Press Release

Amlak Finance announces H1 2023 financial results

- *Amlak H1 2023 group net profit stands at AED 138 million*
- *Debt settlement arrangements yielded AED 154 million net gain and contributed to a total debt reduction of AED 472 million (including Mudaraba instrument of AED 104 million).*

Dubai, UAE: 09 August 2023: Amlak Finance PJSC today announced its H1 2023 financial results for the period ended June 30, 2023. The company focused on prudently managing its UAE operations and balance sheet.

Amlak reported a net profit of AED 138 million for H1 2023 as compared to a net profit of AED 266 million for H1 2022. Amlak's total income for H1 2023 decreased by 5% to AED 265 million as compared to AED 278 million in H1 2022. Revenues from financing business decreased by 13% to AED 60 million during H1 2023 as compared to AED 69 million in H1 2022.

The company's debt settlement arrangements, through cash, remained successful during the period, enabling six financiers to fully settle their exposure during the period ended 30 June 2023. The company recorded a net gain of AED 154 million on debt settlement arrangements and was able to reduce its debt burden by AED 472 million (including Mudaraba instrument of AED 104 million)

Amlak's operating costs increased in 2023 by 14% to AED 46 million in H1 2023, compared to AED 41 million during the same period last year mainly due to a one off expense related to the commencement of negotiations with financiers to exit the Common Terms Agreement for Restructuring.

The company also continued to efficiently manage its obligations, including repayment of AED 57 million to financiers during H1 2023. To date, Amlak has settled 82% of its Islamic deposit liabilities including Mudaraba Instrument relating to financiers.

As a result of debt settlement arrangements and repayments, the profit distribution to financiers decreased by 23% and stood at AED 30 million for H1 2023 as compared to AED 39 million for H1 2022.

Further, the company also recorded lower amortisation cost of AED 22 million in H1 2023 compared to AED 31 million in H1 2022 on regular investment deposits. The amount of amortisation represents the unwinding of fair value gains on initial recognition of investment deposits and varies according to the level of repayment and settlements made to the financiers in any reporting period.

In the region, Amlak's investment in Egypt witnessed the devaluation of the Egyptian Pound against AED which impacted the group's financial position.

- Ends -

Amlak Finance PJSC

Since its establishment in November 2000 as the region's pioneer financial services provider, Amlak Finance has provided its customers with innovative, Sharia-compliant property financing products and solutions designed to meet the rapidly evolving market demands.

For more information, please visit www.amlakfinance.com

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