



Press Release

Amlak Announces Results For the period nine months ending September 30, 2017

- *Q3 2017 Net Profit stands at AED 14 Million, an increase of 100% compared to Q3 2016*
- *Total Assets stand at AED 6.6 billion*

Dubai, UAE 06 November 2017 – Amlak Finance PJSC, a leading specialized real estate financier in the Middle East, today announced its financial results for the nine months period ending September 30, 2017.

The company recorded a Net Profit of AED 30 million for the nine months period ending September 30, 2017. The company reported profit of AED 14 million for Q3 2017, an increase of 100% compared to the same period last year, mainly due to savings in Operating Cost, Fair Value Gains recorded on Investment Properties and lower level of Impairments.

Total Revenues stand at AED 289 million for the nine months period ending September 30, 2017 compared to AED 625 million for the same period last year. The decrease in total revenues is mainly due to a fall in revenues from sales of real estate which stand at AED 36 million compared to AED 396 million for the comparable nine month period in 2016 mainly due to higher one off profit recorded during 2016 on the control transfer of properties under development along with general softening of the overall real estate market.

Revenue from financing business activities fell by 8% to AED 143 million for the nine months period ending September 30, 2017, compared to AED 155 million for the same period last year as a result of decrease in financing portfolio.

Rental Income increased by 7% during the nine months period ending September 30, 2017 to AED 45 million, compared to AED 42 million in the same period in 2016. Rental Income recorded in Q3 2017 stood at AED 15 million compared to AED 14 million in the same period last year, representing an increase of 7%. This was mainly due to increase in rental yielding pool of foreclosed units.

Other Income including Share of Results from Investment in Associates has increased by 24% to AED 41 million for the nine months period ending September 30, 2017 compared to AED 33 million for same period last year mainly due to one off gains recorded in 2017 on sale of corporate investment and settlements with developer.



Operating Costs stood at AED 82 million for the nine months period ended September 30, 2017 compared to AED 111 million for the same period last year. This was a result of Amlak's ongoing cost management and rationalization strategy coupled with certain one off cost in 2016 not incurred in 2017. These figures exclude Operating Costs of joint venture relating to real estate development.

The Company recorded an impairment reversal of AED 15 million in Q3 2017 compared to an impairment charge of AED 35 million in Q3 2016 reflecting improvement in portfolio quality.

The Company also recorded an Amortization cost of AED 82 million during the nine months period ending September 30, 2017. The amount of amortization represents the unwinding of fair value gains on initial recognition of investment deposits, and will vary depending on the level of repayment made to the financiers in any reporting period. Amortization will continue although expectedly at a lower rate in the future until the financiers have been fully repaid by the end of the restructuring period.

Profit distributable to financiers stood at AED 93 million for the nine months period ended September 30, 2017, compared to AED 96 million for the same period last year, representing a decrease of 3%. The slight decrease was due to a reduction in overall Islamic deposit liabilities between the comparable periods.

Total Assets stood at AED 6.6 billion as of Q3 2017, representing a 2% increase from December 31, 2016. A marginal increase of 2% in Equity Attributable to Shareholders was also seen as at Q3 2017 when compared to year end 2016.

Commenting on the results, Arif Alharmi, Managing Director and CEO of Amlak, said: "I am pleased with Q3 2017 results and expect the same trend to continue for the remainder of 2017. Amlak will continue to focus on core business development, product and service differentiation, and driving profitability and value for our shareholders. We will also continue with our strategy and efforts to develop the infrastructure and sale of the Nad Al Hamar land plots which will support the overall revenue and profitability of the Company. While there may be challenges ahead, I am confident that Amlak is well-positioned to capitalize on the improving economic backdrop in the UAE and I look forward to seizing these opportunities."

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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 & Real Estate Investment'. It also has business associations in Saudi Arabia under the name 'Amlak International for Real Estate Development 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/>

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