BALANCES WITH BANKS

	Notes	2024 AED'000	2023 AED'000
Cash on hand		48	58
Balances with banks		173,562	91,374
Deposits with banks		64,657	130,694
Cash and balances with banks		238,267	222,126
Less: Restricted cash and deposits			
Regulatory deposit with no maturity	11.1	(35,000)	(35,000)
Restricted cash	11.2	(29,656)	(95,695)
Cash and cash equivalents		173,611	91,431

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

11.2 At year end, the Group reported AED 30 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. During the year ended December 31, 2024. The Group has received AED 140 million as dividend from joint venture (note 13).

12. ISLAMIC FINANCING AND INVESTING ASSETS

	2024 AED'000	2023 AED'000
Financing assets:		
Ijarah	696,548	927,562
Forward Ijarah	37,337	42,241
Shirkatul Milk	322	1,484
Real estate Murabaha	8,563	3
Others	14,255	30,997
	757,025	1,002,287
Allowance for impairment	(189,457)	(187,065)
Total financing assets	567,568	815,222
Investing assets:		
Wakala	69,609	503,542
Total investing assets	69,609	503,542
	637,177	1,318,764

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

	2024	2023
Within U.A.E.	434,173	966,356
Outside U.A.E.	203,004	352,408
	637,177	1,318,764

The movement in the allowance for impairment is as follows:

	2024	2023
Balance at 1 January	187,065	404,176
Charge / (reversal) for impairment made during the year	56,576	(17,975)
Write back / recoveries made during the year	(9,365)	(5,738)
	47,211	(23,713)
Amounts written off during the year	(53,656)	(195,179)
Exchange and other adjustments	8,837	1,781
Closing balance	189,457	187,065

12.1 Allowance for impairment includes AED 18 million (2023: AED 31 million) in respect of profit in suspense for impaired financing and investing assets.

12.2 The allowance for impairment is management's best estimate and is based on assumptions considering several factors as per IFRS 9.

12.3 Carrying value of exposure by stage

31 December 2024:	***Stage 1 AED'000***	***Stage 2 AED'000***	***Stage 3 AED'000***	***Total AED'000***
Gross Exposure	**379,882**	**249,306**	**127,837**	**757,025**
Expected Credit Losses	**(6,907)**	**(63,699)**	**(118,851)**	**(189,457)**
	372,975	**185,607**	**8,986**	**567,568**

31 December 2023:	*Stage 1 AED'000*	*Stage 2 AED'000*	*Stage 3 AED'000*	*Total AED'000*
Gross Exposure	540,970	293,183	168,134	1,002,287
Expected Credit Losses	(9,931)	(37,493)	(139,641)	(187,065)
	531,039	255,690	28,493	815,222

13. INVESTMENT PROPERTIES

	2024 AED'000	*2023 AED'000*
At 1 January	**1,376,047**	1,347,043
Additions during the year	**49,177**	39,808
Disposals during the year	**(208,570)**	(71,590)
Fair value gain on investment properties	**70,432**	60,286
Foreign exchange fluctuation	**(62)**	-
Reversal of provision on foreclosed properties	**(13)**	500
At 31 December	**1,287,011**	1,376,047

Investment properties consist of land 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 year end by independent professionally qualified valuer who hold a recognised relevant professional qualification and has 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. Central Bank has recommended to maintain specific provision on foreclosed properties. Due to the sale of certain properties during the current year a provision of AED 0.13 million (31 December 2023: AED 0.5 million reversal) has been charged on the foreclosed properties.

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

Valuation technique used for investment properties in the joint venture -Warqa Gardens Project- has been derived using the comparable price approach based on comparable transactions for similar properties. Inputs used by valuator adopted a rate of AED 107 per sq ft of GFA for the mixed use and residential plots. For the School and Showroom plots, we have adopted a premium rate of AED 265 and AED 325 per sq ft, respectively.

As at 31 December 2024, investment properties having fair value of AED 1,108 million (31 December 2023: AED 542 million) are mortgaged / assigned in favor of the security agent as part of the restructuring (note 17).

	2024 AED'000	*2023 AED'000*
Rental income derived from investment properties	**23,203**	19,967
Direct operating expenses (including repairs and maintenance) generating rental income	**(11,979)**	(12,451)
Profit arising from rental on investment properties carried at fair value	**11,224**	7,516

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. 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 was under development with a view to disposal in the market, it had been treated as property under development with an initial cost equal to its fair value at the time of transfer to investment property portfolio for AED 330 million in June 2019. 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 December 2024 is AED 30 million (31 December 2023: AED 96 million).

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

	Notes	***2024 AED'000***	*2023 AED'000*
Investment properties		**149,685**	225,128
Cash and balances with banks	11	**29,657**	95,694
Other assets – receivables	15.2	**125,160**	47,859
Deferred income and other liabilities		**(93,350)**	(41,807)
Net Assets		**211,152**	326,874
Income on deposits		**4,227**	3,178
Other income		**3,533**	-
Income on sales		**26,161**	4,610
Operating expenses		**(9,236)**	(2,419)
Corporate tax		**(5,143)**	-
Profit for the year		**19,542**	5,369

14. INVESTMENT IN AN ASSOCIATE

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

	Percentage holding 2024	2023	2024 AED'000	2023 AED'000
Amlak International Finance Company, Saudi Arabia	18.35%	18.35%	218,804	216,617

The following table illustrates the summarised financial information of the Group's investment in Amlak International Finance Company:

	2024 AED'000	2023 AED'000
Assets	4,269,985	3,564,467
Liabilities	(3,077,506)	2,386,044
Equity	1,192,479	1,178,423
Group's carrying amount of the investment	218,804	216,617
Revenue	431,788	300,369
Profit for the year	46,430	38,496
Group's share of profit for the year	8,519	7,064

During the year, the Group received bonus shares 2.078 million (2023: AED 12.64 million dividend) from AIRE. Financial information and results of AIRE are based on the latest available management accounts as at 30 November 2024 (2023: as at 30 November 2023) and extrapolated for the remaining 1 month (2023: 1 month) to 31 December 2024.

15. OTHER ASSETS

	Notes	2024 AED'000	2023 AED'000
Land registration and service fees		7,711	9,783
Foreclosed accounts receivables	15.1	1,350	3,480
Advances		3,184	2,299
Prepayments		2,832	2,443
Share of other assets of joint venture	13	125,160	47,859
Profit receivable		293	3,897
Investment securities		363	597
Others	15.2	6,009	30,356
		146,902	100,714

The attached notes 1 to 31 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries
Notes to the Consolidated
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At *31 December 2024*

15.1 This represents the fair values of the foreclosed units in relation to settlement of financing assets wherein units will be transferred to investment properties in subsequent period post completion of ownership transfer formalities with the Dubai Land Department.

15.2 Balance includes AED 2 million (31 December 2023: AED 23 million) pertains to Egypt.

16. FURNITURE, FIXTURES AND OFFICE EQUIPMENT

	Notes	2024 AED'000	2023 AED'000
Furniture, fixtures and office equipment	16.1	8,576	9,205
Capital work in progress	16.2	457	604
		9,033	9,809

16.1 Furniture, fixtures and office equipment are as follows:

2024:	Head Office AED'000	Furniture and fixtures AED'000	Computers and office equipment AED'000	Total AED'000
Cost:				
At 1 January 2024	8,338	3,189	67,497	79,024
Additions during the year	-	60	452	512
Disposals during the year	-	-	(3)	(3)
Exchange adjustments	-	(93)	(391)	(484)
At 31 December 2024	8,338	3,156	67,555	79,049
Accumulated depreciation:				
At 1 January 2024	1,169	2,466	66,184	69,819
Depreciation charge for the year	334	179	579	1,092
Exchange adjustments	-	(92)	(346)	(438)
At 31 December 2024	1,503	2,553	66,417	70,473
Net book value:				
At 31 December 2024	6,835	603	1,138	8,576

The attached notes 1 to 31 form part of these consolidated financial statements.

2023:	*Head Office AED'000*	*Furniture and fixtures AED'000*	*Computers and office equipment AED'000*	*Total AED'000*
Cost:				
At 1 January 2023	8,338	16,585	68,183	93,106
Additions during the year	-	45	272	317
Disposals during the year	-	(13,383)	(732)	(14,115)
Exchange adjustments	-	(58)	(226)	(284)
At 31 December 2023	8,338	3,189	67,497	79,024
Accumulated depreciation:				
At 1 January 2023	835	15,603	65,971	82,409
Depreciation charge for the year	334	202	944	1,480
Disposals during the year	-	(13,282)	(532)	(13,814)
Exchange adjustments	-	(57)	(199)	(256)
At 31 December 2023	1,169	2,466	66,184	69,819
Net book value:				
At 31 December 2023	7,169	723	1,313	9,205

16.2 The amount relates to ongoing IT projects.

17. INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING

	Notes	*Frequency of instalments*	*Final instalment date*	*Profit rate*	***2024 AED'000***	*2023 AED'000*
Purchase price payable		Monthly	25 October 2026	2%	**609,740**	1,305,381
					609,740	1,305,381
Unamortised fair value adjustment	17.1				**(19,068)**	(76,213)
					590,672	1,229,168

The attached notes 1 to 31 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries
Notes to the Consolidated Financial Statements (continued)
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17.1 Unamortised fair value adjustment

	2024 AED'000	*2023 AED'000*
At 1 January	**76,213**	144,449
Amortisation charged for the year - regular	**(31,302)**	(38,946)
Amortisation charged for the year – voluntary prepayment	**(17,347)**	-
Amortisation charged for the year - debt settlement	**(8, 496)**	(29,290)
	19,068	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 consolidated statement of profit or loss.

In June 2020, the Company again undertook restructuring of the deposits of Commercial financiers; the face value of the restructured fixed obligations at 30 June 2020 is AED 4,219 million. Upon revised restructuring, repayment behaviour was significantly changed resulting into scheduled and non scheduled instalment payments wherein:

- AED 1.36 billion is payable in 74 monthly installments which commenced from 25 August 2020 and the remaining outstanding amount is payable on maturity in October 2026.
- The Group shall apply 75% proceeds from sale of qualified real estate assets in prepayments of the outstanding in inverse order of maturity.

The fair value adjustment is calculated using the original effective profit rate of 4.89%. The cumulative value of fair value gain amortised up to 30 June 2020 was AED 627 million (31 December 2020: AED 584 million) giving a residual fair value gain of AED 284 million as at 30 June 2020 (31 December 2020: 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 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 13), assignment of insurances, pledge over bank accounts

(note 11), 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.

New payment plan is in process to be agreed with financiers which require accelerated repayment to financiers as per agreed profit rate.

17.2 Debt Settlement

Based on the revised CTA, the Group initiated debt settlement auctions either through a cash swap or an asset swap during the year ended 31 December 2024.

For the debt settlement through cash, a cash consideration of AED 167 million (31 December 2023: AED 265 million) was offered to financiers against settlement of their exposures and two financiers settled their exposure of AED 238 million (31 December 2023: AED 531 million) which included investment deposits of AED 177 million (31 December 2023, AED 406 million)), Mudaraba Instrument of AED 57 million (31 December 2023: AED 118 million)

The attached notes 1 to 31 form part of these consolidated financial statements.

and profit in kind of AED 4 million.(31 December 2023: AED 7 million). As a result of this settlement, the Group has recorded a gain of AED 45 million (31 December 2023: AED 174 million) in statement of profit or loss after netting of amortization of fair value adjustment on restructuring amounting to AED 8 million (31 December 2023: AED 29 million) and recorded a gain of AED 14 million (31 December 2023: AED 56 million) related to Mudaraba instrument, in statement of changes in equity.

18. TERM ISLAMIC FINANCING

	Notes	2024 AED'000	2023 AED'000
Egyptian Mortgage Refinance Company	18.1	60,105	82,706
National Bank of Egypt (NBE)	18.2	30,648	45,056
Bank Misr	18.3	25,408	12,997
Ahli United Bank	18.4	14,864	33,365
Egyption Gulf Bank	18.5	13,972	-
Arab African International Bank (AAIB)	18.6	8,859	17,768
Egyptian Arab Land Bank	18.7	6,194	7,366
Baraka bank		256	1,136
Suez Canal - Egypt		-	859
		160,306	201,253

18.1 Egyptian Mortgage Refinance Company (EMRC)

As at the year end, EMRC long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 834 million (31 December 2023: Egyptian Pounds 696 million) to finance the subsidiary's activities. These facilities carry a profit rate range from 1.25% per annum to 1.50% per annum plus average corridor rate from Central Bank of Egypt (2023: 1.25% per annum to 1.50% per annum) payable monthly over a maximum period of 20 years.

18.2 National Bank of Egypt (NBE)

As at the year end, NBE long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 425 million (31 December 2023: Egyptian Pounds 379 million) to finance the subsidiary's activities. These facilities carry a profit rate of 1.25% per annum plus average corridor rate from Central Bank of Egypt (2023: 1.25%) payable monthly over a maximum period of 10 years.

18.3 Bank Misr

As at the year end, NBE long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 352 million (31 December 2023: Egyptian Pounds 109 million) to finance the subsidiary's activities. These facilities carry a profit rate of 1.25% per annum plus average corridor rate from Central Bank of Egypt (2023: 1.25%) payable monthly over a maximum period of 10 years.

18.4 Ahli United Bank (AUB)

As at the year end, AUB long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 206 million (31 December 2023: Egyptian Pounds 281 million) to finance the subsidiary's activities. These facilities carry a profit rate of 1% per annum plus average corridor rate from Central Bank of Egypt (2023: 1%) payable on a monthly basis over a maximum period of 10 years.

The attached notes 1 to 31 form part of these consolidated financial statements.

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18.5 Egyptian Gulf Bank

As at the year end, EALB long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 194 million (31 December 2023: Egyptian Pounds NilNil million) to finance the subsidiary's activities. These facilities carry a profit rate of 1.50% per annum plus average corridor rate from Central Bank of Egypt (2023: 1.50%) payable on a monthly basis over a maximum period of 10 years.

18.6 Arab African International Bank (AAIB)

As at the year end, NBE long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 123 million (31 December 2023: Egyptian Pounds 150 million) to finance the subsidiary's activities. These facilities carry a profit rate of 1.5% per annum plus average corridor rate from Central Bank of Egypt (2023: 1.5%) payable monthly over a maximum period of 10 years.

18.7 Egyptian Arab Land Bank (EALB)

As at the year end, EALB long term facilities to the Group's subsidiary in Egypt amounted to Egyptian Pounds 86 million (31 December 2023: Egyptian Pounds 62 million) to finance the subsidiary's activities. These facilities carry a profit rate of 1.50% per annum plus average corridor rate from Central Bank of Egypt (2023: 1.50%) payable on a monthly basis over a maximum period of 10 years.

19. EMPLOYEES' END OF SERVICE BENEFITS

	2024 AED'000	2023 AED'000
At 1 January	4,845	4,306
Provided during the year	875	1,143
Paid during the year	(32)	(604)
At 31 December	5,688	4,845

20. OTHER LIABILITIES

	Notes	2024 AED'000	2023 AED'000
Accrued expenses		71,334	64,078
Provisions for expenses		35,790	31,261
Share of deferred income and other payable from joint venture	20.2	88,207	41,807
Provision for litigation claims	20.1	450	950
Anticipated profits payable on investment deposits and other Islamic financing		380	508
Provision for taxation	21.2	10,890	20,335
Other payables		15,277	26,163
		222,328	185,102

The attached notes 1 to 31 form part of these consolidated financial statements.

20.1 This represents provision against certain litigation proceedings in the United Arab Emirates, involving claims by and against it, mainly in respect of certain sale and financing transactions.

20.2 This includes AED 88 million (31 December 2023: AED 42 million) pertaining to deferred income and other liabilities of Al Warqa Gardens LLC (note 13).

21. TAXATION

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable 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.

The Group's consolidated effective tax rate in respect of continuing operations for the 12 months ended 31st December 2024 was 23.22% percent (12 months ended 31 December 2023: Nil percent) since the new corporate tax CT regime has become effective for accounting periods beginning on or after 1 June 2023.

21.1 Income tax expense

	2024 AED'000	*2023 AED'000*
Current Tax	**12,632**	20,109
Deferred Tax	**3,203**	-
Balance at 31 December	**15,835**	20,109

21.2 Provision for taxation

	2024 AED'000	*2023 AED'000*
Balance at 1 January	**20,335**	1,493
Charged during the year	**12,632**	20,109
Paid during the year	**(12,853)**	(1,334)
Foreign exchange effect	**(9,224)**	67
Balance at 31 December	**10,890**	20,335

21.3 Deferred tax assets / (liability)

	2024 AED'000	*2023 AED'000*
Balance at 1 January	**3**	(1)
Movement during the year	**3,203**	4
Foreign exchange effect	**(3)**	-
Balance at 31 December	**3,203**	3

22. SHARE CAPITAL

	2024 AED'000	*2023 AED'000*
Authorised, Issued and fully paid 1,500,000,000 shares of AED 1 each (31 December 2023: 1,500,000,000 ordinary shares of AED 1 each)	**1,500,000**	1,500,000

Mudaraba Instrument

The Group has issued a Mudaraba Instrument which is convertible to ordinary shares (note 25) on completion of certain conditions. At the time of issuance of the Mudaraba Instrument, the shareholders passed resolutions in the extraordinary general assembly meeting held on 28 September 2014 to increase the share capital of the Company by upto AED 2.1 billion from time to time in such amount or amounts as may be required.

23. STATUTORY RESERVE

As required by the UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, 10% of the Company's profit for the year is to be transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of paid-up share capital. During the year, the Company transferred AED 5.2 million (31 December 2023: AED 26 million) to statutory reserve.

24. SPECIAL RESERVE

The special reserve, which has been created in accordance with the recommendations of the UAE Central Bank is not available for distribution.

25. MUDARABA INSTRUMENT

	2024 AED'000	*2023 AED'000*
Mudaraba Instrument (nominal value)	**337,320**	394,437
Mudaraba Instrument Reserve	**(266,448)**	(311,565)
Mudaraba Instrument (carrying value)	**70,872**	82,872

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 year ended 31 December 2024 the Group redeemed Mudaraba instrument in the value of AED 57 million (31 December 2023: AED 118 million) through the debt settlement mechanism (note 17).

At 31 December 2024, the maximum number of shares which may convert under the instrument are 497 million (31 December 2023: 579 million).

26. 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) and corporate finance investments.

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 year ended 31 December are as follows:

2024:	***Real Estate Finance AED'000***	***Real Estate Investment AED'000***	***Corporate Finance Investments AED'000***	***Total AED'000***
Operating income	129,440	146,587	70,851	346,878
Distribution to financiers / investors	(11,493)	(10,244)	(52,173)	(73,910)
Allowances for impairment	(37,325)	-	182	(37,143)
Amortization of initial fair value gain on investment deposits	(17,204)	(22,908)	(8,537)	(48,649)
Expenses (including allocated expenses)	(34,097)	(76,769)	(8,106)	(118,972)
Income tax expense	(3,544)	(10,683)	(1,607)	(15,834)
Segment results	25,777	25,983	610	52,370

2023:	*Real Estate Finance AED'000*	*Real Estate Investment AED'000*	*Corporate Finance Investments AED'000*	*Total AED'000*
Operating income	271,733	130,768	49,066	451,567
Distribution to financiers / investors	(17,539)	(10,296)	(33,131)	(60,966)
Allowances for impairment	24,608	51,031	726	76,365
Amortization of initial fair value gain on investment deposits	(21,478	(12,609)	(4,859)	(38,946)
Expenses (including allocated expenses)	(94,976)	(38,510)	(15,157)	(148,643)
Income tax expense	-	(18,607)	(1,502)	(20,109)
Segment results	162,348	101,777	(4,857)	259,268

Segment assets and liabilities:

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

2024:	Real Estate Finance AED'000	Real Estate Investment AED'000	Corporate Finance Investments AED'000	Total AED'000
Segment assets	624,548	1,504,666	407,980	2,537,194
Segment liabilities	697,296	112,895	168,803	978,994
Depreciation	1,024	-	68	1,092
Capital expenditure	457	-	-	457

2023:	Real Estate Finance AED'000	Real Estate Investment AED'000	Corporate Finance Investments AED'000	Total AED'000
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
Depreciation	1,391	-	89	1,480
Capital expenditure	604	-	-	604

27. 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:

31 December 2024:	Major shareholders AED'000	Other related parties AED'000	Total AED'000
Investment deposits	25,764	32,490	58,254
Financing & investing assets	-	828	828
Other liabilities	16	20	36
Mudaraba instrument	14,240	17,975	32,215

31 December 2023:	Major shareholders AED'000	Other related parties AED'000	Total AED'000
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 December 2024:	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	-	-	13	13
Distributions to financiers / investors	926	-	1,167	2,093

31 December 2023:	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
Distributions to financiers / investors	998	-	1,515	2,513

Compensation of key management personnel

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

	2024 AED'000	2023 AED'000
Salaries and other benefits	15,688	14,784
Employee terminal benefits	-	118
	15,688	14,902

28. COMMITMENTS AND CONTINGENCIES

Commitments	Notes	2024 AED'000	2023 AED'000
Irrevocable commitments to advance financing	28.1	-	2,000
		-	2,000

28.1 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

a) 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, except for cases against which a provision of AED 0.45 million (2023: AED 0.95 million) has been made.

b) As at 31 December 2024, the Group had a contingent liability for proposed Directors' remuneration of AED 1.4 million (2023: AED 1.4 million). Directors' remuneration is governed by UAE Federal Law No (32) of 2021. AED 1.4 million was paid during the year.

29. RISK MANAGEMENT

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement, mitigation and monitoring subject to risk limits and other controls. This process of risk management is critical to the Group's sustainability. The Group is exposed to credit risk, liquidity risk, market risk and operational risks.

The major risks to which the Group is exposed in conducting its business and operations, and the means and organizational structure it employs in seeking to manage them strategically in its attempt to build stakeholder's value are outlined below.

The Board of Directors ("Board") is responsible for the continuous review and approval of the Group's Enterprise Risk Management Policies. The Board reviews the Group's Risk Profile to ensure that it is within the Group's Risk Policies and appetite parameters. It delegates authority to senior management to conduct day-to-day business within the prescribed policy and strategy parameters, whilst ensuring that processes and controls are adequate to manage the Group's Risk Policies and Strategy.

Executive Management is responsible for implementing the Group's Risk Strategy and Policy guidelines as set by the Board including the identification and evaluation on a continuous basis of all significant risks to the business and the design and implementation of appropriate internal controls to minimise them. This is done through the following senior management committees:

The Board Audit Committee is responsible to the Board for ensuring that the Group maintains an effective system of financial, accounting and risk management controls and for monitoring compliance with the requirements of the regulatory authorities.

The Group's Internal Sharia Supervision Committee is responsible to review the operational, financing and investing activities of the Group ensuring their alignment and compliance with the principles of Sharia. Being a supervisory board they are also required to audit the business activities undertaken and present an independent report to the shareholders. Fatwas and ongoing pronouncements issued by Internal Sharia Supervision Committee are coordinated and implemented by the management of the Group. The management of the Group seeks guidance from the Internal Sharia Supervision Committee for the implementation of its Fatwas and pronouncements.

Credit department is responsible for portfolio management and evaluation, credit policy and procedure formulation, counterparty analysis, approval/review and exposure reporting, control and risk-related regulatory compliance, dealing with impaired assets and portfolio management.

The Asset and Liability Committee (ALCO) is chiefly responsible for defining long-term strategic plans and short-term tactical initiatives for directing asset and liability allocation prudently for the achievement of the Group's strategic goals. ALCO monitors the Group's liquidity and market risks and the Group's risk profile in the context of economic developments and market fluctuations, to ensure that the Group's ongoing activities are compatible with the risk/reward guidelines approved by the Board.

Enterprise Risk Management (ERM) is responsible for managing risks within the Group. The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The Group also runs worse case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur. It is also responsible for identifying market and operational risks arising from the Group's activities, recommending to the relevant committees appropriate policies and procedures for managing exposure to such risks and establishing the systems necessary to implement effective controls.

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

For all levels throughout the Group, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular nationality, industry or geographical location. The Group's risk is mainly related to the property market in the UAE, in particular in Dubai.

In order to avoid further excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on counter party limits and maintaining a diversified portfolio. Identified concentration of credit risks are controlled and managed accordingly. ERM monitors the concentration risk on monthly basis and reports to Management Committee (MANCO) and Board Risk Committee (BRC) on quarterly basis.

Credit risk

Credit risk is the risk that a customer or counterparty will fail to meet a commitment, resulting in financial loss to the Group. Such risk stems mainly from day to day Islamic financing activities undertaken by the Group. Credit risk is actively monitored in accordance with the credit policies which clearly define delegated financing authorities, policies and procedures. For details of composition of Islamic financing assets refer note 12.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties. The Group has built and maintains a sound receivable portfolio in terms of a well-defined Credit Policy approved by the Board of Directors. Its credit evaluation system comprises of well-designed credit appraisal, sanctioning and review procedures for the purpose of emphasizing prudence in its financing activities and ensuring quality of asset portfolio. Special attention is paid to the management of non-performing financing assets. However, Group is not originating any new business as a result of restriction laid by CBUAE during 2021.

The Group constantly monitors overall credit exposure and takes analytical and systematic approaches to its credit structure categorized by individuals, group and industry and consequently, the credit portfolio is diversified by sector sectorally and by nationalities. Few per-party risk concentrations that were observed are monitored and reported to BRC.

The Group provides Ijara financing, as evident from the portfolio composition, which entails the ownership of the property with the Group till clearance of all rental payments due. This results in collateralisation of the finance amount (fixed rentals). The Group's customers are mainly based in the United Arab Emirates.

Credit risk measurement

The estimation of credit risk for risk management purpose is complex and requires use of models, as the exposure varies with changes in market condition, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Group measures credit risk using PD, EAD and LGD. This is similar to the approach used for the purpose of measuring ECL under IFRS 9.

ECL measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit-quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition date is classified in stage 1 and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to stage 3.
- Financial instrument in stage 1 have their ECL measured at an amount equal to the portion of 12 month ECL that results from default events possible within the next 12 months.
- Instruments in stages 2 or 3 have their ECL measured based on a lifetime basis. ECL is measured after factoring forward-looking information.
- ECL on purchase or originated credit-impaired financial assets is measured on a lifetime basis.

Significant increase in credit risk

The Company uses many indicators to identify any significant increases in credit risk (SICR). The occurrence of any one of those indicators should be considered as an indicator of SICR and consequently the related financial instrument will be classified as Stage 2 and attract a lifetime ECL. Following are key indicators

- Internally set scorecard
- Customer delinquency status
- Watch list status
- Probability of default
- Restructured status of the customers
- Regulatory guidance

Backward transition

Back ward transition from stage 2 to stage 1

The Group continues to monitor such financial instruments until it does not meet any of the SICR indicators to confirm if the risk of default has decreased on the basis of meeting certain criteria, sufficiently before upgrading such exposure from Lifetime ECL (Stage 2) to 12 months ECL (Stage 1)

Back ward transition from stage 3 to stage 2

The Group monitors that underlying facility have become regular, is current and no longer meets the definition of credit impaired or is in default before it is reclassified back from stage 3. Any upgrading of non-performing exposure to a performing status is subject to a cooling off period of 12 months from the date of becoming regular in repayment. Any facility classified in Stage 3 cannot be directly classified in Stage 1 and should meet the backward transition criteria for Stage 2 to Stage 1 as documented above.

The Group is observing a probationary period of a minimum of 3 instalments (for repayments which are on a quarterly basis or shorter) and 12 months (in cases where instalments are on a longer frequency than quarterly) after the restructuring, before upgrading from Stage 3 to 2

Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

These economic variables and their associated impact on PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecast of these economic variables (the "base economic scenario") are provided by the Group's ERM team on a quarterly basis.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

QUANTITATIVE INFORMATION

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross.

	Notes	**Net maximum exposure 2024 AED'000**	Net maximum exposure 2023 AED'000
Balances with banks	11	**238,219**	222,068
Islamic financing and investing assets	12	**637,177**	1,318,764
Other assets (excluding prepayments)	15	**144,070**	97,674
Net credit risk exposure		**1,019,466**	1,638,506

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values. For more details on the maximum exposure to credit risk for each class of financial instrument, references shall be made to the specific notes. The effect of collateral and other risk mitigation techniques is shown below.

Notes to the Consolidated Financial Statements (continued)

At *31 December 2024*

Amlak Finance PJSC and its Subsidiaries

Notes to the Consolidated Financial Statements (continued)

At 31 December 2024

31 December 2024	Neither impaired nor past due on reporting date				Past due but not impaired on reporting date				Individually impaired on reporting date		
	Carrying amount AED'000	***Low/fair risk AED'000***	***Watch list AED'000***	***Re-negotiated terms AED'000***	***<30 AED'000***	***30-60 AED'000***	***61-90 days AED'000***	***>90 days AED'000***	***Carrying amount AED'000***	***Allowance for impairment* AED'000***	***Gross amount AED'000***
Balances with banks	238,219	238,219	-	-	-	-	-	-	-	-	-
Islamic financing and investing assets	637,177	441,136	54,163	346	71,470	29,282	20,641	17,343	2,796	(63,725)	66,521
Other assets (excluding prepayments)	143,706	135,995	7,711	-	-	-	-	-	-	-	-
	1,019,102	815,350	61,874	346	71,470	29,282	20,641	17,343	2,796	(63,725)	66,521

31 December 2023	Neither impaired nor past due on reporting date				Past due but not impaired on reporting date				Individually impaired on reporting date		
	Carrying amount AED'000	*Low/fair risk AED'000*	*Watch list AED'000*	*Re-negotiated terms AED'000*	*<30 AED'000*	*30-60 AED'000*	*61-90 days AED'000*	*>90 days AED'000*	*Carrying amount AED'000*	*Allowance for impairment* AED'000*	*Gross amount AED'000*
Balances with banks	222,068	222,068	-	-	-	-	-	-	-	-	-
Islamic financing and investing assets	1,318,764	753,914	187,475	27,511	188,266	44,441	39,711	53,376	24,070	(132,292)	156,362
Other assets (excluding prepayments)	97,674	87,891	9,783	-	-	-	-	-	-	-	-
	1,638,506	1,063,873	197,258	27,511	188,266	44,441	39,711	53,376	24,070	(132,292)	156,362

* In addition to the stage 3 / specific provision as above, the Group has also made provisions on other portfolio falling under stage 1, stage 2 and individually assessed projects amounting to AED 71 million (31 December 2023: AED 55 million).

The attached notes 1 to 31 form part of these consolidated financial statements.

The attached notes 1 to 31 form part of these consolidated financial statements.

Collateral and other credit enhancements

The finance provided by the Group is completely asset backed in accordance with the principles of Shariah. Properties are funded based on the "Group's Appraised Value". In the case of new properties, the appraised value is similar to the developers' per square footage rate further assessed by independent valuation and internal assessment. In the case of older properties the appraised value is based on the valuation report from independent third party valuers obtained on regular basis.

Property insurance is mandatory and the property is insured against all normal risks for the value stated in the sale agreement, or the valuation amount given by the surveyor, as the case maybe. The insured value is maintained at the original property value through the life of the finance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group has established risk management policies and limits within which exposure to market risk is monitored, measured and controlled with strategic oversight exercised by the Board and ALCO. These units are responsible for developing and implementing market risk policies and risk measuring/monitoring methodologies and for reviewing all new trading products and product limits.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the UAE Dirham and Saudi Riyal are pegged to the US Dollar, these balances are not considered to represent significant currency risk.

	2024			2023		
	% Change in currency ratein AED	*Effect on profit AED '000*	*Effect on Equity AED '000*	*% Change in currency rate in AED*	*Effect on profit AED '000*	*Effect on Equity AED '000*
Currency						
Egyptian Pound (LEY)	± 5%	1,218	5,168	± 5%	2,117	7,975
Egyptian Pound (LEY)	± 10%	2,435	10,336	± 5%	4,234	15,951

Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. In the Group's financial statements, mainly two line items can lead to such exposure i.e. Islamic financing assets and financing obligations, as shown on the assets and liabilities sides respectively. The profit rate risk for the Group is minimal in the short term period. The profit rate for investing assets is a composition of EIBOR and internal spread which can be expected to fluctuate frequently based on EIBOR movement. The Group reviews the profit rate on a regular basis during its ALCO meeting and, if required, recommends a rate change based on market conditions and competitiveness.

The financing obligations are contractually fixed/capped rate contracts as determined on contract initiation. Any rate change has no impact for already entered arrangements.

The following table demonstrates the sensitivity to a reasonable possible change in profit rates, with all other variables held constant, on the Group's statement of income.

The attached notes 1 to 31 form part of these consolidated financial statements.

The sensitivity of the statement of income is the effect of the assumed changes in profit rates on the results for one year, based on profit bearing financial assets and financial liabilities held at 31 December 2024.

	2024 AED'000	*2023 AED'000*
Effect of a ± 50 bps change in EIBOR	**± 4,088**	± 5,832
Effect of a ± 100 bps change in EIBOR	**± 8,177**	± 11,663

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure that arises from the Group's investment portfolio includes insignificant unquoted equities.

Early settlement risk

Early settlement risk is the risk that the Group will incur a financial loss because its counterparties settle earlier than expected.

The Group does not have any significant early settlement risk as the amount recovered in case of early settlement is more than the carrying value of the asset on early settlement date, by retaining an amount of deferred profit or adding a margin to the sale price of the Ijarah asset as an early settlement gain. The collection team monitors the customer receivable position on a daily basis.

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities and off balance sheet commitments based on contractual undiscounted payment obligations. Payments, which are subjected to notice, are treated as if notice were to be given immediately.

The attached notes 1 to 31 form part of these consolidated financial statements.

At 31 December 2024		Up to 1 year							
	Expected Profit rate %	Less than 3 months AED'000	3 months to 6 months AED'000	6 months to 1 year AED'000	Total up to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Items with no maturity AED'000	Total AED'000
Investment deposits and other Islamic financing	2%	41,336	43,016	421,089	505,441	118,202	-	-	623,643
Term Islamic financing	22%-28%	8,027	17,812	34,725	60,564	91,206	8,536	-	160,306
		49,363	60,828	455,814	566,005	209,408	8,536	-	783,949

At 31 December 2023		Up to 1 year							
	Expected Profit rate %	Less than 3 months AED'000	3 months to 6 months AED'000	6 months to 1 year AED'000	Total up to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Items with no maturity AED'000	Total AED'000
Investment deposits and other Islamic financing	2%	308,638	29,590	58,758	396,986	976,161	-	-	1,373,147
Term Islamic financing	18% - 22%	12,077	9,115	20,602	41,794	132,642	26,817	-	201,253
		320,715	38,705	79,360	438,780	1,108,803	26,817	-	1,574,400
OFF BALANCE SHEET ITEMS									
Commitments		2,000	-	-	2,000	-	-	-	2,000

The attached notes 1 to 31 form part of these consolidated financial statements.

The attached notes 1 to 31 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements (continued)

At *31 December 2024*

Amlak Finance PJSC and its Subsidiaries

Notes to the Consolidated Financial Statements (continued)

At *31 December 2024*

Maturity analysis of assets and liabilities

The maturity analysis of assets, liabilities and off balance sheet items 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 year end.

31 December 2024	Up to 1 year							
	Less than 3 months AED'000	*3 months to 6 months AED'000*	*6 months to 1 year AED'000*	*Total up to 1 year AED'000*	*1 year to 5 years AED'000*	*Over 5 years AED'000*	*Items with no maturity AED'000*	*Total AED'000*
Assets								
Cash and balances with banks	136,274	-	-	136,274	66,993	-	35,000	238,267
Islamic financing and investing assets	82,258	41,757	62,914	186,929	187,516	262,732	-	637,177
Investment properties	10,606	8,056	687,720	706,382	580,629	-	-	1,287,011
Investment in an associate	-	218,804	-	218,804	-	-	-	218,804
Other assets	14,451	9,707	11,141	35,299	111,603	-	-	146,902
Furniture, fixture and office equipment	-	-	-	-	-	-	9,033	9,033
Total assets	243,589	278,324	761,775	1,283,688	946,741	262,732	44,033	2,537,194
Liabilities								
Investment deposits and other Islamic financing	33,881	33,881	406,574	474,336	116,336	-	-	590,672
Term Islamic financing	8,027	17,812	34,725	60,564	91,206	8,536	-	160,306
Employees' end of service benefits	-	-	-	-	-	-	5,688	5,688
Other liabilities	18,883	37,142	147,853	203,878	18,450	-	-	222,328
Total liabilities	60,791	88,835	589,152	738,778	225,992	8,536	5,688	978,994
Commitments	-	-	-	-	-	-	-	-
Net liquidity gap	182,798	189,489	172,623	544,910	720,749	254,196	38,345	1,558,200
Cumulative net liquidity gap	182,798	372,287	544,910	544,910	1,265,659	1,519,855	1,558,200	1,558,200

The attached notes 1 to 31 form part of these consolidated financial statements.

The attached notes 1 to 31 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries
Notes to the Consolidated Financial Statements (continued)
At *31 December 2024*

31 December 2023	Up to 1 year							
	Less than 3 months AED'000	*3 months to 6 months AED'000*	*6 months to 1 year AED'000*	*Total up to 1 year AED'000*	*1 year to 5 years AED'000*	*Over 5 years AED'000*	*Items with no maturity AED'000*	*Total 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

Notes to the Consolidated Financial Statements (continued)

At *31 December 2024*

As discussed in note 2 to the consolidated financial statements management has proposed a revised business plan and Group will seek all formal and necessary approvals to execute the plan. Post execution of the plan the Group will be able to continue to meet its commitments for the foreseeable future without any significant liquidity mismatch.

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

Capital Management

The primary objective of the Group's capital management is to support its business and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. The restructuring effected at 21 June 2020 represented a significant change in the capital structure of the Group. Capital comprises share capital, treasury shares, statutory reserve, special reserve, cumulative changes in fair value, foreign currency translation reserve, Mudaraba Instrument, Mudaraba Instrument reserve and accumulated losses and is measured at AED 1.6 billion as at 31 December 2024 (31 December 2023: AED 1.6 billion).

Fair value of financial assets and liabilities

The fair values of the Group's financial assets and liabilities at the reporting date approximate their carrying values as reflected in these financial statements.

30. SOCIAL CONTRIBUTIONS

The Company pursues a Corporate Social Responsibility strategy and during the year spend on various social contributions purposes.

31. COMPARATIVE INFORMATION

Certain comparative amounts in the consolidated statement of profit or loss and notes to the consolidated financial statement have been adjusted to conform to the current presentation.

Governance Report For 2024

1. Statement of procedures taken to complete the corporate governance system, during 2024, and method of implementing thereof.

Governance stands as a cornerstone principle, ensuring companies operate with transparency and accountability, thereby fostering long-term organizational performance. By applying a robust governance principles, the roles and responsibilities are defined, mitigating risks, enhancing strategic decision-making, and safeguarding stakeholder rights through sound policy adherence and balanced interest alignment.

Below some of the corporate governance practices in 2024 :

- The election of the Board of Directors was conducted, ensuring full compliance with all regulatory requirements related to the nomination and election process, reflecting our commitment to maintaining the highest standards of corporate governance.
- The Board of Director and its committees are committed to the number of meetings required and to the assigned tasks and responsibilities.
- The Corporate Governance Manual, the Board of Directors' Charter and the Charters of its committees have been reviewed to ensure compliance with the Resolution No. (2/M) of 2024 concerning amendments to Resolution No. (3/M) of 2020 regarding the Corporate Governance Guide for Public Joint Stock Companies.
- The policy for transactions with related parties was formulated to ensure that all transactions are conducted in accordance with relevant regulations.
- The policy for contracting with external auditors was formulated to maintain the credibility and reliability of the company's financial statements, ensure the independence of the external auditor, and comply with the regulations governing the appointment of auditors.
- The company adhered to disclosures of material information, particularly regarding negotiations with the company's financiers to exit the Common Terms Agreement (CTA).
- Each board member declares his independence and the positions he holds within the boards of directors of other companies quarterly.
- Awareness sessions have been conducted for all employees in order to ensure continued education on non-compliance's risks and to avoid breaches and regulatory violations.
- Compliance awareness session was conducted on a quarterly basis, covering AML, CDD, data privacy, etc. to ensure staff education and risk awareness.
- The Board of Directors' evaluation is considered an important practice to ensure performance effectiveness. Regular evaluation helps identify areas for improvement and strengths and weaknesses within the Board, contributing to enhancing the company's overall performance.

2. Statement of ownership and transactions of Board of Directors (Board) members and their spouses, their children in the company securities during 2024, according to the following schedule:

Sr.	Name	Position/ Kinship	Owned shares as on 31/12/2024	Total Sale	Total Purchase
1	Mr. Jamal Hamed Almarri	Chairman	Nil	Nil	Nil
2	Mr. Shaker Fareed Zainal	Vice Chairman	Nil	Nil	Nil
3	Mr. Khalid Salim Alhalyan	Board Member	2,388	Nil	Nil
4	Mrs. Fatima Ahmed Qasimi	Board Member	44,570	Nil	Nil
5	Mr. Mastafa Ismail Karam	Board Member	Nil	Nil	Nil
6	Mr. Rashed Mohammad Ali Abdulrahman	Board Member	Nil	Nil	Nil
7	Mr. Ayad Hammad Alharazeen	Board Member	Nil	Nil	Nil

3. Board Formation:

Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

Sr.	Name	Category (executive, non-executive, and independent)	The period he spent as a Board member from the date of his first election	Their membership and positions at any other joint- stock companies	Their positions in any other important regulatory, government or commercial positions.
1	Mr. Jamal Hamed Almarri	Independent	8 Months	Nil	Nil
2	Mr. Shaker Fareed Zainal	Independent	2 years 9 months	Nil	The Chief Executive of Emirates Development Bank
3	Mr. Khalid Salim Alhalyan	Independent	6 years 8 months	Nil	- The group Chief Audit Executive at Dubai Aviation City Corporation - Member of UAE Audit Association
4	Mrs. Fatima Ahmed Qasimi	Independent	3 years	Nil	Nil
5	Mr. Mastafa Ismail Karam	Independent	4 years 11 months	Board member in EII Capital	Nil
6	Mr. Rashed Mohammad Ali Abdulrahman	Independent	3 years 9 months	Nil	- Chief Real Estate Officer at Wasl.
7	Mr. Ayad Hammad Al Harazeen	Independent	3 years 9 months	Nil	Nil

Qualifications and Experience of Board Members

Mr. Jamal Hamed Almarri
Chairman

Mr. Jamal Almarri served as the Executive Director of Central Accounts at the Department of Finance for the Government of Dubai. He is a distinguished member of Nedaa, a specialized telecommunications organization, and holds the position of Chairman of the Audit Committee at Imdaad, previously known as Dubai World Corporation.

Mr. Almarri served on the Board of Directors for Emaar Properties PJSC in May 2013, and joined the Board of Directors of Emaar Hospitality Group in 2020. His tenure at Emirates General Petroleum Corporation (Emarat) spanned ten years, during which he progressed through various roles, ultimately serving as Financial Accountant and Chairman of the Tenders Committee.

In 2006, Mr. Almarri joined the Finance Department at His Highness The Ruler's Court in Dubai, where he ascended to his current role as Executive Director. In 2010, he led the Government of Dubai's finance team and represented the government on the restructuring committee of Amlak Finance.

Mr. Almarri has played a pivotal role in the development and review of various local legislation, ultimately submitted to the Department of Finance for approval.

Born in 1971 in the United Arab Emirates, Mr. Almarri is also the Vice Chairman of the UAE Professional Football Association. He earned a Bachelor of Business Administration degree, specializing in Banking and Finance, from the Faculty of Management and Economics at the United Arab Emirates University in 1995.

Qualifications and Experience of Board Members (continued)

Mr. Shaker Fareed Zainal
Vice Chairman

Mr. Shaker, a highly experienced banking professional, carries with him a wealth of experience of over 25 years in the United Arab Emirates as well as Egypt, in senior management positions across large multinational and regional banks. Prior to joining Emirates Development Bank, he was the Head of Retail Banking and SME at Commercial Bank International. At the start of his banking career, he took up several leadership roles at HSBC Middle East and Mashreq Bank.

Mr. Shaker, a judicial expert (accountancy & banking) in Dubai Courts, was awarded the Development and Support Local Award from Human Resource Committee in the financial and banking sector by H.H. Sheikh Sultan bin Muhammad Al-Qasimi, Member of the Federal Supreme Council of the United Arab Emirates.

Mr. Shaker Fareed Zainal is a Member of the Board of Directors at Amlak Finance PJSC. Currently he is the Business Finance Director at Emirates Development Bank. At EDB, Shaker has been vested the responsibility of expanding the Bank's reach in Corporate, SME and Commercial banking segments. He is also in charge of the bank's strategic development as well as the end-to-end management of the Mohammed Bin Rashid Innovation Fund.

Qualifications and Experience of Board Members (continued)

Mr. Khlaid Salim Alhalyan
Member of the Board of Directors

Mr. Khalid Salem Al-Halyan has more than 30 years senior level experience in several industries, and he is currently the group Chief Audit Executive at Dubai Aviation City Corporation (DACC).

Mr. Khalid Al-Halyan started his career at the UAE Central Bank, then moved to the Department of Economic Development (DED) in Dubai before joining the aviation industry in 1996; initially to establish the new Dubai Airport Free Zone (DAFZA) and to head the Finance Department, before moving on to establish the Group Internal Audit & Risk Assessment (GIARA) function at DACC.

Mr. Khalid Al-Halyan has been involved in establishing DED, Emaar Properties, the UAE Internal Audit Association, the UAE Golf Association, and he worked on restructuring projects for DUBAL, Dubai World Trade Centre, Dubai Civil Aviation, UAE Central Bank Banking Supervision, and realized the construction of a new facility for Al Noor Special Needs Centre in Dubai.

Mr. Al-Halyan currently serves as Vice President of the UAE Internal Audit Association (affiliated to the Institute of Internal Auditors (IIA), USA), Chairman of Al Noor Special Needs Centre in Dubai and Chairman of Emaar South, Dubai. He holds an MBA degree from Bradford University in the UK, and BBA from UAE University, Al Ain.

Mr. Ayad Hammad Al Harazeen
Member of the Board of Directors

Mr. Ayad Hammad Al Harazeen is a member of Amlak Finance PJSC's Board of Directors. He is also a Board member of Emaar Misr for Development S.A.E (a wholly owned subsidiary of Emaar Properties PJSC).

Mr. Ayad is currently partner of MAFCO Management & Business Consultancy LLC, Abu Dhabi and Partner & Managing Director of Advanced Solutions Investments & Companies Representation LLC (ASIR), Abu Dhabi. Under these organizations, Mr. Ayad has built several successful partnerships with multinational companies that have added value to the development of UAE economy. Prior to his current positions, Mr. Ayad has served Abu Dhabi National Oil Company in various technical and lead management responsibilities.

Mr. Ayad is a postgraduate in Mechanical Engineering from Massachusetts Institute of Technology (MIT-USA) and Graduate (BE-Honours) from Imperial College of Science & Technology, London.

Qualifications and Experience of Board Members (continued)

Mr. Mastafa Ismail Karam
Member of the Board of Directors

Mr. Mastafa Karam has 30 years of experience with Emirates Airlines since 1990. He has worked as Sales and Country Manager in Pakistan, Dubai, Oman, and Egypt. At present, he is the Senior Vice President of Customer Affairs and Service Audit for 20 years, continuing to maintain the brand image of the company and raising the service standards.

Mr. Karam had completed his Bachelor of Arts at the UAE University in 1984, IATA Diploma in Airline Marketing in 1997 and IATA Diploma in Airline Management in 1994 both held in Geneva, a Diploma in Global Business Consortium in 2004 at the London Business School in the United Kingdom, and a Certificate in International Executive Program (INSEAD) held in France in 2006.

Mr. Rashed Mohammad Ali Abdulrahman
Member of the Board of Directors

As Chief Real Estate Officer, Rashed Mohammad Al Awadhi currently leads the real estate division at Wasl which oversees the portfolio of lands, freehold and leasehold, as well as the real estate development and property management departments. With 15+ years of experience in the real estate industry, Rashed has established himself as a visionary leader and a driving force behind Wasl's success. Throughout his career, Rashed has held various key positions in the real estate sector before assuming the role of Chief Real Estate Officer at Wasl. Under Rashed's leadership, Wasl has thrived, consistently delivering exceptional projects that not only enhance communities but also contribute to the long-term prosperity of Dubai.

With Rashed also leading real estate development within Wasl, he is responsible for managing a portfolio of over 79 active projects with a AED 25 bn CAPEX development and construction. Notable previous developments which Rashed has overseen within Wasl include Wasl1, Wasl Tower, Wasl Gate, Mandarin Oriental Jumeira, MGM Island Dubai and W Mina Seyahi. Rashed's dedication to innovation and sustainable development has solidified Wasl position as an industry leader.

In addition to his current roles, he sits on the board of Dubai Sports Corporation, ,JAG Development, Wasl Gate Development; Emirates NBD REIT and a member of the Industrial and Investment Land Asset Management Committee of the Government of Dubai.

Mr. Al Awadhi holds a Bachelor's degree in Architecture and Design from the American University of Sharjah.

Qualifications and Experience of Board Members (continued)

Mrs. Fatima Ahmed Rashid Qasimi
Member of the Board of Directors

Mrs. Qasimi was the Group Head Financial Restructuring & Remedial in Emirates NBD Group until March 2021. Before that she held the position of Head of Shared services operations management in Abu Dhabi Commercial Bank. Fatima was the Head of Elite UAE in First Abu Dhabi Bank; She was in charge of Elite Segment in UAE, Singapore and Switzerland.

Fatima was the Chief Executive Officer of Aseel Islamic Finance (a wholly owned subsidiary of First Gulf Bank) since 2015 where she is responsible for growing shareholder value through the effective management and execution of the business's long-term strategy. During 2 years leadership, Aseel generated with portfolio growth of 21% in 2016. She brought new vision & mission, enhanced website corporate, and significantly launched 6 products and several promotions & campaigns that successfully established the new Aseel, brought major clients and inspired its employees. Moreover, Fatima made a big impact at Aseel by achieving the 7 prestigious awards in UAE and Middle East. Prior to that, she was Head of Corporate Banking in Dubai & Northern Emirates at First Gulf Bank for more than 6 years where she played a big role on bringing and expanding the company's revenue growth and marked her legacy by generating AED 230 Million revenue in 2014. Also, she was the Head of Large Corporate at National Bank of Dubai for more than 11 years.

With over of 23 years of experience in the UAE banking and financial services, Fatima is versatile and results-driven Executive-Level professional with a proven track record in driving marketing and increasing revenue, ultimately benefiting the organization's bottom line. She possesses skills across a broad range of areas including Islamic & conventional banking and financial, corporate & commercial, retail, investment, treasury, strategic planning, business development, and product development. Currently, Fatima is founder & owner of Axios Financial Consultancy, also holding Board member and Risk Chairperson positions at Amlak Finance – Egypt, and Board member at Rossiyanka "Russian Community in UAE".

Statement of the percentage of female representation in the Board for 2024 (In case of non-representation, please state that there is no representation).

The composition of the Board of Directors during the year 2024 includes a female member, Mrs Fatima Qasimi, who was appointed as board member on December 30, 2021. Hence the rate of female representation in the Board is scored 14% for year 2024.

Governance
Report For 2024 (continued)

Statement of the reasons for the absence of any female candidate for the Board membership. (Explanatory example: No female candidate is nominated in the Board elections.

Nil

A. Statement of remuneration, allowances and fees received by the members of the Board of Directors:

1. **The total remunerations paid to the Board members for 2023.**

   The board remuneration amounting to AED 1,400,000 was approved by shareholders at the General Assembly on April 23, 2024.

2. **The total remunerations of the Board members, which are proposed for 2024 that will be presented in the annual general assembly meeting for approval.**

   The Company reported a profit for the fiscal year ended December 31, 2024 of AED 52 Mn and it will be recommended to pay a total remuneration of one million and four hundred thousand dirham to board members for 2024 for consideration by the Company's shareholders.

3. **Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2024 fiscal year, according to the following schedule:**

Allowances for attending sessions of the committees emanating from the Board			
Name	The name of the committee	The value of the allowance for the meeting	Number of meetings
Mr. Khalid Salim Alhalyan	Internal Audit Committee	10,000	4
Mr. Ayad Hammad Alharazeen	Internal Audit Committee	10,000	4
Mr. Rashed Mohammad Abdulrahman	Internal Audit Committee	10,000	4
Mrs. Fatima Qasimi	Risk Committee	10,000	4
Mr. Shaker Zainal	Risk Committee	10,000	4
Mr. Rashed Mohammad Abdulrahman	Risk Committee	10,000	2
Mr. Mastafa Karam	Nominations & Remuneration Committee	10,000	1
Mrs. Fatima Qasimi	Nominations & Remuneration Committee	10,000	1
Mr. Ayad Hammad Alharazeen	Nominations & Remuneration Committee	10,000	1

4. **Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending the committees and their reasons.**

   No allowances, salaries or fees other than the allowances for attending the committees' meetings were paid.

Governance
Report For 2024 (continued)

Number of the Board meetings held during 2024 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy (The Board members names must match what is stated in the above- mentioned Clause (3A)).

Date of the meeting	Number of attendees	Number of acting	Names of absent members
1 February 2024	7 members	Nil	Nil
26 February 2024	6 members	Nil	Fatima Ahmed Qasimi
19 March 2024	6 members	Nil	Fatima Ahmed Qasimi
15 April 2024	6 members	Nil	Rashed Mohammad Ali Abdulrahman
25 April 2024	7 members	Nil	Nil
22 May 2024	7 members	Nil	Nil
8 July 2024	4 members	Nil	Rashed Rashed Mohammad Ali Abdulrahman, Khalid Salim Alhalyan, Shaker Fareed Zainal
18 September 2024	7 members	Nil	Nil
23 October 2024	7 members	Nil	Nil
13 November 2024	7 members	Nil	Nil
27 November 2024	5 members	Nil	Rashed Mohammad Ali Abdulrahman, Shaker Fareed Zainal
11 December 2024	7 members	Nil	Nil

Number of the Board resolutions passed during the 2024 fiscal year, along with its meeting convention dates.

One resolution was issued on 8 May 2024 on the adoption of financial statements for the period ended Mar 31, 2024.

4. The Board Committees:

Audit Committee:

A. **The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.**

   Mr. Khalid Salim Alhalyan, Chairman of the Audit Committee, acknowledges of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

B. **Names of the Audit Committee members and clarifying their competences and tasks assigned to them.**

Members of the Audit Committee :		
1.	Mr. Khalid Salim Alhalyan	Chairman of the Committee
2.	Mr. Ayad Hammad Alharazeen	Committee member
3.	Mr. Rashed Mohammad Abdulrahman	Committee member

Governance
Report For 2024 (continued)

C. **Number of meetings held by the Audit Committee during 2024 and their dates to discuss the matters related to financial statements and any other matters, and demonstrating the members' personal attendance times in the held meetings.**

Meeting Number	Date of the meeting	Khalid Salim Alhalyan	Ayad Hammad Alharazeen	Rashed Mohammad Ali Abdulrahman
1	8 February 2024	√	√	√
2	13 May 2024	√	√	√
3	2 August 2024	√	√	√
4	29 October 2024	√	√	√

D. Annual Audit Committee Report:

1. **Significant issues considered by the Committee in relation to the financial statements and how they were addressed:**
For year 2024, The Audit Committee found no significant matters or concerns related to AMLAK's Financial Statements.

2. **An explanation of how the committee assessed the independence and effectiveness of the external audit process and the approach followed in appointing or reappointing the external auditor and information on the length of the term of the current audit firm.**

To maintain an effective and independent external audit process, the Committee conducted the following oversight activities during 2024:

- Discussed and reviewed with AMLAK's External Auditor (DELOITTE) and AMLAK's CFO the quarterly and annual Financial for 2024.
- Discussed with DELOITTE the clarity and completeness of the proposed disclosures and the extent of compliance with applicable legislation, Accounting Standards and other guidelines.
- Discussed with DELOITTE the Securities and Commodities Authority (SCA) regulations concerning Internal Control over Financial Reporting (ICFR) and the associated AMLAK-wide implementation and reporting requirements. DELOITTE sought the Committee's approval to request a waiver from the SCA for the issuance of the 2024 report.
- Discussed DELOITTE Management Letter (ML) for the year 2023.
- The Committee Met with the external auditors, Deloitte, three times during the year 2024 a to ensure that they conducted the review and audit without any restrictions or impediments on the scope, access to records, and disagreements with management, and any significant audit qualifications or reservations relating to the financial statements.
- Given that Deloitte has fulfilled its 6 years commitment as Amlak external auditor and was no longer eligible for appointment, the necessary procedures were taken to recommend the appointment of new auditor has been initiated for 2025 financial year.

3. **A statement explaining the Committee's recommendation regarding the appointment, reappointment or removal of the external auditor and the reasons why the Board did not accept that recommendation**

In accordance with Article 245 of Federal Decree-Law No. 32 of 2021 concerning Commercial Companies, an audit firm shall not conduct the company's audit for a period exceeding six consecutive financial years from the date of its appointment.. As Deloitte completed its Sixth year by end of 2024, it is not eligible for reappointment.

Therefore, the committee initiated the process to appoint AMLAK's External Auditor for the year 2025. Following the BAC instruction, Internal Audit Department in coordination with the Procurement Team, prepared and sent out Request for Proposal to three audit firms. The final proposals from these firms have been received, and the selection process is in progress.

Governance
Report For 2024 (continued)

4. **An explanation of how the independence of the external auditor is ensured if it provides services other than the audit of the company's accounts**

To safeguard the independence of the external auditor while allowing them to provide services other than the audit of the company's accounts in accordance with the Securities and Commodities Authority's regulations, excluding audit services a robust External Auditor Policy has been established. This policy details the procedures in place to maintain this independence. The Audit Committee has reviewed and endorsed this policy.

5. **Actions taken or will be taken by the Committee to address any shortcomings or weaknesses in the event of any failures in internal audit or risk management**

The Committee periodically reviews the adequacy and effectiveness of internal controls, encompassing areas such as financial reporting, compliance, governance, and risk management. When material findings arise, such as those with significant financial impact, regulatory implications, or reputational risk, The Committee ensures they are reported to the Board Risk Committee for follow-up, where applicable.

6. **Evidence that the Committee has reviewed all reports of medium and high risk issued by the internal audit to determine whether they arise from major failures or weaknesses in internal audit.**

The Committee received regular reports on the work carried out by the Internal Audit function during the year 2024, periodically reviewed progress against the approved annual Internal Audit plan, MIS status of open or overdue findings, and discussed with Head of Internal Audit the progress in resolution of such audit observations.

7. **Comprehensive information about the corrective action plan in the event of material deficiencies in the areas of risk management and internal audit systems.**

The Committee fulfilled its responsibilities in relation to Governance, Risk Management, Internal Control, Internal Audit, and the Financial Statements, and facilitates effective communication and reporting between AMLAK's BOD, senior management, external auditors, ISA and IAD. This ensures enhanced oversight and transparency. The committee's expressed its satisfaction with the key actions taken / discussions held during the regular meetings with AMLAK's External Auditors, Senior Management, and Head of Internal Audit.

8. **Evidence that the committee has reviewed all transactions concluded with related parties and the resulting observations or results and the extent of compliance with the laws in force in this regard.**

The Committee plays a crucial role in overseeing and safeguarding AMLAK's interests in Related Party Transactions (RPTs). As part of its oversight over RPTs, the Committee:

- Reviewed and endorsed the Related Party Transactions Policy.
- Ensures proper disclosure of RPTs in AMLAK's financial statements and filings, adhering to relevant accounting standards and regulatory requirements.
- Reviews the RPTs, to ensure that they are concluded at arm's length and monitors such transactions.

In 2024, one transaction was classified as an RPT . This transaction was reviewed, approved, and subsequently disclosed to the market by the Committee.

Nomination and Remuneration Committee:

A. **The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness.**

Mr Mastafa Ismail Karam - Chairman of the Nomination and Remuneration Committee acknowledges of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Members of the Nomination and Remuneration Committee

Mr Mastafa Ismail Karam	Chairman of the Committee
Mrs. Fatima Ahmed Qasimi	Committee member
Mr. Ayad Hammad Alharazeen	Committee member

Nomination & Remuneration Committee members' responsibilities:

- Review the procedures for nomination to the membership of the Board of Directors
- Identify the company needs of competencies at the level of senior executive management and staff and the basis of selecting them.
- Review the policy on granting rewards, benefits, incentives and salaries to the staff therein, on an annual basis.
- Recommend the remuneration to the Board of Directors
- Review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership.

B. Statement of number of meetings held by the Committee during 2024 and their dates, and statement of all Committee members' personal attendance of times.

Date of the meeting	Mastafa Karam	Fatma Qasimi	Ayad Hammad Alharazeen
5 March 2024	√	√	√

The Supervision and Follow-up Committee of insiders' transactions.

A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

In accordance with Article 33 of the Board of Directors' Decision of SCA No. 03- 2020, one of the company's departments may be assigned to supervise and follow up the insiders' transactions in the company and the Board secretariat unit has been assigned these tasks. The Company Secretary of the Board of Directors, Ms. Lama Takieddin, acknowledges the responsibility for the follow-up system and supervision of the insiders' transactions and to review the mechanism of the work and ensure its effectiveness.

B. Names of members of the Supervision and Follow-up Committee of insiders' transactions and clarifying their competences and tasks assigned to them.

The Company Secretary of the Board of Directors, Ms. Lama Takieddin, acknowledges the responsibility for the follow-up system and supervision of the insiders' transactions and to review the mechanism of the work and ensure its effectiveness.

The responsibility of following up and supervising the insiders' transactions has been assigned to the Board secretariat unit that shall take over the following tasks:

- Prepare a special and integrated record of insiders who are permanently and temporarily familiar with the company's internal information before publishing it.
- Maintain official declarations from insiders or signing a non-disclosure agreement with the companies in order to maintain the confidentiality of the exchanged information.

C. A summary of the committee's work report during 2024. (In case the committee was not formed, the reasons should be explained).

The unit has updated the register of insiders' transactions and provided the market with the register periodically, in addition to the insiders signing official declarations or non-disclosure agreements confirming their possession of internal information and their obligation to comply with the relevant regulations.

Risk Committee

A. The Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Mrs. Fatima Qasimi, Chairman of the Risk Committee, acknowledges her responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

Members of the Risk Committee

Mrs. Fatima Qasimi	Chairman of the Committee
Mr. Shaker Zainal	Committee member
Mr. Rashed Mohammed AbdulRahman	Committee member

The Committee's responsibilities and functions:

- Develop a comprehensive risk management strategy and policy consistent with the nature and size of the company's activities, monitor its implementation, review and update it based on the company's internal and external changing factors.
- Identify and maintain an acceptable level of risk that the company can face, and ensure that the company does not exceed this level ensuring that there are sufficient resources and systems to manage risks.
- Overseeing the company's risk management framework and assessing the effectiveness of the framework and mechanisms for identifying and controlling risks to the company to identify areas of inappropriateness and adequacy.

B. Statement of number of meetings held by the Committee during 2024 and their dates, and all Committee members' personal attendance times.

Meeting Number	Date of the meeting	Fatima Qasimi	Rahsed Mohammad AbdulRahman	Shaker Zainal
1	February 7, 2024	√	√	√
2	May 7, 2024	√	√	√
3	August 7, 2024	√	X	√
4	November 26, 2024	√	X	√

Governance
Report For 2024 (continued)

Statement of Board duties and powers exercised by Board members or the executive management members during 2024 based on the an authorization from the Board, specifying the duration and validity of the authorization according to the following schedule:

Sr.	Name of the authorized person	Power of authorization	Duration of authorization
1	Mr. Arif Alharmi Albastaki	The Board authorized Amlak's CEO Mr. Arif Alharmi Albastaki by a general power of attorney.	General power of attorney
2	Heads of Departments	The Board authorized the executive management within certain limits by approving the Authority Matrices of each department of the Company.	The Authority Matrices are reviewed on an annual, periodic basis.

Statement of the details of transactions made with the related parties (Stakeholders) during 2024, provided that it shall include the following:

Sr.	Statement of related parties	Clarifying the nature of relationship	Type of transaction	Value of transaction
1	Emaar Properties PJSC	Major shareholder	Investment deposits & Mudaraba	40,004,452
2	Emaar Properties PJSC	Major shareholder	Profit Distribution	925,645
3	Emirates Development Bank (EDB)	Common Director	Investment deposits & Mudaraba	50,465,317
4	Emirates Development Bank (EDB)	Common Director	Profit Distribution	1,167,466
5	Emaar Properties PJSC	Major shareholder	Profit Payable	16,041
6	Emirates Development Bank (EDB)	Common Director	Profit Payable	20,232
7	Syed Yasir Baqar	Employee	Acquisition of a company-owned unit	315,405
8	Zeinel Abdeen	Employee	Financing asset	512,701
9	Zeinel Abdeen	Employee	Financing income	12,766

5. Board Evaluation:

Evaluation of the Board of Directors, its Committees, and Executive Management.

The assessment of the Board of Directors, its committees, and the executive management is crucial for ensuring robust and effective governance. This assessment helps in measuring management effectiveness, their accountability, and the alignment of their directives with the company's objectives and regulatory requirements. Through this process, the Board of Directors can identify areas for improvement, enhance decision-making, and address any potential gaps in leadership or strategies. Regular assessment also fosters a culture of transparency and responsibility, ensuring the company remains responsive to stakeholder needs. The company conducts this assessment annually to maintain strong governance practices and achieve continuous improvement, with an independent professional entity evaluating performance every three years. The 2024 assessment encompassed criteria including strategic planning, operational oversight, risk supervision, overall board performance, and the evaluation of committees, members, and executive management.

Governance
Report For 2024 (continued)

6. Org Chart and Executive Management

The organizational structure of the company, which shall clarify managing director, the general manager and / or CEO, the deputy general manager and the managers working in the company such as the financial manager:

Please refer back to Annex 1.

A detailed statement of the senior executives in the first and second grade according to the company organizational structure (according to 3-I), their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them, according to the following schedule:

Sr.	Position	Appointment date	Total salaries and allowances paid for 2024 (AED)	Total bonuses paid for 2024 (AED)	Any other cash/in-kind bonuses for 2024 or due in the future
1	Chief Executive Officer	May 23, 2007	3,062,664.00		
2	Chief Financial Officer	November 18, 2020	1,306,800.00		
3	Head of Revenue	January 18, 2021	1,014,072.00		
4	Head of Strategy	January 18, 2021	876,000.00		
5	Head of Asset Transformation	March 28, 2022	720,000.00		
6	Head of Human Resources and Management	March 27, 2023	876,000.00		

**The Executive management is in the process of submitting a bonus proposal for employees for the year 2024 to the Nominations and Remuneration Committee.*

7. External Auditor:

A. Submit an overview of the company auditor to shareholders.

Deloitte in the UAE is part of Deloitte & Touche (M.E.). Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL). A core practice within our Middle East region, today Deloitte in the UAE has over 1,100 professionals based within five practice offices in Dubai, Abu Dhabi, Fujairah, Ras Al Khaimah, and Sharjah. Deloitte is a full-service firm in the UAE and have well developed practices serving leading enterprises and institutions in banking and financial services, real estate, leisure and hospitality, construction, public sector activities, trading, manufacturing, telecom, retail and energy and resources.

Deloitte clients include many of the United Arab Emirates' largest entities and clients in energy and resources, financial services institutions, real estate, construction, trading, and manufacturing in the public and governmental sectors.

B. Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:

Name of the audit office	Deloitte & Touche (M.E.), Dubai.
Name of the partner auditor	Malcolm Coates
Number of years the firm served as the company external auditor	6 years
Number of years the partner audit has been auditing the company's accounts	3 years

Total audit fees for 2024 in (AED)	742,133 AED
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	Audit fee for subsidiaries
Fees and costs of other private services other than auditing the financial statements for 2024 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	250,820 (Audit fee for subsidiaries)
Statement of other services that **an external auditor** other than the company accounts auditor provided during 2024 (if any). In the absence of another external auditor, this matter is explicitly stated.	NA

C. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for 2024 and in case of the absence of any reservations, this matter must be mentioned explicitly.

There is no reservation in the Auditor's opinion on the quarterly financial statement. However, the annual financial statements included the following observation regarding a material uncertainty related to the company's going concern: "We draw attention to Note 2.1 in the consolidated financial statements, which indicates that the Group faces a risk of defaulting on amounts due under the General Terms Agreement, which can only be addressed through the sale of certain assets. As stated in Note 2.1, these events or conditions, among other matters as detailed in the aforementioned note, indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

8. Internal Control System:

A. Acknowledgment by the Board of its responsibility for the Company internal control system, review of its work mechanism and ensuring its effectiveness.

The Board of Directors recognizes its responsibility for overseeing the company's internal control system and reviewing the effectiveness of its mechanisms. The primary responsibility for assessing risks and implementing adequate internal controls rests with management, serving as the first line of defense. In this framework, the Internal Audit, Risk Management, Compliance, Internal Sharia Control, and Internal Sharia Audit departments act as the second and third lines of defense, playing crucial roles in verifying the effectiveness of the internal control systems applied throughout the company.

The Three Lines of Defense

First Line: The first line of defense resides within the business operations and support departments, which are tasked with maintaining effective internal controls and implementing risk management procedures. This includes identifying, evaluating, and mitigating risks through robust supervisory controls.

Second Line: The Internal Sharia Control, Enterprise Risk Management, and Compliance departments provide independent oversight, ensuring the application of regulatory controls developed by the first line is effective and appropriate.

Third Line: The Internal Audit and Internal Sharia Audit departments deliver an independent assessment, confirming the adequacy and effectiveness of the internal control system at the company level.

Importance of the Defense Lines

Effective Risk Management By clearly segregating responsibilities and establishing defined lines of defense, the company can ensure that risks are thoroughly identified, assessed, and controlled.

Independent Oversight Involvement from Board of Directors committees, such as the Audit Committee and Risk Committee, facilitates an objective evaluation of the internal control system.

Good Governance: The active supervision, follow-up, and participation of the Board of Directors in the internal control system underscore its commitment to effective governance and transparency.

Commitment to Continuous Improvement

The Board of Directors is committed to continually enhancing the internal control system to adapt to evolving risks and regulatory requirements, thereby fostering a culture of continuous improvement and accountability. Regular training and awareness initiatives are implemented to ensure that all employees understand their roles in maintaining internal controls, promoting a culture of compliance and risk awareness across the organization.

Performance Metrics

Key performance indicators (KPIs) are established to measure the effectiveness of the internal control system, ensuring that objectives are met, and adjustments are made as necessary. Overall, the robust internal control system and the established three lines of defense play a pivotal role in safeguarding the company's assets, ensuring compliance with regulations, and supporting the Board of Directors in fulfilling its governance responsibilities. The ongoing commitment to transparency, accountability, and continuous improvement reflects the organization's dedication to maintaining the highest standards of operational integrity.

B. Name of the department director, his qualifications and date of appointment.

The Department is headed by Mr. Wafiq Muhsen who has over 33 years of experience in banking, financial services, internal audit, risk management and compliance, and the internal control framework. Mr. Wafiq also has strong leadership skills and technical background, and holds a bachelor's degree in accounting, a diploma in banking and financial studies, and many other professional certificates.

C. Name of compliance officer, his qualifications and date of appointment.

Ms. Amira Adi was appointed Manager of Compliance in October 2021, wherein Ms. Amira's primary responsibilities are to ensure that the company operates within its defined regulatory framework and promoting the compliance culture within the company.

D. How the Internal Audit Department dealt with any major problems at the Company or those that were disclosed in the annual reports and accounts (in case of the absence of major problems, it must be mentioned that the Company did not face any problems).

Lines of Defense and in the event that material problems or control gaps are identified, the same will be reported to the Board of Directors or Board Committees and disclosed in the annual reports. A report covering these issues or gaps is prepared and submitted to the Risk Committee or Audit Committee.

At the same time, the company's management takes the necessary measures in order to deal with each case, including providing the necessary clarifications and taking the required mitigation measures. There was no material problem reported or disclosed in 2024 by the management or the control units.

E. Number of reports issued by the Internal Audit Department to the Company's Board of Directors.

Audit Committee meetings are held quarterly, wherein internal audit department activities, internal audit notes and reports and performance reports are presented for discussion during meetings. The Internal Audit Department has issued four reports to the Board's Audit Committee in accordance with the approved audit plan. An annual report on the work of the committee has been issued to the Board of Directors.

9. Details of the violations committed during 2024, explaining their causes, how to address them and avoid their recurrence in the future.

The Federal Tax Authority of United Arab Emirates has imposed a late cancellation penalty of AED 5,000/- regarding one of Amlak's subsidiaries from the VAT group following its liquidation

10. Statement of the cash and in-kind contributions made by the Company during 2024 in developing the local community and preserving the environment. (In case of the absence of contributions, it must be mentioned that the Company has not made any contributions.)

Sr.	Initiatives	Area of Impact	Description
1	EDSA-Emirates Down Syndrome Association	Community	Amlak Finance supports meaningful causes and NGO's that help make a difference and contribute to the betterment of society. Our CSR strategy is to align with the United Nations SDG's. With that in mind we support organizations like EDSA that provide a helping hand to people and children of determination. This ensures that we as an organization are doing things for the greater good and contributing positively to humanity. This will truly give us a sense of pride and loyalty.
2	UAE Deaf Association	Community	Aligning with the United Nations and UAE's SDG of reducing inequalities and supporting inclusiveness, Amlak Finance supported the UAE Deaf Association and provided support for children with hearing disabilities.
3	UAE Genetics Association	Community/ Environment	Amlak Finance has extended support and contributed to the research of genetic diseases and helped this noble cause.
4	Rashid Center for the Disabled	Community	Amlak is committed to supporting the Rashid Center for the Disabled /people / children of determination. Demonstrating our dedication to empowering individuals with disabilities.
5	Al Noor Training Centre for Children with Special Needs	Community	In our ongoing efforts to nurture and support children of determination, Amlak sponsored the family fun fair at Al Noor. This gave the children of special needs the opportunity to have fun, enjoy various activities & games.
6	Responsible Waste Management	Environment	Emphasizing our commitment to sustainability, Amlak Finance has successfully executed a responsible waste management exercise at the office in 2024. New dustbins based on waste segregation vis a vis plastic, paper, plastic, etc were procured segregating and installed at the premises.
7	Umrah	Community	Amlak is proud to sponsor the Umrah pilgrimage for five employees, selected based on specific criteria. This initiative reflects our dedication to supporting our team's spiritual and personal growth.
8	Al Hanan Centre	Community	Demonstrating our commitment to promoting education as a cause, we contributed to the education of the underprivileged. We extended our support in accordance with UN SDG 4-Quality education.
9	Info at Kidney Patients	Community	Amlak contributed to the support of Kidney patients and their treatment.
10	Dubai Fitness Challenge 30 x 30	Community	During the Dubai Fitness Challenge, Amlak enabled 70 employees to participate encouraging health and fitness in the workplace. The challenge included prizes for the top participants in both the men's and women's categories.

11. General Information:

A. Statement of the company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024.

Month	Month - High	Month - Low	Closing Price
January	0.856	0.777	0.790
February	0.825	0.759	0.790
March	0.865	0.751	0.825
April	0.857	0.769	0.788
May	0.800	0.720	0.735
June	0.770	0.685	0.768
July	0.784	0.701	0.758
August	0.820	0.690	0.778
September	0.787	0.740	0.756
October	0.862	0.700	0.820
November	0.931	0.801	0.900
December	0.917	0.820	0.867

B. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2024.

Month	Amlak Finance PJSC	DFMGI	Banks Index
January	0.790	4,169.08	2,994.64
February	0.790	4,308.77	3,177.61
March	0.825	4,246.27	2,996.04
April	0.788	4,155.77	2,904.37
May	0.735	3,977.93	2,806.37
June	0.768	4,030.00	2,892.02
July	0.758	4,268.05	3,123.49
August	0.778	4,325.45	3,170.42
September	0.756	4,503.48	3,285.28
October	0.820	4,591.05	3,278.13
November	0.900	4,847.34	3,381.63
December	0.867	5,158.67	3,478.95

C. Statement of the shareholders ownership distribution as on 31/12/2024 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.

Sr.	Shareholders classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	Local	35.5927%	51.4235%	0.0001	87.0163%
2	Arab	6.6543%	1.7263%	-	8.3806%
3	Foreign	2.3474%	2.2557%	-	4.6031%
	Total	**44.5943%**	**55.4055%**	**0.0001**	**100%**

D. Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2024 according to the following schedule:

Sr.	Name	Number of owned shares	Percentage of owned shares of the company's capital
1	Emaar Properties PJSC	674,999,982	45%

E. Statement of how shareholders are distributed according to the volume of property as on 31/12/2024 according to the following schedule:

Sr.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	19781	115,535,865	7.7024%
2	From 50,000 to less than 500,000	1326	172,071,181	11.4714%
3	From 500,000 to less than 5,000,000	158	198,123,715	13.2082%
4	More than 5,000,000	21	1,014,269,239	67.6179%

F. Statement of measures taken regarding the controls of investor relationships and an indication of the following:-

- Name of the investor relationships officer. Mr. Amor Ben Abdelwahed

- Data of communication with the investor relationships (e-mail- phone- mobile- fax).
  Name: Mr. Amor Ben Abdelwahed
  Email: Investorrelations@amlakfinance.com
  Telephone: +971 4 427 4575
  Mobile: +971 50 715 7078

- The link of investor relationships page on the Company's website.
  https://www.amlakfinance.com/investor-relations/

Governance
Report For 2024 (continued)

G. Statement of the special decisions presented in the General assembly held during 2024 and the procedures taken in their regard.

The General Assembly was held on April 23, 2024, and the following specific resolutions were issued:

- It was resolved to approve voluntary contributions for the year 2024 not exceeding 0.04% of the net profit of the year 2023

H. Rapporteur of the Board meetings.

Ms. Lama Takieddin was appointed as the company's secretary on February 2, 2020, and she holds a bachelor's degree in economics and a bachelor's degree in law, and she is a certified board secretary by the Hawkamah Institute. She plays a key role in ensuring the implementation of a good governance culture within the company and compliance with applicable corporate governance requirements and regulations.

I. Detailed statement of major events and important disclosures that the Company encountered during 2024.

Month	Amlak Finance PJSC
28 June	Notification from the company on "Disclosing Material Information – Sale of Real Estate Building"
18 September	Notification from the company on "Disclosing Transaction with a Related Party"
27 December	Notification from the company on "Update regarding exit from the Common Term Agreement"

J. Statement of the transactions that the Company has carried out with related parties during the year 2024, which are equal to 5% or more of the Company's capital:

Nil

K. Statement of Emiratisation percentage in the Company at the end of 2022, 2023, 2024 (workers are excluded for companies working in the field of contracting).

2022	2023	2024
11%	16%	20%

A. Statement of innovative projects and initiatives carried out by the company or being developed during 2024.

During the fourth quarter of 2024, the implementation of the property management system was completed as part of the Amlak Digitalization Initiative. This system is designed with a modular architecture to streamline financial accounting, property management, and tax invoicing. The system automates and replaces various manual processes thus reducing turnaround time and potential errors caused by manual inputs.

Governance
Report For 2024 (continued)

Annex 1: Company's Organizational Chart

Amlak Finance
Organization Chart 2024

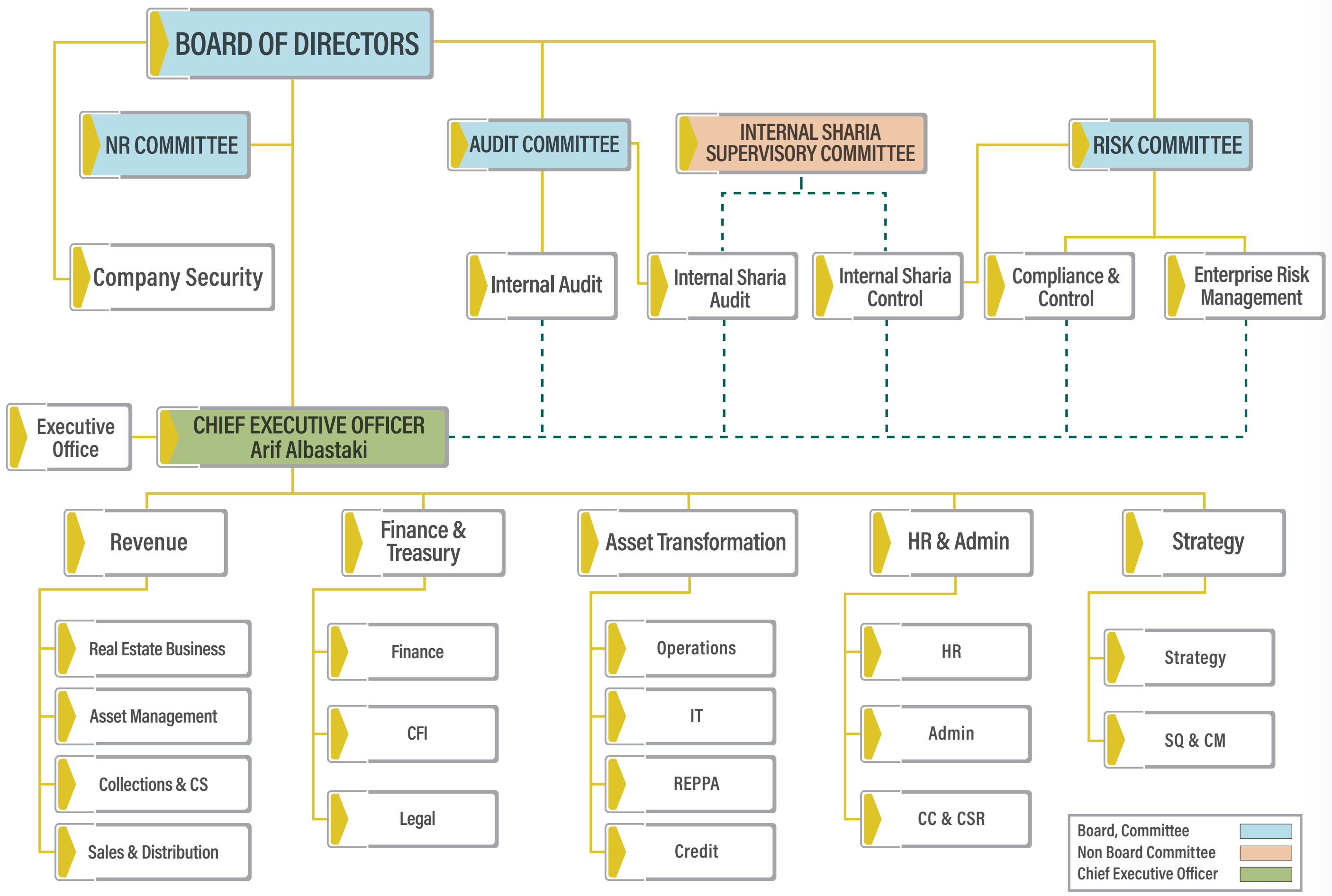


Table of Contents

Section 1:

Introduction

a. About This Report

Reporting Scope and Boundaries

AMLAK is a Public Joint Stock Company (PJSC) operating in the financial sector. The company adheres to regulatory requirements and governance structures applicable to publicly listed entities in the UAE. AMLAK is headquartered in Dubai, UAE, licensed by the UAE Central Bank, it operates in accordance with Islamic Sharia principles.

This report covers our activities from January 1st to December 31st, 2024. For the financial information stated in this report, it covers the 2024 fiscal year, focusing on our UAE operations, which contributed 76% of our consolidated revenues. It includes all UAE subsidiaries, excluding two in Egypt and our associate in Saudi Arabia, which represent the remaining 24%.

Basis of Preparation and Scope

Aligned with the Global Reporting Initiative (GRI) Standards, this report also reflects the Dubai Financial Market's (DFM) ESG metrics and the Sustainable Development Goals (SDGs). For detailed reporting, please refer to the GRI Content Index and our ESG alignment with DFM at the end of this document.

Assurance

This sustainability report has been thoroughly reviewed internally by the relevant departments. The financial statements have been independently audited by a reputable international firm.

Contact Information

For any queries or feedback about this report please contact us at the following email address:
companysecretary@amlakfinance.com

b. Message from The CEO

> Our future focus is on deepening the integration of ESG priorities throughout AMLAK, embedding responsible and sustainable practices into every aspect of our operations. We are committed to creating lasting positive change for our stakeholders, the communities we serve, and the environment.

AMLAK is pleased to present the sustainability report for the year 2024, providing a comprehensive overview of our environmental, social, and governance (ESG) performance.

As a Sharia-compliant financial institution, we continue to integrate ethical and sustainable practices across all areas of our business. These principles remain central to our approach, fostering long-term value for our stakeholders and maintaining the highest standards of governance and accountability. This report has been developed in alignment with the Global Reporting Initiative (GRI) Standards and conforms to the relevant Dubai Financial Market (DFM) policies, ensuring compliance and transparency in our operations.

At AMLAK we believe that our employees are key drivers of growth and resilience. We remain committed to creating a positive, inclusive, and supportive work environment that promotes employee engagement, well-being, and professional development. Through various initiatives and programs, we encourage a culture of continuous learning, ensuring that our workforce is equipped with the skills and opportunities needed to thrive. Employee satisfaction and empowerment are core to our organizational values, and we are dedicated to enhancing their experience within the company.

In parallel, our commitment to corporate social responsibility (CSR) remains a central element of our business strategy. Throughout 2024, AMLAK has continued to undertake initiatives that contribute to the well-being of our communities and foster long-term societal impact. These efforts are aligned with our broader ESG goals, focusing on social empowerment, community development, and environmental sustainability. By working closely with local organizations and stakeholders, we aim to create shared value that extends beyond business success, reinforcing our role as a responsible corporate entity.

Arif Alharmi Albastaki
Chief Executive Officer

Section 2:

History and Journey: Sustaining Success and Business Model

a. Inside AMLAK: Business Activities

Activities, value chain and other business relationships

- The sector in which we are active: Finance
- Organizational activities, products and services: Please refer to “Our Products and Services”
- Subsidiaries in UAE:

Subsidiary	Country	Percentage of Ownership (2024)	Business
AMLAK Sky Gardens LLC	UAE	100%	Investment in Commercial Enterprises & Management
AMLAK Holding Limited	UAE	100%	General Trading
Warqa Heights LLC	UAE	100%	Investment in Commercial Enterprises & Management Investment in Industrial Enterprises & Management Investment in Agricultural Enterprises & Management
AMLAK Capital LLC	UAE	100%	Investment in Commercial Enterprises & Management
AMLAK Property Investment LLC	UAE	100%	Own, Leasing & Management of self - Owned Property Real Estate
AMLAK Limited	UAE	100%	General Trading

b. Products and Services

Our offerings span a variety of products and services, including:

Istithmari

Istithmari is the first-of-its-kind Buy-To-Let property finance (Ijarah) product in the region, designed for investors looking to invest in completed residential and commercial properties. In addition to providing personalized and professional relationship management, customers are provided with a full suite of Property Management Services.

Ijarah

Ijarah is Amlak’s principal Shariah compliant home finance product aimed towards end users of ready residential and commercial properties. Under Ijarah, AMLAK buys the property from the developer/ seller and leases it out to the customer with a promise to sell at the end of the lease term. The customer pays monthly rentals that comprise of fixed, variable and supplementary rentals.

History and Journey: Sustaining Success and Business Model (continued)

Double Your Property

A financial product designed to expand our portfolio of ready properties by attracting new investors for full property ownership and by facilitating additional property acquisitions for existing, proven clients without requiring new equity investment.

Tatweer

Tatweer is a product aimed at financing under-construction properties for investors as well as for end user. Finance is supplemented with suite of property management services that come into effect post completion and handover of the property.

Private Construction Finance

Private Construction Finance is offered to individuals or corporates that undertake the construction of commercial or residential properties.

Edara

AMLAK facilitate the process of renting for customers as opt for 'Edaara', it's comprehensive Property Management Services exclusively designed for the valuable home finance clients as an additional revenue stream for Amlak.

Amlak's documentation adheres to Sharia principles, incorporating provisions such as charitable donation of late fees and the non-accrual of rent for undelivered, under-construction properties. Amlak contracts are structured in accordance with robust Sharia principles, with clear and accessible terms outlining customer rights and obligations. While Amlak is not currently underwriting new Islamic real estate financing products, we continue to manage the existing portfolio for our valued customers.

Customer Service

AMLAK provides focused customer service by servicing each customer through a dedicated relationship, AMLAK's customer service has been reviewed and rated as per the industry benchmarks by independent evaluators.

Collection & Recovery

Amlak is committed to maintaining strong financial health, and effective debt collection is a key component. We prioritize proactive strategies to minimize losses and optimize cash flow, ultimately enhancing our risk management and overall financial performance. Our approach integrates data analytics for informed decision-making, offers flexible payment solutions to support customers, and maintains a customer-centric focus throughout the collections process. We are committed to continuous review and refinement of these practices to ensure optimal efficiency and effectiveness.

Section 3:

Our Framework: Roadmap to Sustainability

a. Our Holistic Approach to Sustainability

As a Sharia-compliant financial institution dedicated to providing investment and financing solutions in the real estate sector, Amlak is deeply committed to leveraging our influence to drive positive change within our community and beyond. Our sustainability framework is structured around five key pillars, which we have aligned with the relevant Sustainable Development Goals (SDGs). These pillars are designed to guide our efforts in creating lasting value for all stakeholders while addressing the critical sustainability issues we face.

1. **Practicing Responsible Business:** We are committed to conducting our operations with integrity, ensuring that all business dealings are transparent, ethical, and beneficial to society.
2. **Delivering Good Governance:** We prioritize good governance by adhering to the highest standards of accountability, transparency, and compliance in every aspect of our operations.
3. **Nurturing Our Workforce:** We focus on fostering a supportive and inclusive workplace, encouraging the growth and development of our employees, and enhancing their well-being.
4. **Protecting Our Environment:** We are dedicated to minimizing our environmental impact through sustainable practices and initiatives aimed at preserving the planet for future generations.
5. **Supporting Our community:** We aim to make a positive social impact by engaging with and supporting the communities in which we operate, creating shared value for all.

These pillars not only guide our internal operations but also address the key sustainability topics identified in our Materiality Assessment. By focusing on the three fundamental aspects of **Prosperity, People, and Planet,** we ensure that our sustainability efforts are comprehensive and aligned with our long-term goals for social, environmental, and economic well-being.

Approach to SDG

Amlak, guided by its Sharia-compliant principles, is committed to conducting its business in a manner that upholds ethical standards and sustainability. This commitment extends beyond our operations to how we engage with stakeholders and shape our business decisions. For example, by intentionally excluding sectors such as arms, alcohol, tobacco, adult entertainment, and gambling from our investment portfolio, we actively contribute to the achievement of several Sustainable Development Goals (SDGs). These include SDG 3 (Good Health and Well-Being), **SDG 16 (Peace, Justice, and Strong Institutions), and SDG 8 (Decent Work and Economic Growth).**

Furthermore, we acknowledge the interconnected nature of the SDGs. Progress in one area often leads to advancements in others, which is why we focus our efforts on a few key SDGs where we can have the most significant impact. **SDG 8 (Decent Work and Economic Growth)**, for instance, is a central priority that reflects our dedication to responsible business, good governance, and enhancing the well-being of our employees. Achieving this goal not only benefits our company but also supports the wider community and environmental sustainability.

In addition, Amlak's CSR activities, shaped by our Sharia-compliant values and commitment to local communities, allow us to contribute to other important SDGs. These include:

- SDG 1 (No Poverty)
- SDG 2 (Zero Hunger)
- SDG 4 (Quality Education)
- SDG 10 (Reduced Inequalities)

By focusing on these specific goals, we ensure that our actions create a positive and meaningful impact, promoting a better future for both society and the environment.

Section 4:

Our Guiding Principles

a. Managing Materiality Through Stakeholder Engagement

In 2024, AMLAK continues to refine its materiality assessment by integrating diverse stakeholder engagement strategies, peer benchmarking, and internal discussions. Effective stakeholder management is the cornerstone of the company's sustainability and long-term success. By understanding the varying levels of influence and contribution among stakeholders, AMLAK ensures that its engagement efforts are strategic, meaningful, and aligned with the business objectives.

To strengthen this approach, AMLAK systematically evaluates its stakeholders, prioritizing those with the greatest impact. Board Members, Investors and strategic partners, whose contributions are crucial to the company's direction, receive regular updates and are actively involved in shaping key decisions. Likewise, influential stakeholders such as regulators are engaged proactively to ensure compliance, maintain transparency, and foster trust.

In addition to direct stakeholder engagement, AMLAK conducts peer analysis to benchmark best practices and identify emerging trends that can enhance its sustainability strategy. Internal discussions further complement this process by integrating insights from leadership and key teams to align business priorities with stakeholder expectations.

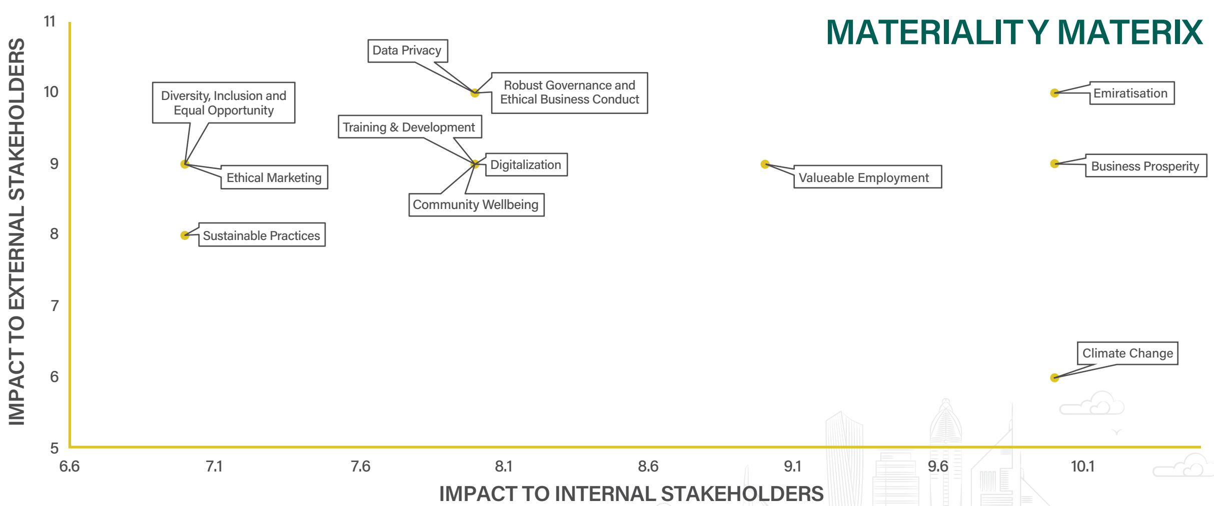
While stakeholders with lower immediate influence may not drive major decisions, they remain integral to AMLAK's ecosystem. Cultivating positive relationships across all stakeholder groups enhances goodwill, creates potential collaboration opportunities, and strengthens the company's reputation. AMLAK's commitment to transparency, open communication, and continuous feedback ensures long-term engagement that benefits both the company and its stakeholders.

b. Determination of Core Sustainability Issues

The outcome of AMLAK's materiality engagement is an inclusive Materiality Assessment, which serves as a strategic framework for identifying and prioritizing core sustainability issues. Through this process, key environmental, social, and governance (ESG) topics are systematically analyzed and categorized under the three ESG pillars. Environmental considerations include areas such as climate impact and GHG emissions. Social factors focus on employee well-being, employee engagement, diversity, and community impact. Governance aspects emphasize ethical business practices, compliance, risk management, and transparency.

By aligning material issues with these pillars, AMLAK ensures that its sustainability efforts are targeted, data-driven, and integrated into the company's long-term strategy. This structured approach not only enhances corporate responsibility but also strengthens stakeholder confidence and contributes to the company's overall resilience and growth. The following table reflects our core sustainability topics divided over three categories, as follows:

MATERIALITY MATERIX



Our Guiding Principles (continued)

c. Environmental Material Topics

GHG Emissions

Protecting the environment is no longer an option, it is a necessity. Businesses across industries are increasingly responsible for minimizing their ecological impact, and financial institutions are no exception. Sustainability efforts must be deeply embedded within operations to drive meaningful change. At AMLAK, this philosophy guides our commitment to reducing resource consumption and integrating sustainable practices into our daily activities. From water conservation and energy efficiency to workplace circularity and waste reduction, we continuously explore ways to operate more responsibly. By embracing digitalization, we have significantly cut down on paper usage, enhancing efficiency, while reducing waste and emissions.

With climate change posing significant challenges, organizations must take a proactive stance in mitigating associated risks. AMLAK identified climate change as a material issue in 2022 and has since been refining its approach to sustainability. By aligning our - approach with climate-conscious principles, we aim to build resilience while contributing to broader environmental goals. Our approach is not just about compliance, it is about shaping a future where financial operations co-exist harmoniously with ecological sustainability.

A crucial component of this commitment is our structured approach to greenhouse gas (GHG) emissions management. Over the years, we have maintained a structured and continuous approach to measuring and assessing our carbon footprint, ensuring that our sustainability efforts remain data-driven and effective. Utilizing the GHG Protocol, a globally recognized framework for emissions accounting, we systematically track and analyze our environmental impact. This methodology enables us to categorize emissions accurately, identify key areas for reduction, and implement targeted strategies to minimize our carbon footprint.

By refining our measurement techniques and expanding the scope of our assessments, we strengthen our ability to make informed decisions that drive long-term environmental responsibility and sustainable growth.
Our reporting covers:

- Scope 1 which include direct emissions from company-owned operations.
- Scope 2 accounting for indirect emissions from purchased electricity.
- Scope 3 which encompass other relevant indirect emissions tied to our activities at Grosvenor Business Tower.

Through continuous evaluation and targeted reduction initiatives, we strive to lower our emissions, enhance transparency, and contribute to a more sustainable future.

GHG emissions (MT CO_2e)	2024	2023	2022
Scope 1 (Fuel)	21.92	23.08	19.82
Scope 2 (Electricity)*	34.42	37.50	36.59

GHG emissions Intensity ($MTCO_2e$/employee)	2024
Total Emissions Intensity (Scope 1+ Scope 2)	0.695

Water consumption	Unit	2024	2023	2022
Water consumption	m^3	58.38	231.66	243.55
Water intensity (m^3/employee)	m^3	0.72	3.21	3.69

Our Guiding Principles (continued)

Energy

Energy consumption plays a critical role in determining an organization's environmental impact, making it a key focus area in sustainability reporting. Organizations are being encouraged to measure, manage, and optimize their energy use to enhance efficiency and reduce emissions. Energy consumption is directly linked to greenhouse gas (GHG) emissions, as fossil fuel-based energy sources contribute significantly to an entity's carbon footprint. By monitoring energy usage across operations, businesses can identify opportunities to transition toward renewable energy, implement energy-saving technologies, and enhance overall efficiency. Effective energy management not only reduces operational costs but also supports climate action by lowering emissions in Scope 1 (direct emissions from own sources) and Scope 2 (indirect emissions from purchased electricity).

Energy Consumption	Scope	Unit	2024	2023	2022
Fuel from Owned Vehicles	Direct Consumption	GJ	316.75	378.12	307.58
Electricity	Indirect Consumption	GJ	311.37	323.05	325.99
Total energy consumption	Direct and Indirect Consumption	GJ	628.12	701.17	633.57

Energy Intensity per employee	Scope	2024	2023	2022
Fuel from Owned Vehicles	Direct (Scope 1)	3.91	5.25	4.21
Electricity	Indirect (Scope 2)	3.84	4.48	2.47
Total energy consumption	Direct and Indirect	7.75	9.73	8.68

Waste

Amlak is committed to sustainable waste management by implementing an efficient segregation system at the source. By classifying waste into four categories; plastic, metal, paper, and general waste—the company aims to reduce landfill waste, enhance recycling efforts, and contribute to a cleaner, more sustainable environment. This initiative is part of Amlak's broader sustainability approach, aimed at promoting responsible waste disposal, enhancing recycling efforts, and reducing environmental impact.

In **2024**, the program successfully collected approximately **2.55 tons** of waste, demonstrating the company's proactive approach to environmental stewardship. To ensure company-wide engagement, **awareness flyers were distributed to all employees**, educating them on the importance of waste segregation and encouraging their active participation. By integrating sustainable waste management practices into daily operations, Amlak continues to reinforce its commitment to environmental responsibility and long-term sustainability.

Waste Type	Unit	2024
General Waste	MT	2.55
Cans & Glass	MT	0.2
Paper	MT	0.4
Plastic	MT	0.1

This structured waste management initiative reflects **Amlak's** commitment to sustainability by effectively reducing waste and promoting recycling across its operations.

Our Guiding Principles (continued)

d. Social Material Topics

Workforce

A skilled and motivated workforce is the cornerstone of any successful organization. At Amlak, we recognize that our employees are our greatest asset, and their engagement and enablement drive our continued achievements. In an ever-evolving market, fostering a workplace that prioritizes employee well-being, growth, and engagement is essential. To support this, we are committed to implementing forward-thinking strategies that not only enhance job satisfaction but also promote professional development and long-term career progression.

With a team of 81 employees in 2024, AMLAK is built on a foundation of expertise and dedication, ensuring that we achieve our strategic goals. We actively cultivate a work environment that values accountability, appreciation, leadership, and continuous learning. Recognizing the impact of a positive workplace culture on engagement, motivation, and productivity, we focus on initiatives that attract and retain talent. This includes structured employee recognition programs, such as the newly introduced Long Service Awards, which honor individuals who have dedicated five, ten, or more years to the company, reinforcing our deep appreciation for their loyalty and contribution over the years.

Emiratization

As part of this commitment, we follow the Annual Emiratization Target (AET) set by the Central Bank and are relentlessly working towards the national goal of achieving 30% Emirati representation by the end of 2027. We continue to implement targeted initiatives to attract and retain top local talent. In 2024, we achieved an Emiratization ratio of 20% across our organization. By offering mentorship programs, upskilling opportunities, and career advancement tracks, we position AMLAK as an employer of choice to young Emiratis seeking dynamic and rewarding career in financial services.

Our focus on Emiratization extends beyond recruitment; we strive to create a workplace culture that empowers UAE nationals to reach their full potential. By fostering an inclusive and supportive environment, we ensure that young local professionals not only gain employment but also thrive within the organization, driving innovation and long-term sustainability. This strategic approach reinforces AMLAK's role as a key player in developing the UAE's financial talent pool, while also enhancing employee engagement and retention.

Total Number of UAE Nationals						
Year	Female	%	Male	%	Total Number	%
2024	7	44%	9	56%	16	20%
2023	6	50%	6	50%	12	16%
2022	3	38%	5	63%	8	11%

UAE National Percentage by Job Category			
Year	Entry Level	Mid-Level	Senior to Executive Level
2024	44%	44%	13%
2023	50%	33%	17%
2022	75%	0%	25%

Our Guiding Principles (continued)

Diversity Inclusion and Equal Opportunities

At Amlak, we are dedicated to fostering an inclusive and equitable workplace culture in full compliance with the UAE labor law. Our commitment to diversity, inclusion, and equal opportunities is deeply embedded in our corporate Values, ensuring that every employee—regardless of gender, age, nationality, or job level—is respected, valued, and supported.

We actively promote a diverse and supportive work environment, prioritizing employee well-being and fair treatment. This commitment is reflected in our leadership, with females holding key senior and executive management positions, including the Head of Corporate Governance and Company Secretary and our Board of Directors includes a female member who also serves as the Chairperson of the Board Risk Committee.

Our HR policies guarantee fair pay based on job experience and position, eliminating any form of discrimination. We uphold a Zero Tolerance for Discrimination policy, reinforced by a grievance-handling mechanism that allows employees to report any violations of our Code of Conduct confidentially and without fear of retaliation or retribution.

* In 2024 there were zero incidents of discrimination.

As part of our ongoing efforts, we continue to enhance diversity within our workforce, which currently includes professionals from 18 different nationalities. By fostering an inclusive workplace and empowering diverse talent, we reinforce our commitment to driving long-term success and sustainability at Amlak.

Total Number of Nationalities

Year	Number
2024	18
2023	16
2022	18

Governance Body

Year	Female	Male
2024	14%	86%
2023	14%	86%
2022	14%	86%

Total Employees by Gender

Year	Female	Male	Total
2024	24	57	81
2023	22	53	75
2022	23	50	73

Total Employees by Job Category & by Gender

Year	Entry-Level		Mid-Level		Senior-to-Executive Level	
	Male	Female	Male	Female	Male	Female
2024	82%	18%	58%	42%	92%	8%
2023	50%	50%	73%	27%	94%	6%
2022	54%	46%	79%	21%	91%	9%

Our Guiding Principles (continued)

Total Employees by Age Group

Year	Below 30 years old	30-50 years old	Above 50 years old
2024	11%	71%	18%
2023	10%	72%	54%
2022	31%	100%	79%

Workforce Development and Talent Empowerment

Workforce Development

At Amlak, we believe that investing in our employees' growth is essential to both individual success and organizational excellence. By providing continuous learning opportunities, we ensure that our workforce remains skilled, adaptable, and prepared for the challenges of an evolving professional landscape.

Our approach to learning and development focuses on equipping employees with both technical expertise and soft skills, supported by structured programs, including classroom training and on-line/e-learning, with regular assessments. These initiatives not only enhance their performance in current roles but also pave the way for career progression. A fair and transparent performance management process and comprehensive individual development plans further reinforce our dedication to professional growth.

Recognizing that continuous learning drives long-term success, we identify employee learning needs during the start of each year and develop a tailored learning plan that includes:

- Leadership training for department heads
- Job-specific training for all employees
- Regulatory, soft skills, and leadership training throughout the year

To foster a more dynamic and flexible learning culture, we have expanded our E-learning initiatives over the last 2 years. In 2024, we continued enhancing the learning model through the Coursera platform, providing employees with access to world-class courses and certifications from leading universities and institutions. As part of this initiative:

- Most of the employees have enrolled and subsequently completed various e-learning modules. A total of 1296 learning hours have been recorded, with an average of 15.2 hours per learner during the year.
- The learning is being delivered through 33 universities and institutions worldwide.
- 47% of initiated courses have been successfully completed, reflecting our employees' dedication to professional growth.

By prioritizing learning and development, Amlak is creating a culture of continuous improvement, empowering employees to advance their careers and contribute meaningfully to the company's long-term success. The top learners are formally recognized through the company's Reward and Recognition platform.

Total Training hours by Gender

Year	Female	Male	Total
2024	384	912	1,296
2023	1,270	815	2,085
2022	673	1,477	2,150

Our Guiding Principles (continued)

Total Training Hours by Job Category			
Year	Entry-Level	Mid-Level	Senior-to-Executive Level
2024	720	368	208
2023	1,196	589	300
2022	1,387	416	348

Performance Management & Fair Appraisal

Because we believe that continuous learning and development are essential drivers of employee performance and organizational success, a well-structured performance management process and system not only sets clear expectations but also provides employees with the necessary tools, training, and feedback to grow and excel in their roles. By integrating learning opportunities into the performance management process, we ensure that employees are constantly evolving, adapting to industry changes, and enhancing their competencies to meet both personal and organizational objectives.

Our performance management approach is built on a comprehensive review system, ensuring that employees are accountable for achieving their assigned objectives while receiving ongoing support and feedback. The process begins with objective setting at the start of the year aligned with the company's objectives,, followed by regular performance reviews to track progress, address challenges, and offer constructive guidance. At the mid-year and end of the year, a formal performance evaluation assesses overall achievements and identifies areas for further growth and development.

To complement this structured approach, we provide employees with targeted learning programs that align with their performance reviews. Whether through leadership training, job-specific skill enhancement, or digital learning platforms, we equip our workforce with the knowledge and competencies needed to exceed expectations and advance in their careers. Over the years, this integration of learning with performance management has elevated employee productivity, engagement, and overall workplace excellence.

By fostering a culture of continuous learning and improvement, Amlak ensures that every employee is empowered to not only meet performance goals but also unlock their full potential, contributing to both their personal growth and the long-term success of the organization.

Total Number of Employees Receiving Regular Performance and Career Development Review, By Gender				
Year	Female	Male	Total	Percentage of total workforce
2024	24	57	81	100%
2023	22	53	75	100%
2022	23	50	73	100%

Total Number of Employees Receiving Regular Performance and Career Development Review, By Job Category			
Year	Entry-Level	Mid-Level	Senior-To-Executive Level
2024	45	23	13
2023	39	19	17
2022	39	22	12

Our Guiding Principles (continued)

Talent Management

At Amlak, we understand that a strong and engaged workforce is the foundation of sustainable business success. Our talent management strategy is centered on creating an environment where employees feel valued, supported, and empowered to reach their full potential. By fostering professional growth, innovation, and inclusivity, we continue to strengthen our workforce and drive long-term business success.

To ensure a positive and productive workplace, we closely monitor key workforce metrics. In 2024, our turnover rate stood at ~15%, within the industry benchmarks. This reflects the impact of our commitment to employee satisfaction, retention, and engagement, reinforcing Amlak as an employer of choice.

Aligned with our long-term vision, we continue to implement our 5-year HR strategy, focusing on attracting, developing, and retaining top talent. In 2024, we welcomed 19 new employees, ensuring a diverse workforce across various age groups and genders. Notably, women accounted for approximately 37% of our latest hires, highlighting our ongoing commitment to gender diversity and equal opportunities.

By continuously enhancing our talent management approach, we aim to build a resilient, high-performing workforce that supports both individual career growth and the long-term aspirations of Amlak.

Year	Turnover	Total New Hires Rate	Absenteeism Rate
2024	15%	23.46%	3%
2023	14%	14%	2%
2022	12.25%	17.5%	0.09%

Total Number of new Hires by Gender				
Year	Female	%	Male	%
2024	7	29.17%	12	21.05%
2023	4	18.18%	8	15.09%
2022	3	13%	9	18%

Percentages represent the ratio of newly hired female and male employees to total number of female and male employees.

Total Number of new Hires by Age Group						
Year	Below 30 years old	%	30- 50 years	%	Over 50 years	%
2024	12	80%	7	12.5%	0	0%
2023	2	28.57%	8	14.03%	2	18.18%
2022	4	66.67%	5	8.47%	3	37.5%

Percentages represent the ratio of newly hired employees within each age group to the total number of employees in the respective age group.

Our Guiding Principles (continued)

Total Number of employees that left by Gender				
Year	Female	%	Male	%
2024	4	16.67%	8	14.04%
2023	5	24%	5	10%
2022	2	9%	7	14%

**Percentages represent the ratio of employees who left as per female and male employees to total number of female and male employees*

Total Number of employees that left by Age Group						
Year	Below 30 years old	%	50 years	%	Over 50 years	%
2024	7	46.67%	5	8.93%	0	0%
2023	1	20%	8	14%	1	10%
2022	1	16.67%	8	13.56%	0	0%

***Percentages represent the ratio of employees that left within each age group to the total number of employees in the respective age group.*

Total number of employees that were entitled to parental leave, by gender.		
Year	Maternity Leave	Paternity Leave
2024	10 employees	48 employees

Total number of employees that took their parental leave, by gender.		
Year	Maternity Leave	Paternity Leave
2024	Nil	4 employees

Total number of employees that returned to work in the reporting period after parental leave ended, by gender.		
Year	Maternity Leave	Paternity Leave
2024	Nil	4 employees

Employee Health & Well-being Initiatives

At Amlak, we prioritize the health and well-being of our employees by implementing various initiatives aimed at promoting a healthier lifestyle. Our key efforts include:

- **Health and Life Insurance:** As per the UAE Labor Law we provide health insurance to all our full time employees along with a benefit of life insurance.
- **Health Awareness Campaigns:** We conduct multiple awareness sessions on nutrition, mental health, chronic disease prevention, and workplace ergonomics, to educate employees on maintaining a healthy lifestyle.
- **Free Annual Health Check-ups:** Employees receive complimentary health screenings, including blood pressure, cholesterol, blood sugar, and BMI assessments, to encourage preventive care.
- **Sports & Fitness Activities:** Amlak organizes various sports events and actively participates in the Dubai Fitness Challenge initiated by Sheikh Hamdan, promoting physical activity and well-being in the workplace.

Our Guiding Principles (continued)

These initiatives reflect Amlak's commitment to fostering a supportive and health-conscious work environment for all employees.

Year	The number and rate of fatalities as a result of work-related injury	The number and rate of high-consequence work-related injuries (excluding fatalities)	The number and rate of recordable work-related injuries
2024	0 employees	0 employees	0 employees

Customer Satisfaction & Service Excellence

At Amlak, customer satisfaction is a top priority and a core pillar of our business model. We recognize that buying a home or investing in real estate is a major decision, and we are committed to making the process smooth, transparent, and stress-free. Our strategy revolves around proactive engagement, continuous improvement, and exceptional service at every step of the customer journey.

Key Components of Our Customer Satisfaction Strategy:

Complaints Management

Dedicated Complaints Management Unit (CMU) operates independently and reports directly to the Head of Strategy, ensuring customer concerns receive top priority. Customers can submit complaints easily via our website (online form) or email. And a six-working-day resolution policy ensures prompt and professional handling of all complaints.

Quality Control & Feedback Mechanism

After resolving a complaint, the Quality Control Team sends a post-resolution survey to assess customer satisfaction. The Call interactions undergo scoring and evaluations to ensure compliance with key customer service protocols, including identification verification and process adherence.

Annual Customer Satisfaction Surveys

AMLAK conducts comprehensive customer satisfaction surveys annually to gauge service quality and identify improvement areas. In 2024, AMLAK achieved a satisfaction score of 62.8%.

Year	Customer Satisfaction %
2024	62.8%
2023	71.6%
2022	75%

Training & Customer Service Excellence

Regular, need-based training is provided to customer service agents, call center representatives, and complaints management teams. The training ensures effective communication, improved issue resolution, and adherence to best practices in handling customer interactions.

Reporting & Compliance

The Complaints Management Unit generates annual reports presented to the Board of Directors to monitor service quality and improvements. Periodic reports are submitted to the UAE Central Bank, detailing the number of complaints, their nature, resolution outcomes, and key insights to enhance customer service standards.

Through this structured approach, Amlak ensures seamless customer experience, swift resolution of concerns, and continuous improvements to meet evolving customer needs.

Supporting Our Community

Rooted in our Islamic principles, our organization prioritizes social engagement as a means of giving back to communities in need. Our commitment to corporate social responsibility (CSR) is reflected in the diverse range of initiatives we undertook in 2024, all designed to create a tangible and lasting social impact. By aligning these efforts with our core values, we continue to support and uplift those who require assistance, reinforcing our dedication to meaningful community contributions.

UAE stands with Lebanon

Amlak was proud to support the "UAE Stands with Lebanon" campaign, encouraging participation in this vital initiative to aid Lebanon during challenging times. As part of our commitment to social responsibility, we invited contributions in the form of essential items and financial donations. Employees dropped off their donations in the designated box in the office hallway by October 18th or at specified locations across different Emirates.

Every contribution, no matter how small, made a meaningful impact. We extended our gratitude to everyone for their generosity and support in standing in solidarity with Lebanon.

Bowling Event

Amlak proudly embraced the spirit of teamwork and camaraderie by hosting the Bowling Fun Event, bringing employees together for an engaging and enjoyable experience. The event fostered a sense of connection, friendly competition, and shared moments in a lively atmosphere. Participants enjoyed exciting bowling matches, engaging contests, and delicious food, creating an opportunity to unwind and make unforgettable memories. Through such initiatives, Amlak reinforced its dedication to promoting a positive and dynamic work environment, prioritizing employee well-being and social interaction. We are proud to have provided an enjoyable and rewarding experience for all participants, strengthening our workplace culture and camaraderie.

Breast Cancer Day

As part of our Corporate Social Responsibility (CSR) initiatives, Amlak proudly supported the Pink Ribbon Campaign this October, emphasizing the importance of breast cancer awareness, early detection, and prevention. In collaboration with BMS Masaood and Fakeeh University Hospital, we hosted a special Breast Cancer Awareness Event to educate and support our employees and community members. This initiative reflected our commitment to promoting health and well-being while standing in solidarity with those affected. Additionally, employees showed their support by signing the special board placed in the office hallway. At Amlak, we believe that together, we made a meaningful impact in the fight against breast cancer.

Dubai Fitness Challenge

Amlak proudly participated in the Dubai Fitness Challenge 2024, an initiative aimed at promoting an active and healthy lifestyle. The challenge encouraged employees to stay active and engage in daily fitness goals. To foster teamwork and motivation, an inter-departmental challenge was introduced, with performance assessed at both team and individual levels. Through this initiative, Amlak reinforced its commitment to health, wellness, and an active workplace culture, creating a positive impact on employee well-being.

Prostate Cancer

As part of Blue November, Amlak collaborated with BMS Masaood and Max Healthcare Group to raise awareness about prostate cancer and its prevention. To support this important cause, we organized an insightful webinar aimed at educating employees and promoting early detection. Through this initiative, Amlak reaffirmed its commitment to health awareness and employee well-being, ensuring that critical health topics were addressed and discussed.

Gym Initiative

As part of our commitment to employee health and well-being, Amlak successfully collaborated with Red Gym to provide a BMI check-up initiative for employees. This initiative allowed staff to gain insights into their health, set wellness goals, and receive professional guidance. Through this effort, Amlak reinforced its dedication to fostering a health-conscious workplace culture and promoting overall well-being.

Amlak Stairs Challenge

Amlak took a proactive step in promoting employee wellness and physical fitness by launching the Amlak Stairs Challenge. This initiative encouraged employees to push their limits, embrace an active lifestyle, and engage in a stimulating fitness challenge.

The event provided a platform for participants to test their endurance and resilience, fostering a spirit of friendly competition and motivation. Employees embraced the challenge with enthusiasm, making it a memorable and impactful experience. By organizing such initiatives, Amlak reaffirmed its commitment to fostering a health-conscious workplace and encouraging employees to prioritize their well-being

Blood Donation Campaign

Amlak successfully participated in a blood donation campaign in collaboration with EHS and Stratum, reinforcing our commitment to social responsibility and community well-being. This initiative encouraged employees to contribute to a life-saving cause, highlighting the importance of voluntary blood donation in supporting those in need.

Through this campaign, Amlak actively promoted a culture of giving and humanitarian support, demonstrating our dedication to making a meaningful impact on the community. We extend our appreciation to all employees who took part in this noble effort to help save lives.

For more information on our CSR activities, please check our initiatives in the following link:

https://www.AMLAKfinance.com/csr-library/

e. Governance Material Topics

Governance and Ethical Business Conduct

Amlak has established a structured governance framework to ensure ethical decision-making and accountability. The Board of Directors comprises seven independent members with diverse expertise, collectively possessing knowledge of all key business areas. To enhance efficiency, the Board has formed specialized committees with clear mandates, allowing them to oversee specific functions and report back to the Board. This structure ensures streamlined operations, continuous oversight, and well-informed strategic direction.

A key aspect of this governance framework is the delegation of authority and decision-making processes. The Board approves authority matrices that define responsibilities across different levels of the organization, ensuring clarity in decision-making. Committees monitor their designated areas and provide regular reports to the Board, maintaining transparency and alignment with corporate objectives. Additionally, the Board periodically reviews these matrices and delegation structures, making necessary adjustments to enhance operational efficiency and governance effectiveness.

Governance Structure

At Amlak, we uphold strong corporate governance standards in compliance with regulations set by the UAE Central Bank and the Securities & Commodities Authority. Our board consists of seven independent members, including one female member. Each director brings extensive expertise, leadership capabilities, and a strong industry reputation.

Board of Directors:

- Mr. Jamal Hamed Al Marri – Chairman
- Mr. Shaker Fareed Zainal Karmastaji – Vice Chairman
- Mrs. Fatima Ahmed Rashid Qasimi – Member
- Mr. Rashed Mohammad Ali Abdulrahman – Member
- Mr. Ayad Hammad Alharazeen – Member
- Mr. Mustafa Ismail Karam – Member
- Mr. Khalid Salim Alhalyan – Member

Our Guiding Principles (continued)

Board Committees

To strengthen oversight and governance, Amlak's Board of Directors has formed dedicated committees, each addressing specific areas of corporate management:

- **Audit Committee** – Ensures financial integrity by overseeing reporting, auditing, and compliance with internal controls and regulatory policies.
- **Risk Committee** – Focuses on risk management by establishing policies, identifying risks, and ensuring a structured approach to mitigating and monitoring threats across the organization.
- **Nomination and Remuneration Committee** – Regularly evaluates the board's structure, fostering diversity and selecting members with strong leadership skills and industry expertise. It also oversees fair remuneration policies for the board and senior management.

Strengthening Internal Oversight

Amlak has established a dual-approach internal control mechanism to enhance governance and mitigate risks. The first involves conducting an Annual Compliance Risk Assessment, a collaborative effort between the Compliance Unit and business unit leadership, aimed at identifying and addressing compliance vulnerabilities proactively. The second is the Internal Audit Function as an additional third line of defense, which serves as an independent assessment body, verifying the integrity of the compliance framework and ensuring effective execution by both Compliance and Business Units. Further, the Enterprise Risk Management function conducts annual control testing for each department to ensure that operational risks are mitigated by an appropriate control framework.

Policy Governance and Review

To maintain alignment with evolving regulatory landscapes and industry best practices, Amlak undertakes annual review of its internal policies. Should there be notable legislative or regulatory changes, these policies are reassessed and revised immediately to uphold compliance and operational efficiency.

Commitment to Compliance

Amlak upholds stringent compliance standards, ensuring adherence to regulations stipulated by governing entities such as the UAE Central Bank, the Securities and Commodities Authority, and the Dubai Financial Market. As a real estate-focused institution, compliance extends to Dubai's Real Estate Regulatory Agency (RERA) and the Dubai Land Department (DLD). In order to ensure robust compliance commitment, our internal policies comprehensively cover:

- Know Your Customer (KYC) and Customer Due Diligence (CDD) Procedures
- Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT) Measures
- Ethical Business Practices and Corporate Conduct
- Consumer Protection and Market Fairness
- Information Security and Privacy Standards

Regular employee training programs are implemented to embed compliance awareness, covering topics such as AML and CFT risks. Training is accessible online and through internal sessions. Furthermore, the Compliance Officer operates independently reporting directly to the Board Risk Committee, ensuring an unbiased approach to compliance oversight.

The Central Bank of the UAE conducts annual regulatory evaluations to assess financial institutions' compliance status. In addition, every time a new law or regulatory directive is introduced, a dedicated compliance assessment is performed to ensure adherence to the latest requirements. As part of its regulatory obligations, Amlak is mandated to submit a Compliance Attestation Letter to the Central Bank each year, affirming its adherence to all applicable regulations.

Our Guiding Principles (continued)

Anti-Money Laundering & Counter-Terrorism Financing

Amlak recognizes that financial crimes pose significant risks. To combat these threats, the institution has developed robust AML and CFT frameworks that align with UAE Central Bank directives, federal legal requirements, and Financial Action Task Force (FATF) guidelines. Core elements of our AML strategy include:

- Comprehensive KYC and CDD processes applicable to all clientele
- A strict stance against fraud, bribery, and corruption
- Adherence to both domestic and international anti-bribery statutes

By integrating global best practices, AMLAK ensures its operations remain safeguarded from illicit financial activities.

As part of its commitment to **governance and regulatory compliance**, Amlak ensures that its employees receive comprehensive training on **Anti-Money Laundering (AML)** practices. In **2024**, the company successfully trained 81% of its employees on AML regulations, equipping them with the knowledge to detect and prevent financial crimes.

Below is a summary of the AML training coverage:

Category	Percentage Trained
Employees	81%

This initiative reflects Amlak's dedication to **upholding international compliance standards** and ensuring robust financial integrity across the organization.

In 2024, there were no incidents of corruption and no business partners or employees were terminated due to any legal cases.

Encouraging Ethical Conduct Through Whistleblowing

A transparent corporate culture is central to Amlak. The Whistleblowing Policy offers employees and stakeholders a secure, confidential means to report unethical conduct, financial malpractices, or violations of regulatory obligations. All whistleblower disclosures are managed discreetly, with protective measures in place to prevent retaliation, reinforcing the company's commitment to integrity and ethical governance.

**1 Training was conducted for ALL employees on whistleblowing policy and mechanisms.*

Professional Integrity and Conflict of Interest Management

Amlak upholds a rigorous Code of Conduct, setting clear expectations regarding professional ethics, integrity, and compliance with legal requirements. The guidelines emphasize:

- Honest and ethical business engagement
- Strict confidentiality of client and corporate data
- Transparency in identifying and addressing conflicts of interest
- Zero tolerance for bribery and illicit incentives

To mitigate conflicts of interest, structured reporting mechanisms are in place, requiring employees to disclose any personal or financial interests that could influence their professional judgment. Periodic awareness sessions and training initiatives further reinforce these principles.

Our Guiding Principles (continued)

Ethical Advertising and Market Conduct

At Amlak, fairness and transparency in marketing are fundamental. The Advertising and Marketing Policy is designed to ensure compliance with the Central Bank's Consumer Protection Regulations, safeguarding consumers from misleading or unethical promotional tactics. The core tenets of our responsible marketing approach include:

- Clear, accurate, and comprehensible communication of financial offerings
- Fair contract terms, explicitly detailing key conditions such as profit rates
- Prohibition of deceptive or exaggerated advertising claims
- Providing warnings regarding financial risks and obligations
- Ensuring full Sharia compliance, with oversight from the Internal Sharia Control Department

This policy governs all marketing activities and channels, including digital media, outdoor advertisements, promotional materials, and more. To maintain its relevance and effectiveness, the policy undergoes regular review by the designated Compliance Officer.

Confirming Ethical Labor Practices and Child Labor Prevention

Recognizing global child labor risks in supply chains, particularly in high-risk regions, we implement stringent vendor screening, world check assessments, and thorough supply chain due diligence, including third-party audits, to mitigate risks and reinforce transparency. As a real estate financing entity, our operations do not involve manufacturing, physical production, or labor-intensive sectors where child labor risks are prevalent. Instead, we focus on financial services, consulting, and investment management—activities that primarily operate in an office-based environment and align with the UAE's strict labor regulations, ensuring ethical business practices.

Our partnerships and supplier relationships are carefully curated, selecting only those who share our commitment to labor law compliance and human rights. To date, Amlak has not encountered any ESG violations, labor malpractice, or governance breaches within its operations or supply chain, yet we maintain preventive policies, continuous monitoring frameworks, and remediation plans to proactively address and mitigate potential risks. Through periodic internal reviews and compliance assessments, we ensure ongoing adherence to evolving regulations, reinforcing our commitment to sustainability, corporate integrity, and responsible business conduct.

Incidents of non-compliance concerning product and service information and labeling

Year	Number of Incidents of non-compliance with regulations or voluntary codes, resulting in a warning, fine or penalty
2024	NIL
2023	NIL
2022	NIL

Incidents of non-compliance concerning marketing communications

Year	Number of Incidents of non-compliance with regulations or voluntary codes, resulting in a warning, fine or penalty
2024	NIL
2023	NIL
2022	NIL

AMLAK is not currently guaranteeing any new financing under its Islamic real estate finance products; however, we continue to manage a portfolio of these products for existing customers

Our Guiding Principles (continued)

Commitment to Local Content and Sustainable Procurement

Amlak is dedicated to supporting local businesses and fostering economic growth by prioritizing local content and suppliers in its procurement processes. Our sustainable procurement strategy ensures that a significant portion of our sourcing is directed towards local vendors, promoting economic resilience and job creation within the UAE. We actively seek suppliers who align with our sustainability values, focusing on ethical sourcing, environmentally friendly products, and responsible business practices. By integrating local and sustainable procurement into our operations, Amlak not only strengthens its supply chain but also contributes to the broader national vision for sustainability and economic diversification.

- Percentage of the procurement budget spent on local suppliers is 100%

Year	Total Number of suppliers	Local Suppliers Percentage
2024	114	100%
2023	178	100%
2022	261	100%

Year	Total Procurement Spending (AED)	Total Procurement Spending on Local Suppliers (AED)
2024	39.59M	39.59M
2023	35.65M	35.65M
2022	39.00M	39.00M

Advancing Digital Transformation & Strengthening Data Privacy

Amlak remains committed to enhancing digital efficiency and ensuring data security as part of our continuous transformation journey. To optimize operations, improve customer experience, and minimize resource wastage, we have implemented various digitization initiatives, including financial calculators, consolidated customer statements, and HR process enhancements. Transitioning to paperless operations has been a key focus, streamlining services to enhance accessibility while maintaining security.

Our IT Transformation Steering Committee oversees digitalization projects, ensuring they align with strategic goals such as minimizing human errors, increasing efficiency, and optimizing resources. Although some documents, such as liability letters and settlement agreements, still require physical signatures, our goal is to maximize digital adoption wherever possible.

Since launching our digital strategy in 2021, we have successfully implemented multiple initiatives that have transformed our systems, processes, and customer interactions. However, alongside digital progress comes the critical responsibility of protecting customer data and preventing cybersecurity threats. As financial transactions become increasingly digital, the risk of cyberattacks and data breaches grows, making it imperative to implement stringent security protocols to preserve trust, safeguard credibility, and prevent operational disruptions.

To uphold our commitment to data privacy and cybersecurity, we have established a comprehensive Information Security Policy that incorporates multiple layers of protection:

- **Data Loss Prevention:** Implementing systems to monitor and prevent unauthorized data leakage.
- **Access Control:** Restricting access to confidential records and files to only those required for specific job functions.
- **Rights Review**: Conducting periodic audits to ensure that users do not have excessive privileges beyond their designated roles.

Our Guiding Principles (continued)

- **Security Training:** Providing regular cybersecurity training for employees to enhance awareness and preparedness against threats such as ransomware and phishing attacks.

By continuously advancing our digital strategy while enforcing robust cybersecurity measures, Amlak is committed to delivering secure, efficient, and customer-centric digital services, ensuring sustainability, innovation, and trust in an evolving digital landscape.

As part of our ongoing commitment to advancing digital transformation and strengthening data privacy, we continuously seek innovative solutions to enhance operational efficiency. One such initiative is our digital signature implementation, which has been an integral part of our transformation journey since its launch in 2021. By expanding and refining this solution, we are streamlining document processing, reducing reliance on physical paperwork, and enhancing security in digital transactions. This initiative not only optimizes workflows and minimizes errors but also reinforces data privacy measures, ensuring that sensitive information remains protected while improving overall customer experience.

Year	Total number of complaints received from outside parties and substantiated by the organization	Total number of complaints raised through Regulatory bodies (Central Bank)	Total number of identified leaks, thefts, or losses of customer data
2024	54	3	0
2023	54	3	0
2022	59	3	0

Section 5:

GRI Content Index

Statement of use	Amlak PJSC has reported the information cited in this GRI content index for the period 1st January 2024 to 31st December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Overview (Page 133)
	2-2 Entities included in the organization's sustainability reporting	Overview (Page 133)
	2-3 Reporting period, frequency and contact point	Overview (Page 133)
	2-4 Restatements of information	Overview (Page 133)
	2-5 External assurance	Overview (Page 133)
	2-6 Activities, value chain and other business relationships	Inside Amlak Business Activities and Teams (Page 135)
	2-7 Employees	Diversity, Inclusion and Equal Opportunities (Page 142-143)
	2-8 Workers who are not employees	No workers who are not employees
	2-9 Governance structure and composition	Governance Structure (Page 149-150)
	2-10 Nomination and selection of the highest governance body	Governance Structure (Page 150)
	2-11 Chair of the highest governance body	Governance Structure (Page 149)
	2-12 Role of the highest governance body in overseeing the management of impacts	Managing Materiality Through Stakeholder Engagement (Page 138), Governance and Ethical Business Conduct (Page 149-153)
	2-13 Delegation of responsibility for managing impacts	Managing Materiality Through Stakeholder Engagement (Page 138), Governance and Ethical Business Conduct (Page 149-153)
	2-14 Role of the highest governance body in sustainability reporting	Managing Materiality Through Stakeholder Engagement (Page 138), Governance and Ethical Business Conduct (Page 149-153)
	2-15 Conflicts of interest	Please refer to the Annual Report Section
	2-16 Communication of critical concerns	Governance and Ethical Business Conduct (Page 149-153)
	2-17 Collective knowledge of the highest governance body	Governance and Ethical Business Conduct (Page 149-153)
	2-20 Process to determine remuneration	Governance and Ethical Business Conduct (Page 150)

GRI Content
Index (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Our Holistic Approach to Sustainability (Page 137)
	2-23 Policy commitments	Governance and Ethical Business Conduct (Page 149-153)
	2-24 Embedding policy commitments	Governance and Ethical Business Conduct (Page 149-153)
	2-25 Processes to remediate negative impacts	Governance and Ethical Business Conduct (Page 149-153),
	2-26 Mechanisms for seeking advice and raising concerns	Governance and Ethical Business Conduct (Page 149-153)
	2-27 Compliance with laws and regulations	Governance and Ethical Business Conduct (Page 149-153)
	2-29 Approach to stakeholder engagement	Managing Materiality Through Stakeholder Engagement (Page 138)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Determination of Core Sustainability Issues (Page 138)
	3-2 List of material topics	Determination of Core Sustainability Issues (Page 138)
	3-3 Management of material topics	Managing Materiality Through Stakeholder Engagement (Page 138)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Commitment to Local Content and Sustainable Procurement (Page 153)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance and Ethical Business Conduct (Page 149-153)
	205-2 Communication and training about anti-corruption policies and procedures	Governance and Ethical Business Conduct (Page 149-153)
	205-3 Confirmed incidents of corruption and actions taken	Governance and Ethical Business Conduct (Page 149-153)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy (Page 140)
	302-2 Energy consumption outside of the organization	Energy (Page 140)
	302-3 Energy intensity	Energy (Page 140)
	302-4 Reduction of energy consumption	Energy (Page 140)

GRI Content
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GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Emissions (Page 139)
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions (Page 139)
	305-5 Reduction of GHG emissions	GHG Emissions (Page 139)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste (Page 140)
	306-2 Management of significant waste-related impacts	Waste (Page 140)
	306-3 Waste generated	Waste (Page 140)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Management (Page 145-146)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Management (Page 145-146), Employee Health & Well-being Initiatives (Page 146-147)
	401-3 Parental leave	Talent Management (Page 145-146)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Health and Well-being Initiatives (Page 146-147), Supporting Our Community, (Page 148-149)
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Well-being Initiatives (Page 146-147), Supporting Our Community, (Page 148-149)
	403-3 Occupational health services	Employee Health and Well-being Initiatives (Page 146-147), Supporting Our Community, (Page 148-149)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Well-being Initiatives (Page 146-147), Supporting Our Community, (Page 148-149)
	403-5 Worker training on occupational health and safety	Employee Health and Well-being Initiatives (Page 146-147), Supporting Our Community, (Page 148-149)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Workforce Development and Talent Empowerment (Page 143-146)
	404-2 Programs for upgrading employee skills and transition assistance programs	Workforce Development and Talent Empowerment (Page 143-146)
	404-3 Percentage of employees receiving regular performance and career development reviews	Workforce Development and Talent Empowerment (Page 143-146)

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity Inclusion and Equal Opportunities, Page 142-143
	405-2 Ratio of basic salary and remuneration of women to men	Diversity Inclusion and Equal Opportunities, Page 142-143
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity Inclusion and Equal Opportunities, Page 142-143
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Confirming Ethical Labor Practices and Child Labor Prevention, Page 152
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Confirming Ethical Labor Practices and Child Labor Prevention, Page 152
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Supporting Our Community, Page 148-149
	413-2 Operations with significant actual and potential negative impacts on local communities	Supporting Our Community, Page 148-149
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Ethical Advertising and Market Conduct, Page 152
	417-2 Incidents of non-compliance concerning product and service information and labeling	Ethical Advertising and Market Conduct, Page 152
	417-3 Incidents of non-compliance concerning marketing communications	Ethical Advertising and Market Conduct, Page 152
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Advancing Digital Transformation & Strengthening Data Privacy, Page 153-154

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