



Press Release

Amlak successfully renegotiates restructuring terms with its Financiers

Dubai, UAE 3 January 2017 – Amlak Finance PJSC, a leading specialized real estate financier in the Middle East, today announced that it has successfully renegotiated certain parts its restructuring terms with its financiers.

In 2014, Amlak Finance PJSC successfully completed its restructuring paving the way towards the company's shares being readmitted for trading on the DFM and the resumption of normal business activity.

In September 2016, Amlak approached its financiers to waive a number of restrictive covenants, which included adjustments to certain restrictions to allow for the company's mortgage book to be maintained at higher anticipated levels, funds to be raised under certain pre-agreed parameters, and restrictions on business origination to be removed. All of these restrictions will be in full compliance with the Central Bank Regulations for Islamic Finance Companies. These adjustments are essentially aimed to raise new business origination limits and the way Amlak can raise new funding to grow its balance sheet.

Amlak presented a new business plan to the financiers which has now been formally approved by a super majority of the financiers, to allow greater operational capacity and ability for Amlak. With this consent, Amlak will now have greater opportunity to grow its business in line with prevailing market conditions and better adapt and reform its long term strategy. Specifically, the company can increase its business origination levels without limitation on an 'on and off balance sheet' basis subject to regulatory caps, depending on the market demands and the company's fund raising capacity. The new terms do not affect the repayment period or amounts, or profit payments to Financiers.

Since the original restructuring Amlak has, successfully serviced its debt, and generated net profits of AED136 million for the full year 2015 and AED 94 million for the first nine months of 2016. The Company has also paid AED 3.5 billion, which represents 42% of total debts outstanding of cash back to its financiers, and redeemed AED 200 million, which represents 15% of the Contingent Convertible Instrument within the first year of restructuring.

Amlak's restructuring proposal allowed financiers to swap AED 1.3 billion of their original debt to a convertible instrument, which is to be fully redeemed by the end of the 12 year restructuring period from monetization of Amlak's real estate assets value growth.



Commenting on the renegotiations, Mr. Arif Alharmi, Managing Director and CEO of Amlak said “I am very pleased that we have successfully reached an agreement on certain terms of the restructuring with our financiers. The new business plan will have a positive impact on the company and is designed to strengthen our financial and business viability on a long term basis adding to the prospects of redeeming the contingent convertible instrument earlier than previously anticipated. Of course, one cannot accurately predict the economy and its fluctuations, but I remain confident that this newly negotiated deal will allow us the flexibility to ensure we remain profitable and able to fulfill our financial obligations to all our stakeholders.

He added: “Our long term focus continues to be on growing Amlak’s business to position the company as one of the leading specialized real estate financiers in Dubai and the Middle East.”

About Amlak Finance PJSC:

Established in 2000, Amlak Finance is a leading specialized real estate financier in the Middle East. Amlak provides innovative, Shari’a-compliant property financing products and solutions designed to meet the demanding needs of the market. Amlak offers a range of customized financial solutions and products to investors for both ready and off-plan properties.

Amlak launched its first international office in Cairo in 2007, which operates under the name ‘Amlak Finance Egypt Company S.A.E’. It also has business associations in Saudi Arabia under the name ‘Amlak International for Real Estate and Finance Co’.

Following suspension of Amlak’s shares in the Dubai Financial Market in 2008, the company undertook a comprehensive restructuring of its balance sheet and its business. In the third quarter of 2014, Amlak completed the financial restructuring, which was approved by its financiers. The company’s shareholders approved the restructuring proposal at Amlak’s EGM, held in September 2014. By pursuing a business strategy underpinned by prudence and austerity, the company reported profits since then. Amlak is now well placed to pursue normal business operations and work towards continuous enhancement of value for its shareholders.

To learn more about Amlak Finance, please visit our website: <http://www.amlakfinance.com/>

Media Inquiries:

Rawan El Saleh

Tel: 04-4454251

Email: relsaleh@webershandwick.com