



## **Press Release**

### **Amlak Releases First Quarter 2017 Results**

- *Amlak Q1 2017 net profit stands at AED 7.5 million*
- *Revenue from financing business activities stands at AED 47 million*
- *Drop in Operating and Financing Costs by 3% compared to Q1 2016*
- *Total assets stand at AED 6.5 billion*

**Dubai, UAE 11 May 2017** – Amlak Finance PJSC, a leading specialized real estate financier in the Middle East, today announced its financial results for the first quarter ending 31 March 2017.

Amlak reported net profits of AED 7.5 million for the quarter ended March 31 2017. This was the result of decline in intermittent nature of revenue from sale of real estate.

Revenue from financing business activities decreased by 20% to AED 47 million in Q1 2017, compared to AED 59 million for the same period last year. This was due to a decrease in the financing portfolio. The drop in revenue from sales of real estate is underpinned by a softening in general market conditions.

Rental Income increased by 15% during Q1 2017 to AED 15 million, compared to AED 13 million in Q1 2016. Other Income increased by 27% in Q1 2017 to AED 14 million compared to AED 11 million in the same period last year. This includes Share of Results from Investment in Associates.

Operating Costs improved by 3% to AED 29 million for Q1 2017 compared to AED 30 million reported in Q1 2016. This was a result of Amlak's ongoing cost management strategy. These figures exclude operating costs of joint venture relating to real estate development.

An Impairments reversal of AED 6 million was recorded during Q1 2017, reflecting a slight improvement in portfolio quality. This is compared to an impairment charge of AED 6 million in Q1 2016.

The Company also recorded an amortization cost of AED 27 million in Q1 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 31 million in Q1 2017, compared to AED 32 million in the same period last year. The slight decrease was due to a reduction in overall Islamic deposit liabilities.

Total assets were just over AED 6.5 billion in Q1 2017, representing a 1% increase from year end 2016. A marginal increase of 1% in Equity attributable to shareholders was also seen in Q1 2017 from year end 2016.

Commenting on the results Arif Alharmi, Managing Director and CEO of Amlak, said: “Q1 2017 proved to be somewhat challenging, as we continue to face uncertainty in the global economic environment. 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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