

**Amlak Finance PJSC
and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2010 (UNAUDITED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF AMLAK FINANCE PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Amlak Finance PJSC and its subsidiaries (the 'Group') as at 30 June 2010, comprising of the interim consolidated statements of financial position as at 30 June 2010, the related interim consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, the related statements of changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

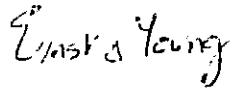
The Group's accounting policy is to carry investment properties and advances for investment properties at fair value, which reflects market conditions at the date of the statement of financial position. At 30 June 2010 the Group's financial statements include investment properties and advances for investment properties amounting to AED 3,163,872 thousand and AED 778,826 thousand respectively. Management believe that property prices have generally declined since these assets were acquired but are unable to quantify the amount of decline in view of the limited number of transactions currently taking place in the market. Accordingly, the Group has continued to carry such assets as of 30 June 2010 at their acquisition cost.

Conclusion

Except for the adjustments to the interim condensed consolidated financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matters

Without further qualifying our conclusion, we draw attention to note 1 and 11 to the interim condensed consolidated financial statements. The Board of Directors along with the Governmental Committee is evaluating various options to secure sustainable funding for the Group in order to enable it to continue to meet its commitments. Trading in the Company's shares on the Dubai Financial Market has been suspended until the Governmental Committee finalises its recommendations.

A handwritten signature in cursive script, appearing to read 'Farrukh Seer'.

Signed by
Farrukh Seer
Partner
Registration No. 491

14 July 2010

Dubai, United Arab Emirates

Amlak Finance PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 June 2010 (Unaudited)

	<i>Note</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2010 AED'000</i>	<i>2009 AED'000</i>	<i>2010 AED'000</i>	<i>2009 AED'000</i>
Income from financing and investing assets		158,048	168,939	318,377	371,061
Processing and other fees		2,734	8,667	6,058	14,226
Gain on investments		306	779	1,256	1,446
Income from cancellation / sale of investment properties		2,876	3,639	9,000	3,639
Dividend income		218	1,047	218	1,694
Income on deposits		853	606	1,654	2,538
Other income		3,889	7,651	10,492	16,051
OPERATING INCOME		168,924	191,328	347,055	410,655
Impairment of:					
- Financing and investing assets		(29,718)	(67,023)	(61,072)	(140,464)
- Available-for-sale investments		-	-	-	(5,363)
- Investment in associate		-	(15,280)	-	(15,280)
Operating expenses		(31,106)	(43,407)	(62,546)	(93,275)
Share of profit (loss) of associates		432	4,244	1,737	(3,469)
PROFIT BEFORE DISTRIBUTION TO DEPOSITORS		108,532	69,862	225,174	152,804
Distribution to depositors		(109,758)	(136,918)	(229,103)	(287,916)
LOSS FOR THE PERIOD		(1,226)	(67,056)	(3,929)	(135,112)
Attributable to:					
Equity holders of the parent		(597)	(65,627)	(3,732)	(133,921)
Non controlling interests		(629)	(1,429)	(197)	(1,191)
		(1,226)	(67,056)	(3,929)	(135,112)
Loss per share attributable to equity shareholders of the parent for the period:					
Basic and diluted loss per share (AED)	8	(0.001)	(0.044)	(0.003)	(0.091)

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2010 (Unaudited)

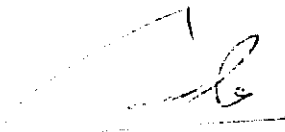
	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Loss for the period	(1,226)	(67,056)	(3,929)	(135,112)
Other comprehensive income / (loss)				
Net unrealised gains on available-for-sale investments	5,958	9,749	5,958	10,525
Exchange differences on translation of foreign operations	(10,422)	2,537	(11,107)	1,022
Other comprehensive (loss) / income for the period	(4,464)	12,286	(5,149)	11,547
Total comprehensive loss for the period	(5,690)	(54,770)	(9,078)	(123,565)
Attributable to:				
Equity holders of the parent	(5,061)	(53,341)	(8,881)	(122,374)
Non controlling interests	(629)	(1,429)	(197)	(1,191)
	(5,690)	(54,770)	(9,078)	(123,565)

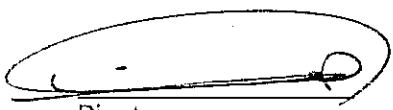
Amlak Finance PJSC and its Subsidiaries

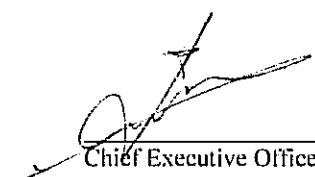
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010 (Unaudited)

		30 June 2010 AED'000 (Unaudited)	31 December 2009 AED'000 (Audited)
	Notes		
ASSETS			
Cash and balances with banks	3	890,575	799,056
Financing and investing assets		8,473,944	9,024,358
Trading securities		20	394
Available-for-sale investments	4	86,900	84,346
Advances for investment properties	5	778,826	781,460
Investment properties	6	3,163,872	3,086,261
Investments in associates		234,331	238,909
Other assets		178,787	203,802
Furniture, fixtures and office equipment		14,063	18,112
TOTAL ASSETS		13,821,318	14,236,698
LIABILITIES AND EQUITY			
Liabilities			
Sukuk		123,316	247,214
Investment deposits		10,901,212	11,108,707
Payable for investment properties		158,474	160,631
Short term financing		155,050	114,633
Other long term financing		106,738	120,645
Zakat payable		9,124	9,118
Employees' end of service benefits		3,799	3,707
Other liabilities		239,714	344,488
Total liabilities		11,697,427	12,109,143
Equity			
Equity attributable to equity holders of the parent			
Share capital		1,500,000	1,500,000
Employee share scheme		(93,048)	(93,048)
Statutory reserve		88,675	88,675
General reserve		88,675	88,675
Special reserve		99,265	99,265
Cumulative changes in fair value		(3,767)	(9,725)
Foreign currency translation reserve		(17,505)	(6,398)
Retained earnings		169,751	173,483
		1,832,046	1,840,927
Non-controlling interests		291,845	286,628
Total equity		2,123,891	2,127,555
TOTAL LIABILITIES AND EQUITY		13,821,318	14,236,698


Vice-Chairman
14 July 2010


Director
14 July 2010


Chief Executive Officer
14 July 2010

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2010 (Unaudited)

		Six months ended 30 June	
	Note	2010 AED'000	2009 AED'000
OPERATING ACTIVITIES			
Loss for the period		(3,929)	(135,112)
Adjustments for:			
Depreciation		4,448	5,315
Share of results of associates		(1,737)	3,469
Income from cancellation / sale of investment properties		(9,000)	-
Profit on long term financing		5,680	7,973
Gain on sale of available-for-sale investments / trading securities		(1,256)	(1,446)
Impairment of available-for-sale investments		-	5,363
Impairment of investment in associate		-	15,280
Impairment of financing and investing assets		61,072	140,464
Provision for employees' end of service benefit		689	505
Loss on disposal of furniture, fixture and office equipment		-	214
Dividend income		(218)	(1,694)
		<u>55,749</u>	<u>40,331</u>
Working capital changes:			
Financing and investing assets		402,022	360,172
Advances for investment property		-	(851)
Other assets		25,016	36,859
Investment deposits		(202,081)	(46,373)
Payable for investment properties		-	(5,976)
Other liabilities		(98,358)	48,808
		<u>182,348</u>	<u>432,970</u>
Cash from operations		(597)	(903)
Employees' end of service benefit paid			
Net cash from operating activities		<u>181,751</u>	<u>432,067</u>
INVESTING ACTIVITIES			
Proceeds from disposal in associates		7,583	39,496
Proceeds from sale of available-for-sale investments / trading securities		2,617	11,851
Proceeds from sale of investment properties		2,056	-
Proceeds from disposal of furniture, fixture and office equipment		-	153
Purchase of furniture, fixture and office equipment		(420)	(2,282)
Payment of Zakat		-	(3,192)
Dividend and sukuk income received		218	1,694
		<u>12,054</u>	<u>47,720</u>
Net cash from investing activities			
FINANCING ACTIVITIES			
Repayment of Sukuk		(123,898)	(117,989)
Payment to non controlling interest		-	(44,550)
Payment of long term financing		(16,953)	(53,703)
		<u>(140,851)</u>	<u>(216,242)</u>
Net cash used in financing activities			
INCREASE IN CASH AND CASH EQUIVALENTS			
		<u>52,954</u>	<u>263,545</u>
Foreign exchange translation reserve		(1,852)	1,022
Cash and cash equivalents at the beginning of the period		649,423	544,352
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	<u>700,525</u>	<u>808,919</u>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 30 June 2010 (Unaudited)

	Share capital AED '000	Employees' shares scheme AED '000	Statutory reserve AED '000	General reserve AED '000	Special reserve AED '000	Cumulative changes in fair value of securities AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Total AED	Non controlling interests AED '000	Total equity AED '000
At 1 January 2010	1,500,000	(93,048)	88,675	88,675	99,265	(9,725)	(6,398)	173,483	1,840,927	286,628	2,127,555
Profit / (loss) for the period	-	-	-	-	-	-	-	(3,732)	(3,732)	(197)	(3,929)
Other comprehensive income / (loss) for the period	-	-	-	-	-	5,958	(11,107)	-	(5,149)	-	(5,149)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	5,958	(11,107)	(3,732)	(8,881)	(197)	(9,078)
Movement in non-controlling interest during the period	-	-	-	-	-	-	-	-	-	5,414	5,414
At 30 June 2010	1,500,000	(93,048)	88,675	88,675	99,265	(3,767)	(17,505)	169,751	1,832,046	291,845	2,123,891

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

At 30 June 2010 (Unaudited)

	Share capital AED '000	Employees' shares scheme AED '000	Statutory reserve AED '000	General reserve AED '000	Special reserve AED '000	Cumulative changes in fair value of securities AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Total AED	Non controlling interests AED '000	Total equity AED '000
At 1 January 2009	1,500,000	(93,048)	88,675	88,675	99,265	2,316	(14,581)	359,974	2,031,276	29,187	2,060,463
Loss for the period	-	-	-	-	-	-	-	(133,921)	(133,921)	(1,191)	(135,112)
Other comprehensive income for the period	-	-	-	-	-	10,525	1,022	-	11,547	-	11,547
Total comprehensive income/(loss) for the period	-	-	-	-	-	10,525	1,022	(133,921)	(122,374)	(1,191)	(123,565)
Non controlling interest arising on business combination during the period	-	-	-	-	-	-	-	-	-	280,196	280,196
Payment to non controlling interest during the period	-	-	-	-	-	-	-	-	-	(44,550)	(44,550)
At 30 June 2009	1,500,000	(93,048)	88,675	88,675	99,265	12,841	(13,559)	226,053	1,908,902	263,642	2,172,544

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2010 (Unaudited)

1 ACTIVITIES

Amlak Finance PJSC (the "Company") was incorporated in Dubai on 11 November 2000 as a private shareholding company in accordance with UAE Federal Law No (8) of 1984, as amended, and became a public joint stock company on 9 March 2004.

The Company is licensed by the UAE Central Bank as a finance company and is primarily engaged in financing and investing activities such as Ijara, Murabaha, Mudaraba 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. In 2007, the Company obtained a license from the Real Estate Regulatory Authority, Dubai, United Arab Emirates to start Escrow Management service operations.

The Governmental Committee for Amlak's affairs, continues to explore the possibilities of a merger and balance sheet restructuring of the Company. This has entailed a full review and assessment of the Company's business operations and liquidity position providing guidance to the Company's management and regulators where necessary with a view to making recommendations to the UAE Government on the Company's long term stability, liquidity and assets and liabilities management requirements.

Trading in the Company's shares on the Dubai Financial Market has been suspended until the Governmental Committee finalises its recommendations.

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

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standard IAS 34, *Interim Financial Reporting*. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2009.

The interim condensed financial statements do not include all the information or disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2009. In addition, results for the six months ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

3 CASH AND CASH EQUIVALENTS

	30 June 2010 AED'000 (Unaudited)	31 December 2009 AED'000 (Audited)
Cash and balances with banks	890,575	799,056
Less: Short term financing	(155,050)	(114,633)
Less: Deposits maturing after 1 year	(35,000)	(35,000)
Cash and cash equivalents	<u>700,525</u>	<u>649,423</u>

Fixed deposit maturing after one year represents the amount deposited with local bank under lien to the Central Bank of UAE in accordance with Central Bank regulations. All deposits are with Islamic banks and earn a return that is determined at the end of each accounting period.

Escrow account balances of AED 87.7 million (31 December 2009: AED 161.8 million) held in trust for developers are included in Group's cash and balances with banks and the related payables are reflected in other liabilities.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2010 (Unaudited)

4 AVAILABLE-FOR-SALE INVESTMENTS

	<i>UAE</i>		<i>International</i>		<i>Total</i>	
	<i>30 June 2010</i>	<i>31 December 2009</i>	<i>30 June 2010</i>	<i>31 December 2009</i>	<i>30 June 2010</i>	<i>31 December 2009</i>
	<i>AED'000 (Unaudited)</i>	<i>AED'000 (Audited)</i>	<i>AED'000 (Unaudited)</i>	<i>AED'000 (Audited)</i>	<i>AED'000 (Unaudited)</i>	<i>AED'000 (Audited)</i>
Equities and funds (unquoted)	15,148	15,148	71,752	69,198	86,900	84,346
	<u>15,148</u>	<u>15,148</u>	<u>71,752</u>	<u>69,198</u>	<u>86,900</u>	<u>84,346</u>

Unquoted available-for-sale investments have been fair valued using techniques which use inputs that are not based on observable market data.

5 ADVANCES FOR INVESTMENT PROPERTIES

This represents the advances paid by the Group towards the acquisition of certain units in under-development real estate projects in Dubai. The Group has not yet obtained title to the properties and has committed to pay an additional AED 225 million (31 December 2009: AED 225 million) in accordance with the agreements with the seller of these real estate projects.

In view of the fact that only limited transactions are currently taking place in the market, it is not possible to determine the fair value of these assets with reasonable accuracy. Accordingly, they are carried at cost as of 30 June 2010.

The Group has not paid amounts totaling AED 59 million (31 December 2009: AED 41 million) in respect of advances for investment properties, which had become due in accordance with initial sale and purchase agreement. Negotiations are in progress to agree new payment plans in this respect. Management believes that the non payment will not have any adverse impact on the interim condensed consolidated financial statements of the Group.

6 INVESTMENT PROPERTIES

Investment properties consist of freehold land held for long term capital appreciation or buildings held for leasing out under operating leases.

In accordance with its accounting policy, the Group should carry investment properties at fair value, which reflects market conditions at the date of the statement of financial position. In view of the fact that only limited transactions are currently taking place in the market, it is not possible to determine the fair value of these assets with reasonable accuracy. Accordingly, they are carried at cost as of 30 June 2010.

Amounts totaling AED 66,734 thousand (31 December 2009: AED: 68,891 thousand) are payable in respect of properties purchased by the Group and are included in liabilities.

7 RELATED PARTY TRANSACTIONS

Included in income statement is AED 36 million payable to related parties towards profit on investment deposits for the six months period ended 30 June 2010 (six months period ended 30 June 2009: AED 45 million).

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2010 (Unaudited)

8 EARNINGS / (LOSS) PER SHARE

Basic and diluted earnings / (loss) per share:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Loss for the period (AED'000)	<u>(597)</u>	<u>(65,627)</u>	<u>(3,732)</u>	<u>(133,921)</u>
Weighted average number of shares outstanding during the period (in thousands)	<u>1,475,000</u>	<u>1,475,000</u>	<u>1,475,000</u>	<u>1,475,000</u>
Equity holders of the parent for the period: Basic and diluted loss per share (AED)	<u>(0.001)</u>	<u>(0.044)</u>	<u>(0.003)</u>	<u>(0.091)</u>

The Group has not issued any instruments which would have an impact on earnings / (loss) per share when exercised.

9 SEGMENTAL INFORMATION

For management purposes the Group is organised into three business segments, retail (comprising of financing and investing activities), commercial (comprising of property transactions) and investment and others (comprising of treasury and other central functions).

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 six months ended 30 June are as follows:

30 June 2010:

	<i>Retail AED'000</i>	<i>Commercial AED'000</i>	<i>Investment & others AED'000</i>	<i>Total AED'000</i>
Gross income	313,442	20,156	13,457	347,055
Distribution to depositors	(154,481)	(65,574)	(9,048)	(229,103)
Allowances for impairment	(65,026)	4,411	(457)	(61,072)
Expenses (including allocated expenses)	(47,540)	(10,432)	(4,574)	(62,546)
Share of results of associates	-	-	1,737	1,737
Segment results	<u>46,395</u>	<u>(51,439)</u>	<u>1,115</u>	<u>(3,929)</u>
Share of non controlling interest				<u>197</u>
				<u>(3,732)</u>

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2010 (Unaudited)

9 SEGMENTAL INFORMATION (continued)

Operating segments (continued)

30 June 2009:

	<i>Retail AED '000</i>	<i>Commercial AED '000</i>	<i>Investment & others AED '000</i>	<i>Total AED '000</i>
Gross income	340,976	40,386	29,293	410,655
Distribution to depositors	(169,623)	(90,156)	(28,137)	(287,916)
Allowances for impairment	(111,770)	(27,810)	(21,527)	(161,107)
Expenses (including allocated expenses)	(54,100)	(12,729)	(26,446)	(93,275)
Share of results of associates	-	-	(3,469)	(3,469)
Segment results	<u>5,483</u>	<u>(90,309)</u>	<u>(50,286)</u>	<u>(135,112)</u>
Share of non controlling interest				<u>1,191</u>
				<u>(133,921)</u>

Segment assets and liabilities

The following table presents segment assets and liabilities of the Group as at 30 June 2010 and 31 December 2009:

	<i>Retail AED '000</i>	<i>Commercial AED '000</i>	<i>Investment & others AED '000</i>	<i>Total AED '000</i>
30 June 2010 :				
Segment assets	<u>9,004,456</u>	<u>3,824,060</u>	<u>992,802</u>	<u>13,821,318</u>
Segment liabilities	<u>11,382,140</u>	<u>34,668</u>	<u>280,619</u>	<u>11,697,427</u>
	<i>Retail AED '000</i>	<i>Commercial AED '000</i>	<i>Investment & others AED '000</i>	<i>Total AED '000</i>
31 December 2009:				
Segment assets	<u>9,024,358</u>	<u>3,867,721</u>	<u>1,344,619</u>	<u>14,236,698</u>
Segment liabilities	<u>7,378,383</u>	<u>3,533,928</u>	<u>1,196,832</u>	<u>12,109,143</u>

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2010 (Unaudited)

10 COMMITMENTS AND CONTINGENCIES

Commitments

		<i>30 June 2010 AED'000 Unaudited</i>	<i>31 December 2009 AED'000 Audited</i>
Irrevocable commitments to extend credit	10.1	2,018,652	2,434,354
Commitments for investment properties	10.2	224,752	224,752
		<u>2,243,404</u>	<u>2,659,106</u>

10.1 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.

10.2 This represents commitments to property developers or sellers in respect of property purchases.

Contingencies

- a) The Group has issued guarantees on behalf of customers amounting AED 12 million (31 December 2009: AED 12 million).

One of the Group subsidiaries has contingent liabilities in respect of guarantees, issued by its banker amounting to AED 70 million (31 December 2009: AED 100 million) in favor of Dubai Financial Market and Abu Dhabi Securities Market.

- b) A legal case has been filed against the Group by a party for whom the Group was acting as an agent claiming amounts totaling to AED 51 million (31 December 2009: nil). No provision has been made for this as at 30 June 2010 as management believes that the claim is legally baseless and will not result in any material liability for the Group.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2010 (Unaudited)

11 RISK MANAGEMENT

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.

At 30 June 2010

	Up to 1 year			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
	Less than 3 months AED'000	3 months to 6 months AED'000	6 months to 1 year AED'000					
Assets								
Cash and balances with banks	755,575	100,000	-	855,575	35,000	-	-	890,575
Financing and investing assets	187,120	149,388	324,590	661,098	2,691,447	5,121,399	-	8,473,944
Trading securities	20	-	-	20	-	-	-	20
Available-for-sale investments	671	38,879	47,350	86,900	-	-	-	86,900
Advances for investment properties	-	-	-	-	778,826	-	-	778,826
Investment properties	-	-	-	-	3,163,872	-	-	3,163,872
Investments in associates	962	-	228,271	229,233	5,098	-	-	234,331
Other assets	173,918	150	4,719	178,787	-	-	-	178,787
Furniture, fixture and office equipment	-	-	-	-	-	-	14,063	14,063
Total assets	1,118,266	288,417	604,930	2,011,613	6,674,243	5,121,399	14,063	13,821,318
Liabilities								
Sukuk	123,316	-	-	123,316	-	-	-	123,316
Investment deposits	8,650,385	2,038,570	212,257	10,901,212	-	-	-	10,901,212
Payable for investment properties	142,409	5,355	10,710	158,474	-	-	-	158,474
Short term financing	155,050	-	-	155,050	-	-	-	155,050
Other long term financing	11,541	8,701	10,091	30,333	76,405	-	-	106,738
Zakat payable	9,124	-	-	9,124	-	-	-	9,124
Employees' end of service benefits	-	-	-	-	-	-	3,799	3,799
Other liabilities	203,122	-	36,592	239,714	-	-	-	239,714
Total liabilities	9,294,947	2,052,626	269,650	11,617,223	76,405	-	3,799	11,697,427
Commitments	2,020,348	119,359	59,753	2,199,460	43,944	-	-	2,243,404
Net liquidity gap	(10,197,029)	(1,883,568)	275,527	(11,805,070)	6,553,894	5,121,399	10,264	(119,513)

As discussed in note 1 to the interim condensed consolidated financial statements, the Board of Directors, along with the Governmental Committee, is evaluating various options to secure sustainable funding for the Group in order to enable it to continue to meet its commitments.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS At 30 June 2010 (Unaudited)

11 RISK MANAGEMENT (continued)

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.

At 31 December 2009

	Up to 1 year				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
	Less than 3 months AED '000	3 months to 6 months AED '000	6 months to 1 year AED '000						
Assets									
Cash and balances with banks	664,056	100,000	-		764,056	35,000	-	-	799,056
Financing and investing assets	159,777	167,282	372,757		699,816	2,857,590	5,466,952	-	9,024,358
Trading securities	394	-	-		394	-	-	-	394
Available-for-sale investments	693	17,483	15,147		33,323	51,023	-	-	84,346
Advances for investment properties	-	-	-		-	781,460	-	-	781,460
Investment properties	-	-	-		-	2,723,071	363,190	-	3,086,261
Investments in associates	7,277	-	226,534		233,811	5,098	-	-	238,909
Other assets	102,754	148	8,330		111,232	92,570	-	-	203,802
Furniture, fixtures and office equipment	-	-	-		-	-	-	18,112	18,112
Total assets	934,951	284,913	622,768		1,842,632	6,545,812	5,830,142	18,112	14,236,698
Liabilities									
Sukuk	124,825	-	122,389		247,214	-	-	-	247,214
Investment deposits	10,803,882	203,800	101,025		11,108,707	-	-	-	11,108,707
Payable for investment properties	59,611	5,355	16,065		81,031	79,600	-	-	160,631
Short term financing	114,633	-	-		114,633	-	-	-	114,633
Other long term financing	-	5,253	-		5,253	115,392	-	-	120,645
Zakat payable	9,118	-	-		9,118	-	-	-	9,118
Employees' end of service benefits	-	-	-		-	-	-	3,707	3,707
Other liabilities	276,316	1,920	66,252		344,488	-	-	-	344,488
Total liabilities	11,388,385	216,328	305,731		11,910,444	194,992	-	3,707	12,109,143
Commitments	2,048,357	290,329	237,205		2,575,891	83,215	-	-	2,659,106
Net liquidity gap	(12,501,791)	(221,744)	79,832		(12,643,703)	6,267,605	5,830,142	14,405	(531,551)