



Press Release

Amlak Announces First Quarter 2018 Results

- *Q1 2018 net profit attributable to equity holders is AED 6 Million, up by 5%*
- *Total revenue up by 5% compared to Q1 2017*
- *Total assets stand at AED 6 billion*
- *Further advance payments of AED 684 Million to financiers in January 2018*

Dubai, UAE 14 May 2018 – Amlak Finance PJSC, a leading specialized Islamic real estate financier in the Middle East, today announced its financial results for the first quarter ending 31 March 2018.

Amlak reported net profit attributable to equity holders of AED 5.9 million in Q1 2018, an increase of 5% compared to AED 5.6 million for the same period last year. The Group net profit for the quarter stands at AED 6.8 million.

Total revenue increased by 5% to AED 104 million in Q1 2018, compared to AED 99 million in the same period last year. The increase is mainly due to the fair value gain on investment properties of AED 24 million in Q1 2018.

Revenue from financing business activities decreased by 10% to AED 42 million in Q1 2018, compared to AED 47 million for the same period last year. Revenue reported from sales of real estate assets decreased by 71%, reaching AED 7 million in Q1 2018, compared to AED 23 million in the same period last year. This decrease was mainly due to higher transfer of properties under development to customers in Q1 2017.

Rental Income increased by 3% during Q1 2018 to AED 15.4 million, compared to AED 14.9 million in Q1 2017. Other Income decreased by 8% in Q1 2018 to AED 9 million compared to AED 9.7 million in the same period last year.

Operating Costs were relatively stable, staying at the same levels in Q1 2018 compared to Q1 2017, excluding operating costs of joint ventures relating to real estate development.

An impairment charge of AED 2 million was recorded during Q1 2018. This is compared to an impairment reversal of AED 6 million in Q1 2017. The Company also recorded an amortization cost of AED 34 million in Q1 2018, an increase of 25% compared to AED 27 million in the same period last year. The increase is due to further advance payment of AED 684 Million to financiers in January 2018. The amount of amortization represents the unwinding of fair value



gains on initial recognition of investment deposits, and varies according to 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 28 million in Q1 2018 which decreased by 10%, compared to AED 31 million in the same period last year. This decrease is also due to the advance payment made to financiers in January 2018.

Total assets stand at AED 6 billion in Q1 2018, representing a 10% decrease from year end 2017. A marginal increase of 1% in Equity attributable to shareholders was also seen in Q1 2018 from year end 2017.

Amlak made further advance payments to financiers amounting to AED 684 million which is equivalent to 10 future scheduled monthly installments until December 2018. Hence, Amlak till date has paid 42% of its Islamic deposits liabilities relating to financiers and 75% of its Islamic deposit liabilities relating to liquidity support providers.

Commenting on the results Mr. Arif Abdulla Alharmi, Managing Director & CEO of Amlak, said: "Despite the market pressures in the local and regional real estate sector, we continue to focus on our core business development, differentiating our products and services, and driving profitability and value for our shareholders. We also remain committed to our strategy and efforts to develop the infrastructure and sale of various land plots which we believe will have positive impact on the overall revenue and profitability of the company. We are certain that Amlak is well-positioned to capitalize on the improving economic backdrop in the UAE and I look forward to seizing these opportunities."

- Ends -

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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