TAMWEEL

THE HOME OF HOME FINANCE

Financial Markets Disclosure

Tamweel's 2008 net profit at AED 461 million

- *2008 net profit stable, with a marginal increase over 2007.*
- *Islamic financing and investing assets at AED 10.5 billion*

Dubai, April 30, 2009: Tamweel PJSC, the UAE's largest provider of real estate finance, today declared its audited annual financial results for 2008, pursuant to the receipt of clearance from the UAE Central Bank. Sheikh Khaled bin Zayed bin Saqer Al-Nehayan, Chairman of Tamweel, announced that the company's net profit for 2008 was recorded at AED 461 million, with earnings per share at AED 0.46. Islamic financing and investing assets in 2008 grew to AED 10.5 billion. This excludes the securitized asset book of AED 398 million that has been taken off balance sheet.

The Company's operating results for the fourth quarter of 2008 reflected a net loss of AED 112.3 million for the period. Fourth quarter profitability was impacted by a sharp rise in funding costs, significantly lower business origination levels which affected fee income, substantially lower income from property sales, one-off expenditure incurred on international business, and higher prudential provisioning on the home finance portfolio.

Commenting on the results, Sheikh Khaled bin Zayed bin Saqer Al-Nehayan said: "The second half of 2008 was marked by the negative impact of the global economic situation which affected financial institutions and the real estate sector in the country. While the long-term fundamentals of the economy in the UAE remain healthy and promising, the role of mortgage providers remains at the center of economic recovery in sustaining the strategically important Real Estate sector."

Sheikh Khaled added: "Recognizing the impact of the credit crisis in the mortgage finance sector, and also recognizing the strategic nature of Tamweel as a leading mortgage provider in the UAE, the Federal Government has intervened in a timely manner and formed a Steering Committee to review, assess, liaise and make recommendations to the Federal Government for appropriate actions. One of the key objectives of this Committee is to look at the potential ways of reviving the mortgage and real estate market in UAE and the Committee is closely working with Tamweel's Board of Directors to implement some of those measures".

Commenting on the results, Wasim Saifi, Group Chief Executive Officer of Tamweel, said: “In light of the current adverse market conditions and tight liquidity, Tamweel has taken prudential provisions for potential bad debts and delinquencies on its asset book, which has reflected on our yearly profits. Also, earlier this year, we announced a restructuring and reorganization of operations to reduce costs and improve efficiency. At year end, Islamic Financing Assets constituted 88% of our total assets, while investment in real estate is limited to 6% of the total assets of the Company. The tight liquidity conditions prevailing are likely to see a significant reduction in mortgage originations, and consequently the key focus of the company in 2009 will be towards maintaining / managing its asset quality.”

To conclude, year 2009 is likely to be the year of consolidation. Though market conditions for liquidity and for real estate are extremely challenging, the Board and the management team is actively working with the relevant Government authorities to jointly address such issues and to ensure a viable business model for its operations.

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