MAF Sukuk Ltd

Financial Statements
for the year ended 31 December 2017

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KPMG

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Independent Auditors' Report

To the Shareholder of Majid Al Futtaim Sukuk Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Majid Al Futtaim Sukuk Ltd ("the Company"), which comprise the statement of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year ended 31 December 2017, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the current year.

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement 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.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 21 MAR 2018

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2017

USD in Millions	*Note*	**2017**	2016
Income from investment in Wakala portfolio	*5 & 6*	**25**	46
Profit payable to Sukuk holders	*4*	**(25)**	(46)
Amortisation of underwriting fees – net	*6 & 7*	**-**	-
		-----	-----
Profit for the year		**-**	-
Other comprehensive income		**-**	-
		-----	----
Total comprehensive income for the year		**-**	-
		===	===

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

Statement of financial position
At 31 December 2017

USD in Millions	*Note*	**2017**	2016
Non-current assets			
Investment in Wakala portfolio	*5(ii)*	**500**	500
Current assets			
Investment in Wakala portfolio	*5(i)*	-	400
Receivable from investment in Wakala portfolio	*6*	**2**	11
Total current assets		**2**	411
Current liabilities			
Sukuk payable	*7.1*	-	400
Profit payable to Sukuk holders	*7.2*	**4**	13
Total current liabilities		**4**	413
Non-current liabilities			
Sukuk payable	*7.1*	**498**	498
Net assets		-	-
Represented by:			
Share capital	*8*	-	-
		-	-

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

These financial statements were approved by the Directors on 21 March 2018.

Director Cleveland Stewart

Director

Michael Byrne
Director

Statement of cash flows
For the year ended 31 December 2017

USD in Millions	**2017**	2016
Cash flows from operating activities		
Net result for the year	**-**	-
Net cash from operating activities	**-**	-
Net cash from investing activities	**-**	-
Net cash from financing activities	**-**	-
Net increase in cash and cash equivalents	**-**	-
Cash and cash equivalents at end of the year	-	-

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

Statement of changes in equity
For the year ended 31 December 2017

USD in Millions	**Share capital**	**Total**
At 1 January 2016	-	-
	---------	---------
	-	-
Total comprehensive income for the year		
Profit for the year	-	-
	---------	---------
Total comprehensive income for the year	-	-
	---------	---------
At 31 December 2016	-	-
	---------	---------
Total comprehensive income for the year		
Profit for the year	-	-
Total comprehensive income for the year	-	-
	--------	--------
At 31 December 2017	-	**-**
	=====	=====

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

Notes to the financial statements

1 Legal status and principal activities

MAF Sukuk Ltd ("the Company"), a Cayman Islands exempted company with limited liability, was incorporated on 1 November 2011 under the Companies Law (2011 Revision) of the Cayman Islands with company registration number 263902. The Company commenced operations on 7 February 2012 when it issued certificates under a USD 1,000,000,000 Trust Certificate ("Sukuk") Issuance Programme ("the Programme"). In 2015, the Company increased the size of its Sukuk Programme to USD 1,500,000,000. The registered office of the Company is at Maples FS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands.

The Company is treated as a subsidiary of Majid Al Futtaim Properties LLC ("the Agent"), by virtue of control exercised over it, by the Agent. However, the Company's entire issued share capital is held by Maples FS Limited on trust for charitable purposes. The ultimate parent of the Agent is Majid Al Futtaim Capital LLC.

The Company has been established as a Special Purpose Vehicle ("SPV") for the sole purpose of issuing Sukuks under the Programme and entering into the transactions contemplated by the Transaction Documents. The Transaction Documents are the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Contract, the Master Lease Agreement (if a Supplemental Lease Contract is executed in connection with the relevant Series), each Supplemental Lease Contract (if relevant), the Management Agreement, the Purchase Undertaking and the Sale Undertaking in relation to the Programme. The Agent and Majid Al Futtaim Holding LLC (the Holding Company of the Agent) are the Guarantors of the Sukuk issued.

The Directors of the Company are:
- Cleveland Stewart
- Michael Byrne (appointed on 14 December 2017)
- Andrew Millar (resigned on 14 December 2017)

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency, and are rounded to the nearest millions, except when otherwise indicated.

2 Basis of preparation (continued)

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

3 Significant accounting policies

The following accounting policies, which comply with IFRS, have been applied in dealing with items that are considered material in relation to the Company's financial statements.

(a) Income from investment in Wakala portfolio and profit payable to Sukuk holders

The income from investment in Wakala portfolio and profit payable to Sukuk holders are recognised in profit or loss on an accrual basis using the effective profit rates of the financial assets or financial liabilities to which they relate.

The effective profit rate is the rate that discounts estimated future cash receipts and payments earned or paid on a financial asset or liability through its expected life or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective profit rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

(b) Financial instruments

Classification

A financial instrument is any contract that gives rise to both a financial asset of the Company and a financial liability or equity for another party.

Non-derivative financial assets

The Company initially recognises loans, receivables and deposits on the date that they are originated. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets as loans and receivables.

3 Significant accounting policies (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield basis, less any impairment losses (refer 3 (c)).

Loans and receivables comprise investment in Wakala portfolio.

Non-derivative financial liabilities

The Company initially recognises liabilities on the date that they are originated. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective yield basis.

Non-derivative financial liabilities comprise of amount payable to Sukuk holders.

(c) Impairment

Financial assets

The Company considers evidence of impairment for financial assets measured at amortised cost (investment in Wakala portfolio) specifically.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective yield basis. Losses, if any, are recognised in profit or loss and reflected in an allowance account against investment in Wakala portfolio.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(d) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(e) New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

3 Significant accounting policies (continued)

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
- Transfers of Investment Property (Amendments to IAS 40)
- Annual Improvements to IFRSs 2014–2016 Cycle – various standards (Amendments to IFRS 1 and IAS 28)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- IFRS 17 Insurance Contracts
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Company is required to adopt IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with customers from 1 January 2018. The Company has assessed the estimated impact that the initial application of IFRS 9 and IFRS 15 would have on these financial statements and has concluded that there would not be any significant impact to be disclosed in these financial statements.

The above standards are applicable for financial years commencing on or after 1 January 2018. The Company will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

(f) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, there are a number of amendments to IFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2017:

- Annual Improvements to IFRSs 2014–2016 Cycle (various standards (Amendments to IFRS 12))
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
- Disclosure Initiative (Amendments to IAS 7)

These standards and amendments do not have a significant impact on the Company's financial statements as at 31 December 2017.

4 Profit payable to Sukuk holders

Profit payable to Sukuk holders represents the periodic accrual of profits calculated on the face value of the Sukuks at a fixed rate of return as at the reporting date net of any profit distributions during the year.

The Company had previously issued USD 400 million Sukuk that matured in 2017, at a fixed rate of return of 5.85% per annum and USD 500 million Sukuk, maturing in 2025, at a fixed rate of return of 4.50% per annum. Profits are payable semi-annually in arrears to the Sukuk holders. Also, refer note 7.2.

5 Investment in Wakala portfolio

As at the reporting date, the Company has issued Sukuk of USD 900 million (2016: USD 900 million) under its USD 1.5 billion Trust Certificate Issuance Programme dated 8 October 2015, as set out below:

(i) In February 2012, the Company issued five-year Sukuk certificates under its USD 1 billion Sukuk program, raising USD 400 million.

The Sukuk program is structured as a "Wakala". The five-year senior unsecured bonds issued in 2012 under this program are listed on the London Stock Exchange and on the NASDAQ Dubai, UAE. The terms of the arrangement include transfer of beneficial ownership of certain identified assets (the "Wakala portfolio") of the Agent to the Company (also referred to as the "Issuer"), formed for the issuance of Sukuks. In substance, the Wakala portfolio remains in control of the Agent and shall continue to be serviced by the Agent. The Sukuk holders have no recourse to the assets. These Sukuks bear a fixed profit rate of 5.85% per annum on a semi-annual basis to be serviced from returns generated from the Wakala portfolio.

The above Sukuk certificates matured in February 2017 and the related liability to Sukuk holders was settled.

(ii) In 2015, the size of the Sukuk Trust Certificate Issuance Program was increased to USD 1.5 billion and the structure of the Program was amended to incorporate a Commodity Murabaha Investment option within the "Wakala" structure.

In November 2015, the Company issued ten year Sukuk certificates under its Sukuk Program dated 8 October 2015, raising USD 500 million. The ten year senior unsecured Sukuk issued in November 2015 under this program are listed on the NASDAQ Dubai, UAE and on the Irish Stock Exchange. The terms of the arrangement include payment to the Agent for the purchase of an Asset Portfolio, by the Issuer, and to purchase a Commodity Murabaha Investment for the deferred sale price. The Asset Portfolio, the Commodity Murabaha Investment and all other rights arising under or with respect to such Asset Portfolio and the Commodity Murabaha Investment shall comprise the "Wakala Portfolio".

In substance, the Wakala Portfolio remains in control of the Agent and shall continue to be serviced by the Agent. The Sukuk holders have no recourse to the assets. These Sukuks bear a fixed profit rate of 4.5% per annum on a semi-annual basis to be serviced from returns generated from the Wakala Portfolio.

The Sukuk Program was originally listed on the London Stock Exchange in 2012. All subsequent updates of the program since then have been listed on the Irish Stock Exchange and on the NASDAQ Dubai, UAE.

The total carrying value of these investments in the Sukuk portfolio as at the reporting date is USD 500 million (2016: USD 900 million).

Also, refer to notes 4 and 6.

6 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the Parent Company and its shareholders, fellow subsidiaries, associates, key management personnel and/or their close family members. Transactions with related parties are carried out at agreed terms.

Significant transactions carried out during the year with related parties are as follows:

USD in Millions	**2017**	2016
Income from investment in Wakala portfolio (refer note 5)	**25**	46
	===	===

Transactions with related parties other than those disclosed elsewhere in these financial statements are set out below:

(i) The Agent provides administrative and support services including accounting, legal, corporate, etc., as the Company does not have employees. However, no amount has been charged to the Company during the year by the Agent in respect of these services;

(ii) The banking transactions for the Sukuk instruments and the investment in Wakala portfolio are done from the bank account of the Agent for the beneficial interest of the Company.

(iii) The Company incurred underwriting fee of USD 4 million on the issuance of the Sukuk, which was paid by the Agent. The amortisation of the underwriting fee amounting to USD 265 thousand during the year (2016: USD 624 thousand) has been charged to the Agent (refer note (iv) below).

(iv) The Company does not have any transactions with the key management personnel in the current and previous years.

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

USD in Millions	**2017**	2016
Accrued profit - investment in Wakala portfolio	**4**	13
Less: unamortised portion of underwriting fees	**(2)**	(2)
	----	-----
Receivable from investment in Wakala portfolio	**2**	11
	==	===

(v) Amortisation of USD 265 thousand has been charged during the year in respect of the underwriting fees paid by the Agent.

7 Liability to Sukuk holders

7.1 Sukuk payable

USD in Millions	**2017**	2016
Funds received from issuance	**500**	900
Less: unamortised portion of underwriting fees	**(2)**	(2)
	-----	-------
At 31 December	**498**	898
Current maturity of Sukuk payable	**-**	(400)
	-----	-----
Long term portion of Sukuk payable	**498**	498
	===	===

The Sukuk issued in February 2012 matured in February 2017 and the Sukuk issued in November 2015 is due for maturity in November 2025. Upon maturity, the Company receives from the Agent, sums equivalent to the outstanding amount of the Sukuk. Additionally, the Sukuk issuance expenses are borne directly by the Agent (refer to note 12).

7.2 Profit payable to Sukuk holders

USD in Millions	**2017**	2016
Profit accrued	**4**	13
	===	===

8 Share capital

The Company's authorised share capital amounts to USD 50,000 ordinary shares of USD 1 each and issued and paid up share capital amounts to USD 250 divided into 250 shares of USD 1 each.

9 Financial instruments

Financial assets of the Company consist of investment in Wakala portfolio and receivable from investment in Wakala portfolio. Financial liabilities of the Company consist of Sukuk holders' funds and profit payable to Sukuk holders. Accounting policies for financial assets and liabilities are set out in note 3.

The Company has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

9 Financial instruments (continued)

A. Financial risk management objectives and policies

Management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

B. Credit risk

Credit risk is the risk of financial loss to the Company if the counter-party fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

USD in Millions	**2017**	2016
Investment in Wakala portfolio	**500**	900
Receivable from investment in Wakala portfolio	**2**	11
	-----	-----
	502	911
	===	===

The Company has invested in Wakala portfolio of the Agent. The Agent is a subsidiary of Majid Al Futtaim Holding LLC, which has a triple B ("BBB") investment grade rating from S&P and Fitch.

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, in so far as it is reasonably possible, that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements.

9 Financial instruments (continued)

C. Liquidity risk (continued)

USD in Millions						**2017**
Non-derivative financial liabilities	**Carrying Amount**	**Contractual cash flows**	**Less than one year**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Profit payable to Sukuk holders	**4**	**4**	**4**	**-**	**-**	**-**
Sukuk payable	**498**	**676**	**22**	**23**	**67**	**564**
	502	**680**	**26**	**23**	**67**	**564**

USD in Millions						2016
Non-derivative financial liabilities	Carrying Amount	Contractual cash flows	Less than one year	1 – 2 years	2 – 5 years	More than 5 years
Profit payable to Sukuk holders	13	13	13	-	-	-
Sukuk payable	898	1,101	425	23	67	586
	911	1,114	438	23	67	586

D. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no significant exposure to foreign currency risk as all the transactions are designated in its functional currency.

Interest rate risk

Interest rate risk arises from the possibility that changes in profit rates will affect the profit or loss of the Company. The Company has no significant exposure to interest rate risk as the financial instruments carry a fixed rate of profit.

All investments and obligations of the Company are under Sharia compliant products.

10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Company has access at that date. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an asset/liability. An asset/liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, group, pricing service or regulatory agency, and those prices represent actual and regularly recurring market transactions on an arm's length basis.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets/liabilities valued using: quoted market prices in active markets for similar assets/liabilities; quoted prices for identical or similar assets/liabilities; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs based on unobservable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The management believes that the fair value of financial asset and liabilities, except the liability to Sukuk holders, at the reporting date are not materially different from their carrying amounts.

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts, shown in the statement of financial position, are as follows:

USD in Millions	**2017**		2016	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Investment in Wakala portfolio (refer note 5)	**500**	**500**	900	900
Liability to Sukuk holders (refer note 7.1)	**(498)**	**(519)**	(898)	(911)
	===	===	===	===

10 Fair value measurement (continued)

The fair value of investment in the Wakala portfolio is determined on the basis of average yield for similar financial instruments traded in the market.

Fair value for quoted Sukuks is based on their market price as at the reporting date. These are categorised at level 2.

11 Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments outstanding as at the reporting date.

12 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorisation of these consolidated financial statements that would have a material effect on the consolidated financial statements.