

Mawarid Finance P.J.S.C.
Consolidated Financial Statements
for the year ended 31 December 2015

Directors' Report

On behalf of Mawarid Finance Board of Directors, I would like to present Mawarid Finance Annual Report 2015, which includes the consolidated statement of financial position, the consolidated statement of profit or loss and the other comprehensive income.

The year 2015 has witnessed a steady progress in Mawarid Finance Group. With the continuous support of our shareholders; our operations have shown a significant increase in contracts' values, revenues, margins and profits. The success of Mawarid's ventures in profitable sectors has enabled the company to achieve more revenues that enhanced the company's stability and sustainability which shall have positive impacts on the company and its shareholders.

Mawarid's achievements during 2015 with the profitable investment in various economic sectors reflect our success in these sectors. This huge acceptance of partnerships in these investments reflects our success and the confidence we gained in the financial sector during the previous years, it also expresses our great optimism about the future. We shall continue in our major plans for acquisitions of more investments in future which shall enhance Mawarid Finance position on the regional level.

Performance Overview:

The management team has been working on developing strategies that help in overcoming the market challenges and the significantly competitive environment. Through these strategies, the company has been able to benefit from the available investment opportunities, acquire profitable projects, and offer wide range of innovative products and services in the Islamic finance sector that will add value to our shareholders and meet our customers' needs, with further focus on the following:

- Expansion and business growth with effective risk management.
- Focus on diverse business activities through entering new business sectors while taking the necessary measures to cope with the economic fluctuations.
- Build confidence and satisfaction among our customers.
- Measure and assessing risks help us develop the suitable strategies that reduce their effects.
- Be pioneers through utilizing the experience and skills of our expert and well-trained team.
- To use information technology to recreate and simplify organizational operations.
- Commitment to protect the shareholders' interests as well as take the necessary measures to monitor all costs of the company's operations.
- Due diligence in identifying risk through prompt recognition and management.
- Apply best international practice in asset management.



Financial Performance:

The company has continued positive financial performance through the year 2015, and hence the financial results have shown significant improvement:

- The total asset has increased by 10.2% from AED 1446.3 million dirhams in 2014 to AED 1593.6 million in 2015.
- The wakala deposits have increased by 44.7% from AED 263.3 million at the end of 2014 to AED 381.1 million at the end of 2015.
- The total income has increased during the current year by 193% to reach AED 184.8 million compared to AED 63.1 million in 2014.
- The net profit of the equity holders of parent has increased by 20.3% from AED 58.0 million in 2014 to AED 69.8 million in 2015.

Activities and initiatives

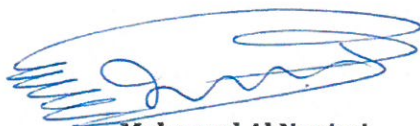
- Corporate sales achievement was 14% over target with funded business.
- 'Micro Finance' launched with primary focus on the Ojoor database.
- Credit card sales started
- Shariah Training strengthened within Mawarid and Shariah Audit extended to all subsidiaries of Mawarid Finance.
- Mawarid Finance website re-launched successfully with a new look and brand building initiatives streamlined and strengthened.
- Successfully launched website for Mawarid Exchange & Mawarid securities with a universal 'Mawarid Group' theme.

Our vision for 2016 is to continue with the same approach to expand our business and achieve our goal in taking a leading position in the region, through new mergers and acquisitions of successful investments that enhance our growth. All this will be achieved with our continued commitment to create innovative Shariah compliant products and services.

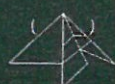
On behalf of the Board of Directors, I would like to take this opportunity to extend our appreciation and thanks to all our shareholders for their continuous support, trust and cooperation.

Additionally, we thank our management team and employees for their great efforts and contributions in the company's success; and the Shariah Supervisory Board for their efficient efforts in providing guidance and supervision in all Shariah matters. We also extend our thanks to the supervisory bodies in UAE for their continuous support and to all our stakeholders.

We are looking forward to achieve more success in 2016 and meet the expectations of our shareholders.



Mohamed Al Nuaimi
Managing Director and Chief Executive Officer





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Independent Auditors' Report

The Shareholders

Mawarid Finance P.J.S.C

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mawarid Finance P.J.S.C ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 2 of 2015, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:


- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of account of the Group;
- v) as disclosed in note 21.1 to the consolidated financial statements, the Company acquired treasury shares during the year ended 31 December 2015. The Group has not purchased any other shares during the year ended 31 December 2015;
- vi) note 32 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) 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 2015 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the Company its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2015.


Further, as required by the UAE Union Law No (10) of 1980, as amended, we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit.

KPMG Lower Gulf Limited
Muhammad Tariq
Registered Auditor Number 793
Place: Dubai, United Arab Emirates
Date: 4 May 2016

Mawarid Finance P.J.S.C.
Consolidated statement of financial position
as at 31 December 2015

		31 December 2015	31 December 2014
	<i>Note</i>	AED '000	AED '000
Assets			
Cash and balances with banks and financial institution	11	312,361	284,084
Financing and investing assets	13	259,169	346,383
Investment properties	14	184,436	154,876
Investment securities	15	210,090	254,820
Equity accounted investees	16	408,913	167,106
Goodwill	17	9,132	27,389
Property and equipment	18	117,994	78,862
Intangible assets	19	4,615	13,863
Other assets	20	86,852	118,972
TOTAL ASSETS		1,593,562	1,446,355
Equity and liabilities			
Equity			
Share capital	21	1,000,000	1,000,000
Treasury shares	21	(11,000)	(6,000)
Statutory reserve	22	33,648	26,672
General reserve	23	33,648	26,672
Investment revaluation reserve		(306)	(6,424)
Retained earnings		72,029	16,225
Attributable to equity holders of the Parent		1,128,019	1,057,145
Non-controlling interest	24	8,675	45,595
Total equity		1,136,694	1,102,740
Liabilities			
Wakalah deposits	25	381,066	263,263
Other liabilities	26	75,802	80,352
Total liabilities		456,868	343,615
TOTAL EQUITY AND LIABILITIES		1,593,562	1,446,355


Omran Al - Owais
 Chairman


Mohamed Al Nuaimi
 Managing Director & CEO

Mawarid Finance P.J.S.C.
Consolidated statement of profit or loss
for the year ended 31 December 2015

		31 December	31 December
		2015	2014
	<i>Note</i>	AED '000	AED '000
Continuing operations			
Income from financing and investing assets	27	25,526	26,975
Income from Islamic deposits and wakalah placements	28	3,322	3,776
Unrealised (loss)/gain on revaluation of investment properties	14	(49,515)	22,411
Gain on loss of control over subsidiary	10	228,404	-
Loss on investment carried at FVTPL		(18,460)	(1,888)
Other income	30	13,529	11,855
Reclassified loss on available for sale investments		(18,000)	-
Total income		184,806	63,129
General and administrative expenses	31	(82,806)	(50,952)
Total expenses		(82,806)	(50,952)
Depositors' share of profit		(276)	(392)
Provision for impairment	13	(52,854)	12,838
Profit before associate's share of profit for the year		48,870	24,623
Share of (loss)/profit from equity accounted investees	16	(715)	19,595
Profit from continuing operations		48,155	44,218
Discontinued operations			
Profit from discontinued operations	29	39,078	26,376
Profit for the year		87,233	70,594
Attributable to:			
Equity holders of the Parent		69,756	58,015
Non-controlling interest	24	17,477	12,579
		87,233	70,594

Mawarid Finance P.J.S.C.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2015

	31 December	31 December
	2015	2014
	AED '000	AED '000
Profit for the year	87,233	70,594
Other comprehensive income:		
<i>Items that will never be reclassified to profit or loss</i>	-	-
<i>Items that are or may be reclassified to profit or loss:</i>		
Changes in fair value of available for sale investments	24,187	22,694
Loss on available for sale investments reclassified to profit or loss	(18,000)	-
Total comprehensive income for the year	93,420	93,288
Total comprehensive income attributable to:		
Equity holders of the Parent	75,874	80,778
Non-controlling interest	17,546	12,510
Total comprehensive income for the year	93,420	93,288