



Amlak Finance PJSC

Investor Presentation

June 2018

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Amlak at a Glance

Company Profile



Background

- Amlak Finance PJSC was incorporated in Dubai, United Arab Emirates, on 11 November 2000 as a Private Shareholding Company.
- At the constituent shareholders meeting held on 9 March 2004, a resolution was passed to convert the Company to a Public Joint Stock Company.
- Amlak Finance is a leading specialized real estate financier in the Middle East.
- The activities of the Company are conducted in accordance with Islamic Sharia'a,
- Amlak offers a range of customized financial solutions and products to investors/clients for both ready and off-plan properties.
- Amlak expanded its presence to Kingdom of Saudi Arabia (KSA) in 2006 through investment in 'Amlak International for Real Estate Finance Company'.
- Amlak launched its first international office in Egypt in 2007, which operates under the name "Amlak Finance Egypt Company S.A.E".
- Following the completion of its highly successful financial restructuring in 2014, Amlak is pursuing a prudent business strategy that is also now well-placed to work towards continuous enhancement of value for its shareholders.

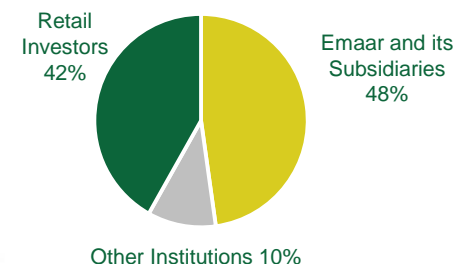
Subsidiaries and Associates

• Amlak Properties Investment LLC	UAE	100%
• Amlak Finance Egypt Company S.A.E	Egypt	100%
• Amlak International for Real Estate Finance Company	KSA	26.39%

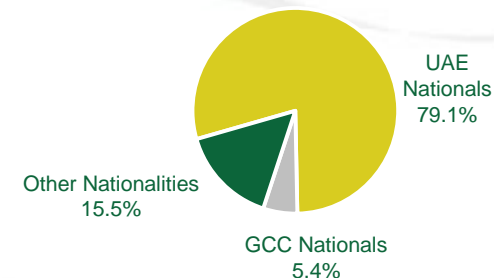
Geographic Presence



Ownership Structure

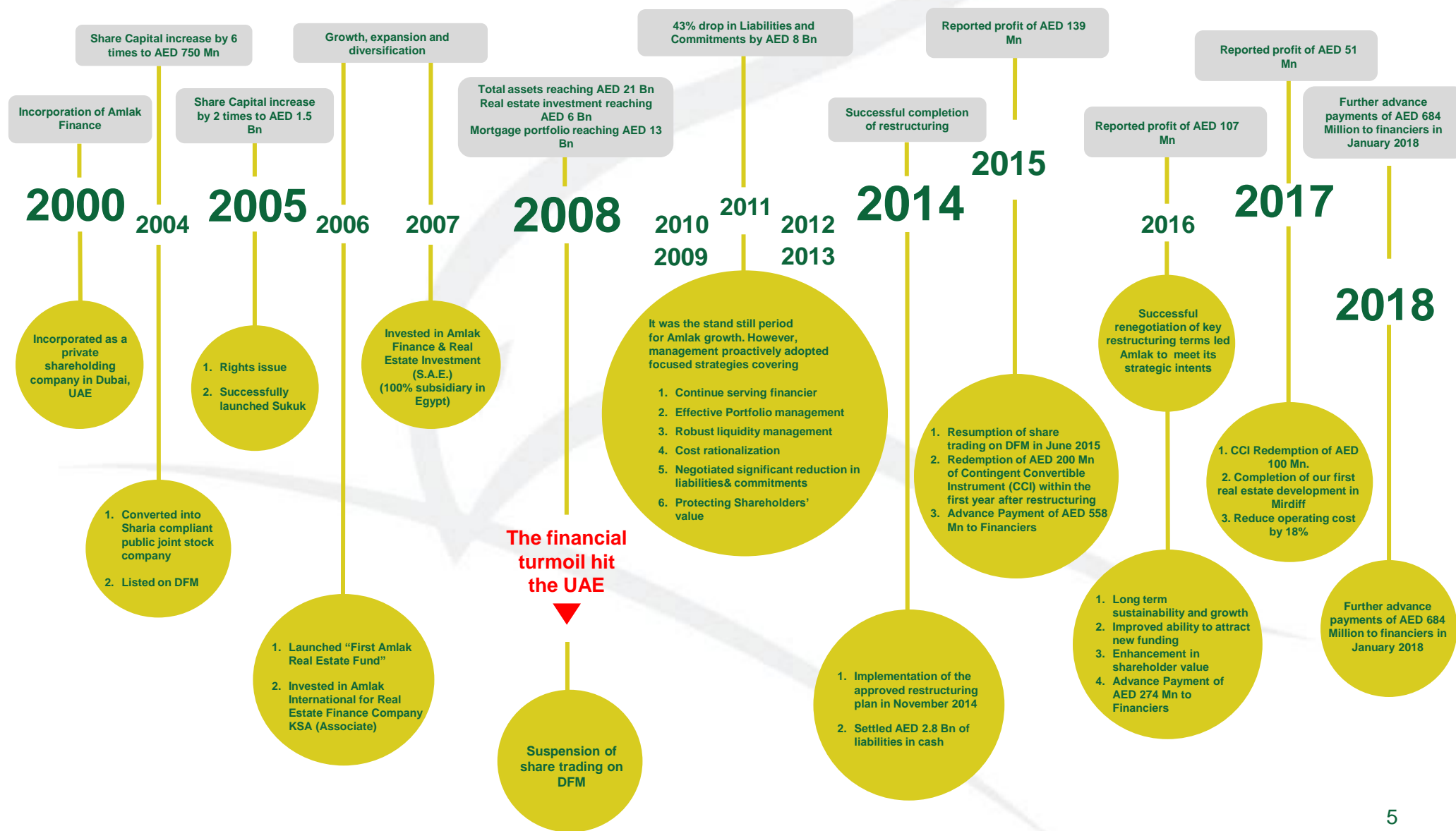


Nationality of Ownership



Amlak at a Glance

Through The Years



The background of the slide is a vibrant night-time photograph of the Dubai skyline. Numerous skyscrapers are illuminated with various lights, and the city's lights reflect on the water in the foreground. The Burj Khalifa is prominent in the center. The sky is a mix of orange, pink, and purple hues from the sunset or sunrise.

Strategic Focus

Strategic Focus

Key Strategies



Strategic Priorities	Strategic Intent	Strategic Metrics
Adherence to Restructuring Agreement	<ul style="list-style-type: none"> Ensuring full compliance with and adherence to restructuring agreement signed with financiers Flawless implementation of restructuring milestones 	Compliance
Profitability and Growth	<ul style="list-style-type: none"> Build up real estate finance business comprising of both ready and under-construction properties for growth in core revenue streams Create long term value from real estate portfolio through development of land parcels Enhance shareholder profitability through improved margins and sustained operational efficiencies 	Remain Profitable
Sustainable Funding	<ul style="list-style-type: none"> Develop a sustainable model and continue to secure long-term funding subject to parameters and covenants agreed with financiers Develop a range of financing options both off and on balance sheet which are best suited keeping in view liquidity gap and refinancing needs 	Funds Availability
Value Proposition	<ul style="list-style-type: none"> Offer differentiated and targeted products, superior lead generation through attractive product marketing strategies, sales and service execution 	Product Innovation New Customer Segments
Organizational Capability	<ul style="list-style-type: none"> Improving customer service experience through effective use of technology, robust risk management, staff and talent development as well as boosting corporate brand. 	Customer Satisfaction
Cost Rationalization	<ul style="list-style-type: none"> Ensure cost rationalization to maintain and align efficiency ratios in line with industry best practices 	Efficiency

Enhance shareholder value whilst adhering to restructuring obligations

Strategic Focus

Strategic Enablers



Our Vision (*What we aim to become?*)

"To be a specialized and customer centric real estate financing institution in the UAE"

Our Mission (*What is our purpose?*)

"To provide niche financial solutions, customized to fit our customers' needs, while maximizing shareholder value and nurturing our employees"



Strategic Focus

Corporate Values



Our Corporate Values (*What we stand for?*)



Customer Centricity

Customers' needs are at the heart of what we do. We strive for excellence in customer service by providing superior service to our customers in a timely, efficient, and consistent manner. Our goal is to transform customer satisfaction to customer loyalty and advocacy.



Innovation

We drive and inspire innovation in the workplace, with the aim to build on our organizational capabilities, and expand our capacity for innovative & creative thinking, collaboration & readiness for action.



Value Creation

We strive to create value for our stakeholders, customers, investors, and the community at large. We aim to leverage our expertise and innovation to achieve sustainable growth for our company whilst serving the interests of our stakeholders.



Integrity

Amlak is committed to maintaining a culture of integrity; we operate with honesty, fairness, and the highest of ethical standards. We take great pride in building a relationship of trust with our stakeholders.



Nurturing People

We value our employees and it is our commitment to continually enhance their welfare, training and career and personal development. We strive to improve our working environment and drive forward our desired corporate behaviors.



Social Responsibility

Participating in initiatives that support the workplace, marketplace, community and environment is an integral part of what we do. We are dedicated to contributing to society and helping make a positive difference in the community we serve.

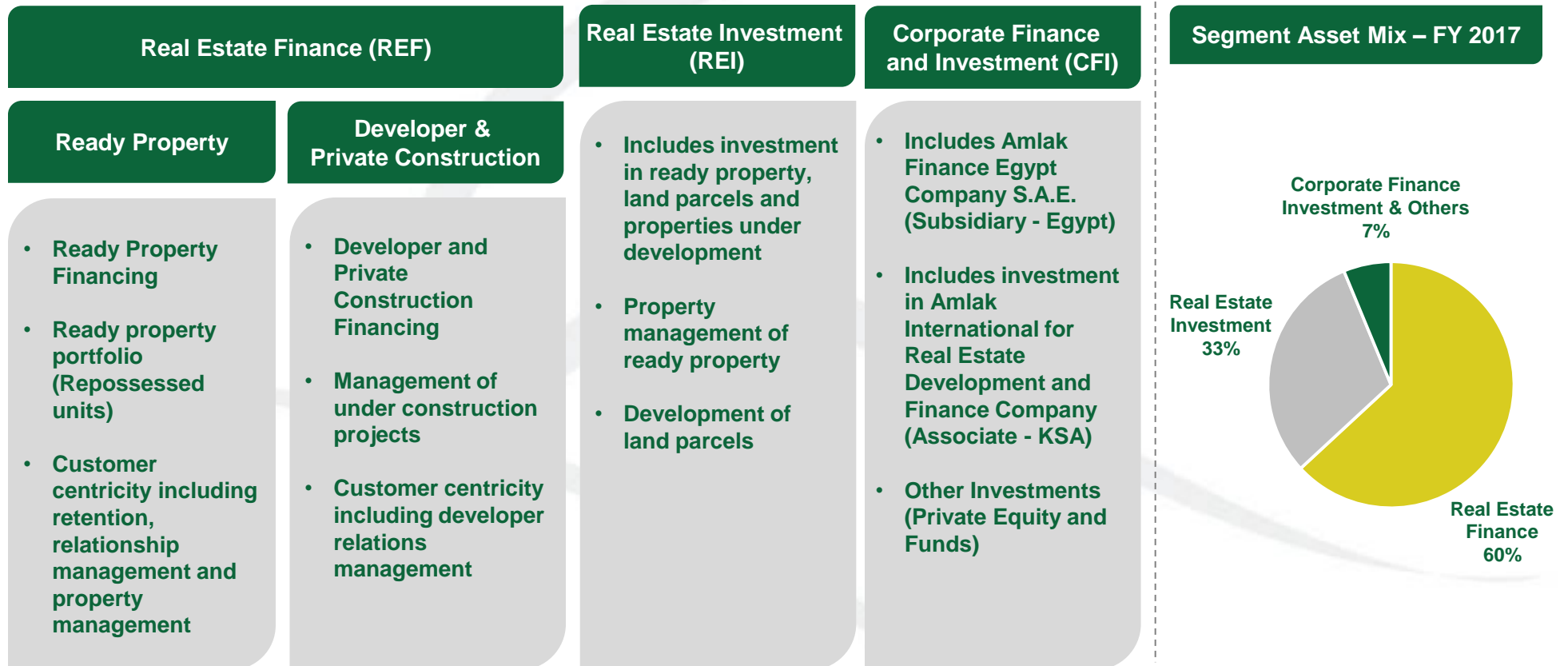
Strategic Focus

Business Overview



Amlak's overall business is being managed by way of 3 segments

Business Segments



Strategic Focus

Segment Strategy - REF



Real Estate Finance (REF)

Ready Property		Key Metrics	Actual 2017	Targeted 2018
<ul style="list-style-type: none"> Continue to pursue investors through investor related products Cross-sell to existing customers Offer innovative products and address under-served segments Ensure superior service to customers Utilize targeted marketing approach to reach identified client segments, utilizing alliances where appropriate Continue to sell Amlak Finance Investment Unit (AFIU) repossessed assets selectively with home finance package Improve portfolio quality 		Profit Rate	6%	6%
		Portfolio Level	AED 2.4Bn	AED 2.3Bn
		Delinquency Rate	4.4%	5.9%
		Rental Income	AED 26Mn	AED 23Mn
Under Construction Property		Key Metrics	Actual 2017	Targeted 2018
Developer Finance		Financing Income	AED 14Mn	AED 16Mn
<ul style="list-style-type: none"> Focus on transactions with high margin after fully applying robust risk management 		Profit Rate	11%	7%
Private Construction		Portfolio Level	AED 108Mn	AED 276Mn
<ul style="list-style-type: none"> Focus on higher-margin business with aim to capture larger market share of this untapped segment 				
Off Plan Financing				
<ul style="list-style-type: none"> Focus on building a healthy off-plan business Identification of new projects to ensure targeted off-plan business 				

Strategic Focus

Segment Strategy - REI



Real Estate Investment (REI)

- Focus on exit from REI after full redemption of Mudaraba Instrument (Contingent Convertible Instrument - CCI). This is expected to be achieved through enhancement of land parcel values by development and sale of ready property once Target Price agreed with financiers is reached
- Continue leasing ready property to maintain or improve yield until target price reached
- Focus on redemption of Mudaraba Instrument (CCI)
- Explore consolidation and enhancement of property management offering

Key Metrics	Actual 2017	Targeted 2018
Rental Income	AED 31Mn	AED 35Mn
Rental Yield	6%	5%
Mark to Market (MTM) on real estate assets	AED 65Mn	AED 108Mn
Development Completion % - Nad Al Hamar	78%	100%
Development Completion % - Al Ttay	Nil	50%
Sale % of Real Estate Assets – Nad Al Hamar	61%	63%
Cost to Income Ratio	32%	31%

Real Estate Portfolio

Ready Property	Under Construction Property	Land Parcel
<ul style="list-style-type: none"> ▪ Sky Gardens ▪ Remraam ▪ Discovery Gardens ▪ Waha Villas ▪ Al Ghadeer ▪ Mirdif 	<ul style="list-style-type: none"> ▪ Meydan ▪ Nad Al Hamar 	<ul style="list-style-type: none"> ▪ Al Ttay ▪ Nasr City Land (Egypt)

Strategic Focus

Segment Strategy - CFI



Corporate Finance and Investment (CFI)

- Focus on enhancing the value of core assets (especially Amlak KSA) by holding these performing investments for a longer duration with the view to sale as and when appropriate sale transaction crystalized
- Exit non-core, non-performing investments

Key Metrics	Actual 2017	Targeted 2018
Dividends	AED 17Mn	AED 10Mn
Efficiency Ratio	18%	23%
Return on Investment (ROI)	7%	9%



2018

Quarterly Financial Highlights

2018 Quarterly Financial Highlights

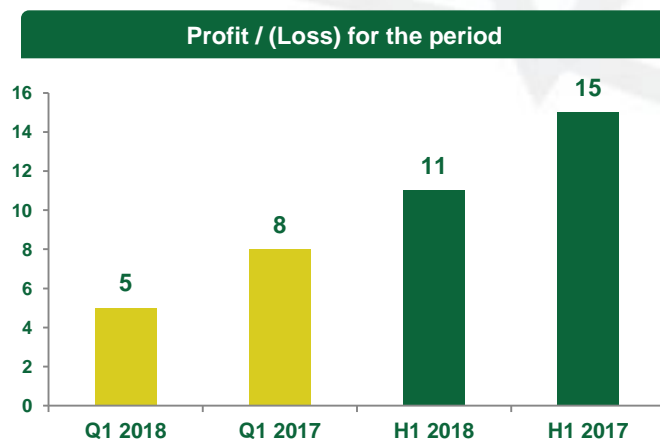
Group Income Statement



AED in Mn

Particulars	Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017		H1 2018	H1 2017	H1 2018 vs. H1 2017	
			Variance	Change in %			Variance	Change in %
Income from Financing and Investing assets	43	49	(6)	(12%)	85	96	(11)	(11%)
Rental income	17	15	2	13%	32	30	2	7%
Share of results of an associate	6	7	(1)	(14%)	12	11	1	9%
Sale of properties under development	48	10	38	380%	55	33	22	67%
Fair value gain / (loss) on investment properties	(9)	11	(20)	(182%)	15	11	4	36%
Other Income	6	4	2	50%	15	14	1	7%
Total Income	111	96	15	16%	214	195	19	10%
Reversal of impairments / (impairments)	(23)	1	(24)	(2400%)	(25)	7	(32)	(457%)
Amortisation of initial fair value gain on investment deposits	(25)	(28)	3	(11%)	(59)	(55)	(4)	7%
Operating Expenses	(30)	(26)	(4)	15%	(60)	(55)	(5)	9%
Cost of sale of properties under development (including related operating expenses)	(1)	(4)	3	(75%)	(4)	(15)	11	(73%)
Profit Before Distribution to financiers / investors	32	39	(7)	(18%)	66	77	(11)	(14%)
Distribution to financiers / investors	(27)	(31)	4	(13%)	(55)	(62)	7	(11%)
Profit / (Loss) for the year	5	8	(3)	(38%)	11	15	(4)	(27%)

H1 stands for first half of the year ended 30th June 2017 and 2018 and Q2 stands for the second quarter of the year only (i.e. 3 months April to June)



Highlights

- Increase in total revenue is mainly related to the infrastructure development completion and sales of plots in Nad Al Hamar joint venture.
- Decrease in the profit distributable to financiers is due to the early payment made to financiers in January 2018.
- During H1 2018, the Group recorded an impairment charge of AED 25 million compared to an impairment reversal of AED 7 million in H1 2017.
- The increase in amortization cost is due to the further early payment of AED 684 Million to financiers in January 2018, which is equivalent to 10 future scheduled monthly installments until December 2018.

2018 Quarterly Financial Highlights

Group Balance Sheet



AED in Mn

Particulars	H1 2018	FY 2017	Q1 2018 vs. FY 2017	
			Variance	Change in %
Cash and Balances with Banks	245	673	(428)	(64%)
Islamic Financing and Investing Assets	2,812	3,085	(273)	(9%)
Real Estate Investments	2,489	2,357	132	6%
Corporate Investments	301	315	(14)	(4%)
Other Assets	111	149	(38)	(26%)
Total Assets	5,958	6,579	(621)	(9%)
Investment Deposits and Other Islamic Financing	4,267	4,858	(591)	(12%)
Other Liabilities (Incl Non-Controlling Interest)	246	278	(32)	(12%)
Equity	1,445	1,443	2	0%
Total Equity & Liabilities	5,958	6,579	(621)	(9%)

Highlights

- Following the repayment to financiers, total liabilities decreased by 12% in H1 2018 compared to year end 2017.
- Total assets of Amlak stand at AED 6 billion in H1 2018, representing a 9% decrease from year end 2017.

Key Ratios	H1 2018	FY 2017
Net Financing to Deposit Ratio	65.9%	63.5%
Non-Performing Financing Asset to Total Asset Ratio	7.7%	7.0%
Liquid Assets to Total Assets	5.5%	15.7%
Return on Equity (Annualized)	1.4%	2.9%
Return on Assets (Annualized)	0.4%	0.7%
Net Profit Margin	1.8%	2.1%
Cost to Income Ratio	37.6%	32.2%



2017 Full Year

Financial Highlights

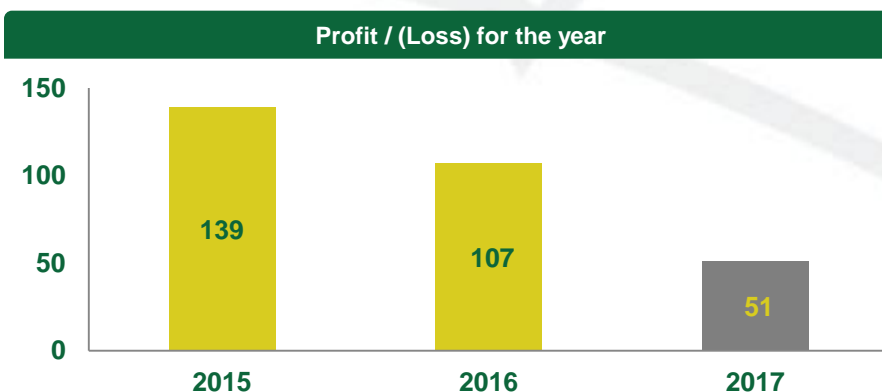
2017 Full Year Financial Highlights

Group Income Statement



AED in Mn

Particulars	FY 2017	FY 2016	FY 2015	Change in %	
				2017 vs. 2016	2016 vs. 2015
Income from financing and Investing assets	191	207	297	(7%)	(30%)
Rental income	61	56	46	7%	22%
Share of results of an associate	26	28	25	(7%)	12%
Sale of properties under development	52	429	74	(88%)	480%
Fair value gain / (loss) on investment properties	69	18	67	283%	(73%)
Other Income	33	40	23	(18%)	74%
Total Income	432	778	532	(44%)	46%
Reversal of impairments / (impairments)	-	(66)	81	(100%)	(181%)
Amortization of initial fair value gain / (Fair value gain) on investment deposits	(110)	(110)	(132)	-	(17%)
Operating Expenses	(122)	(149)	(158)	(18%)	(6%)
Cost of sale of properties under development (including related operating expenses)	(24)	(219)	(43)	(89%)	409%
Profit Before Distribution to financiers / investors	176	234	280	(25%)	(16%)
Distribution to financiers / investors	(125)	(127)	(141)	(2%)	(10%)
Profit / (Loss) for the year	51	107	139	(52%)	(23%)



- Highlights**
- 1) Total revenues including sale of properties under development decreased to AED 432 million in 2017, down by 44% compared to AED 778 million in 2016 due to reduction of sale of properties under development.
 - 2) 88% drop in Sale of properties under development due to management strategy to hold onto the assets for better market conditions.

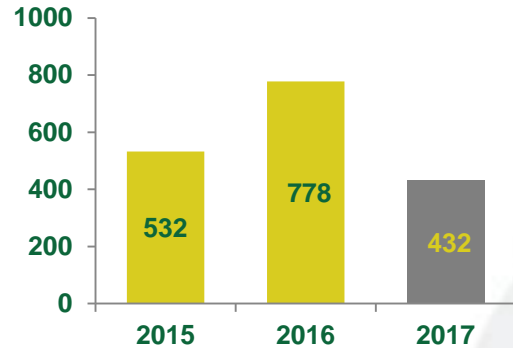
2017 Full Year Financial Highlights

Group Income Statement (cont'd)



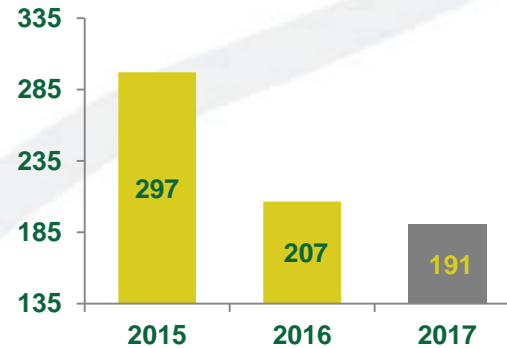
AED in Mn

Total Income



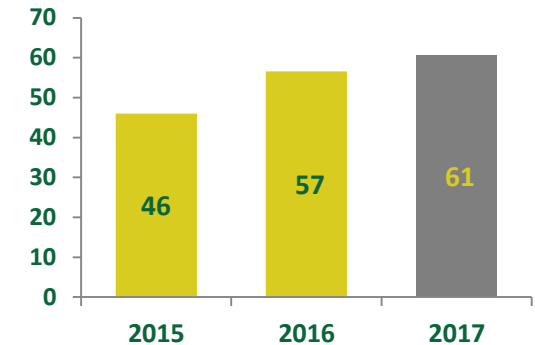
- 2015/16 - mainly due to net gains recorded on sale of properties under development
- 2017 – decrease due to reduction of sale of properties under development.

Income from Financing and Investing Assets



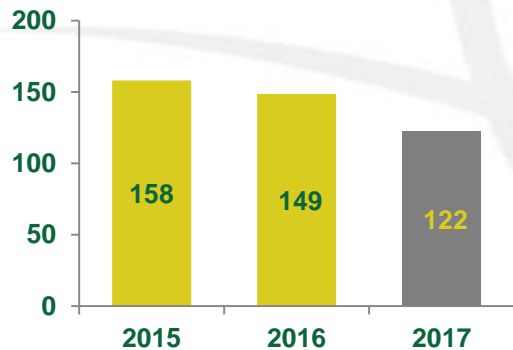
- Depletion of Financing and Investment Portfolio due to early settlements and normal portfolio run off

Rental Income



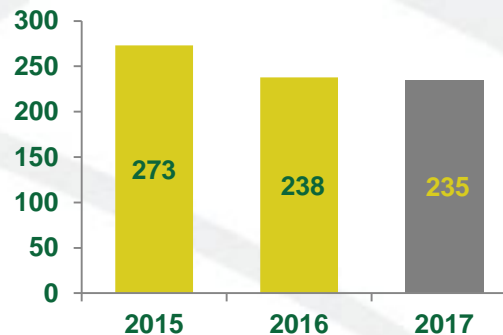
- Higher volume of Re-possessed (Foreclosed) Units along with market driven rental index

Operating Expenses



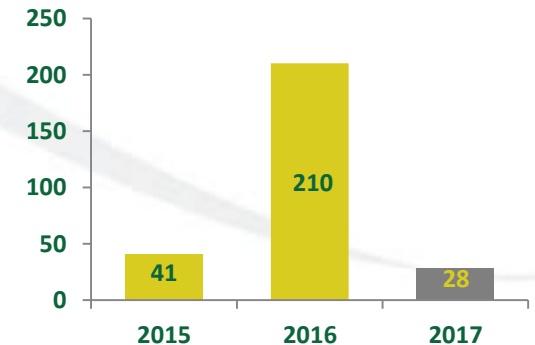
- Cost Rationalization Measures

Distribution to Financiers/ Investors and Amortization of Initial Fair Value Gain on Investment Deposits



- Advance payment to financiers

Net Gain on Sale of Properties Under Development



- Reduction in sale of properties under development

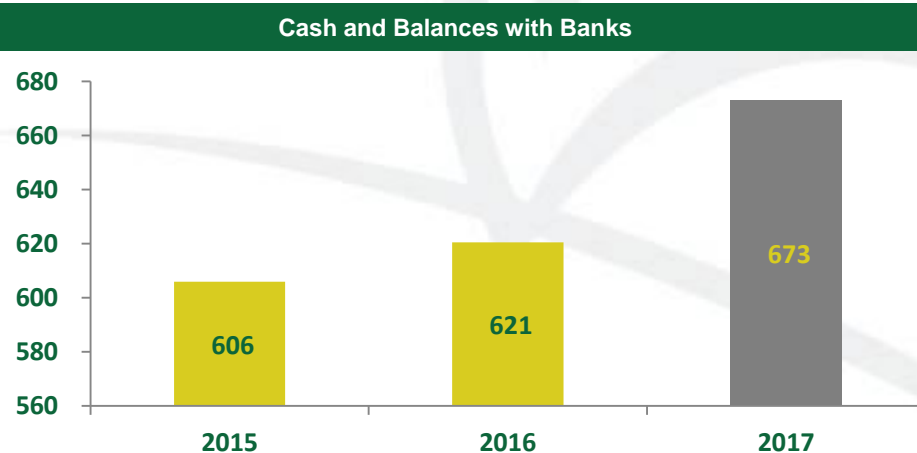
2017 Full Year Financial Highlights

Group Balance Sheet

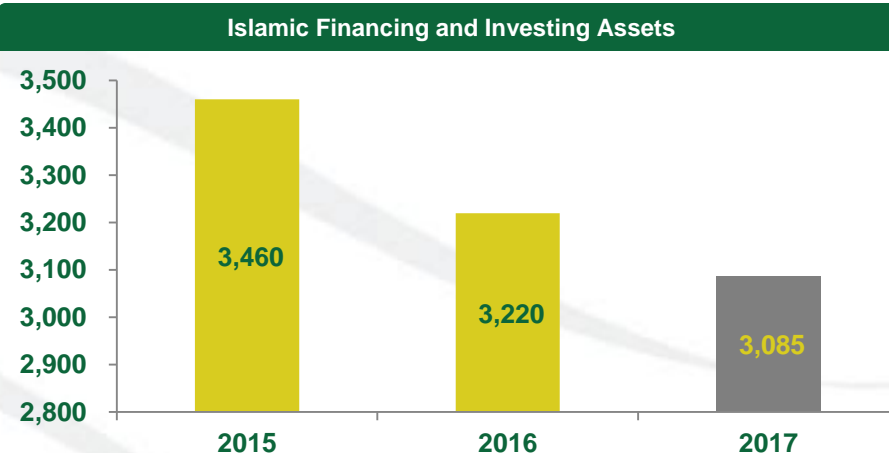


AED in Mn

Particulars	FY 2017	FY 2016	FY 2015	Change in %	
				2017 vs. 2016	2016 vs. 2015
Cash and Balances with Banks	673	621	606	8%	2%
Islamic Financing and Investing Assets	3,085	3,220	3,460	(4%)	(7%)
Real Estate Investments	2,357	2,167	2,411	9%	(10%)
Corporate Investments	315	301	308	5%	(2%)
Other Assets	149	184	103	(19%)	79%
Total Assets	6,579	6,493	6,888	1%	(6%)
Investment Deposits and Other Islamic Financing	4,858	4,740	4,915	2%	(4%)
Other Liabilities (Incl. Non-Controlling Interest)	278	260	386	7%	(33%)
Equity	1,443	1,493	1,587	(3%)	(6%)
Total Equity & Liabilities	6,579	6,493	6,888	1%	(6%)



- Lower origination of new businesses



- Depletion of Financing and Investment Portfolio due to early settlements and normal portfolio run off

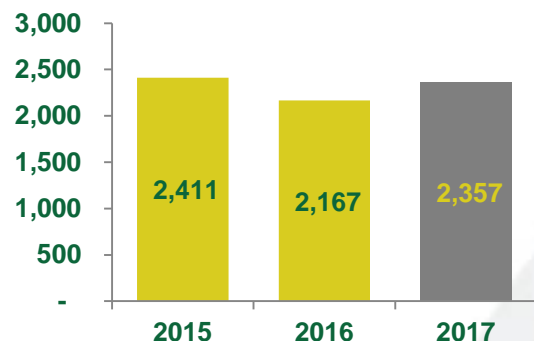
2017 Full Year Financial Highlights

Group Balance Sheet (cont'd)



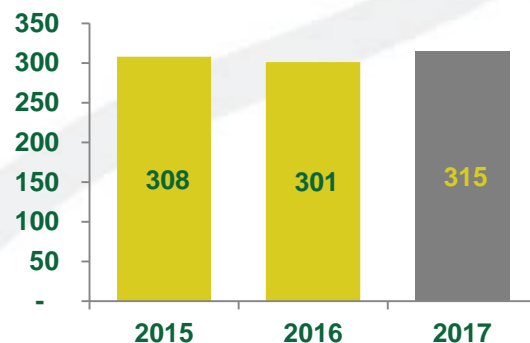
AED in Mn

Real Estate Investments



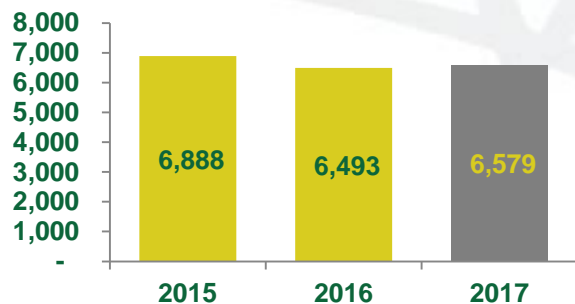
- Increase mainly due to recognition of fair value gain on investment properties

Corporate Investments



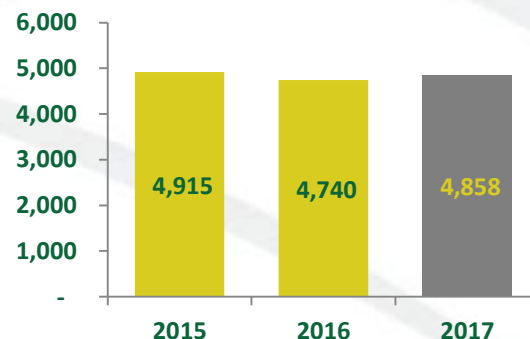
- No significant movement

Total Assets



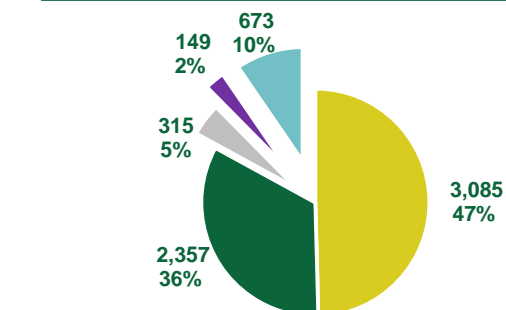
- Increase predominantly due to increase in Real Estate Investment assets

Investment Deposits and Other Islamic Financing



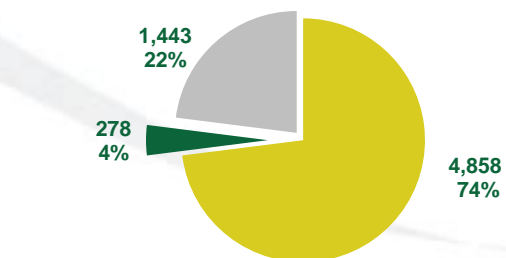
- Amortization cost representing the unwinding of fair value gains on initial recognition of investment deposits.

Assets Mix – 2017



- Islamic financing and investing assets
- Real estate investments
- Corporate investments
- Other assets
- Cash and balances with banks

Liability and Equity Mix - 2017



- Investment deposits and other Islamic financing
- Other liabilities (incl non-controlling interest)
- Equity attributable to equity holders of the parent

2017 Full Year Financial Highlights

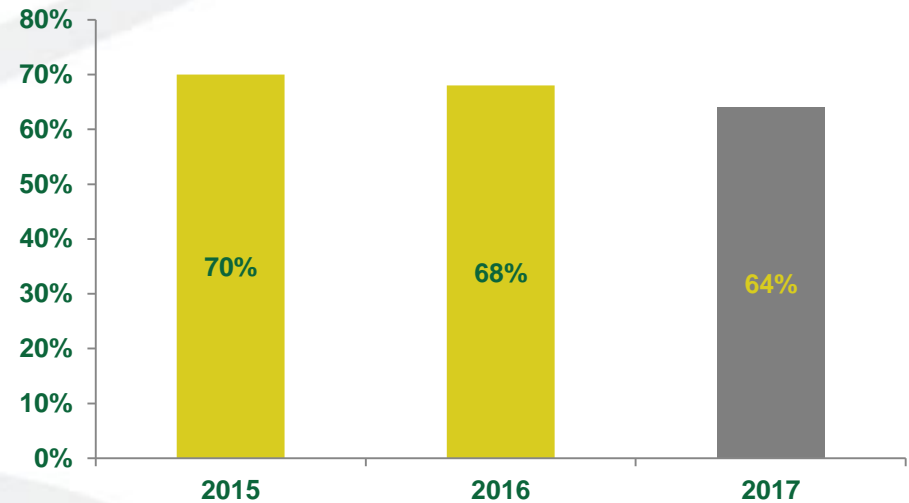
Financial Ratios



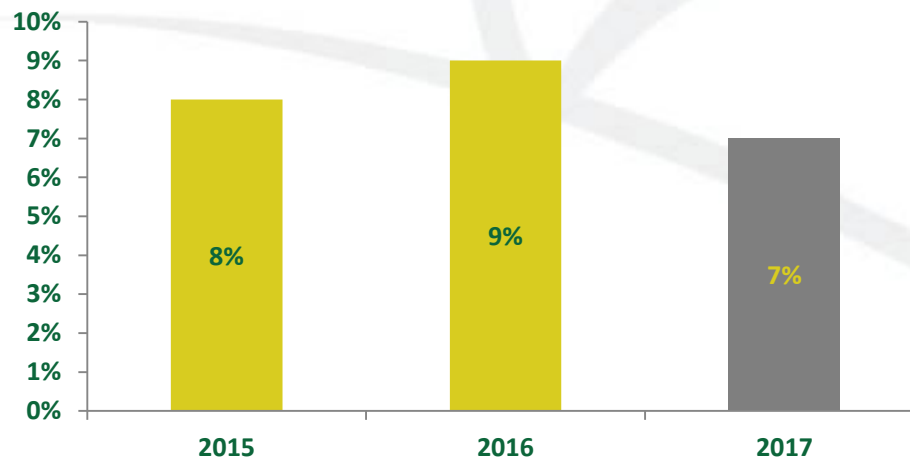
Highlights

Key Ratios	FY 2017	FY 2016	FY 2015
Net Financing to Deposit Ratio	64%	68%	70%
Non-Performing Financing Asset to Total Asset Ratio	7%	9%	8%
Liquid Assets to Total Assets	16%	11%	7%
Return on Equity	3%	7%	8%
Return on Assets	1%	2%	2%
Net Profit Margin	2%	2%	3%
Cost to Income Ratio	32%	43%	35%

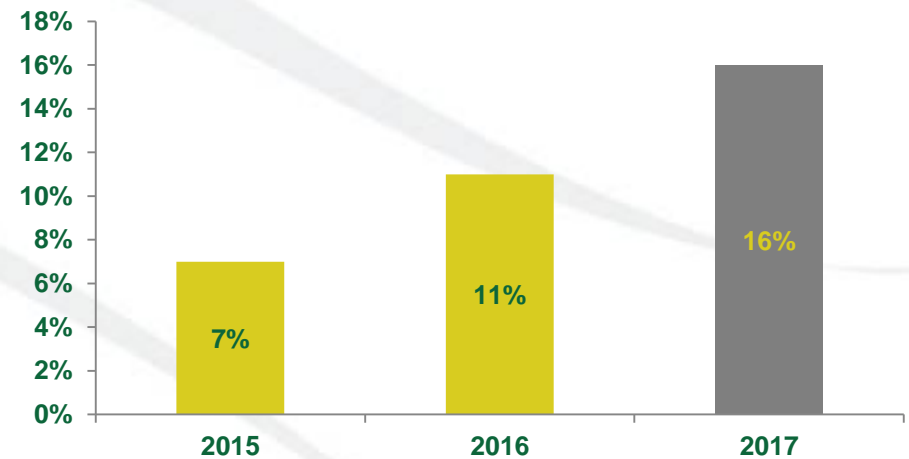
Net Financing to Deposit Ratio



Non-performing Financing Assets to Total Asset Ratio



Liquid Assets to Total Assets Ratio

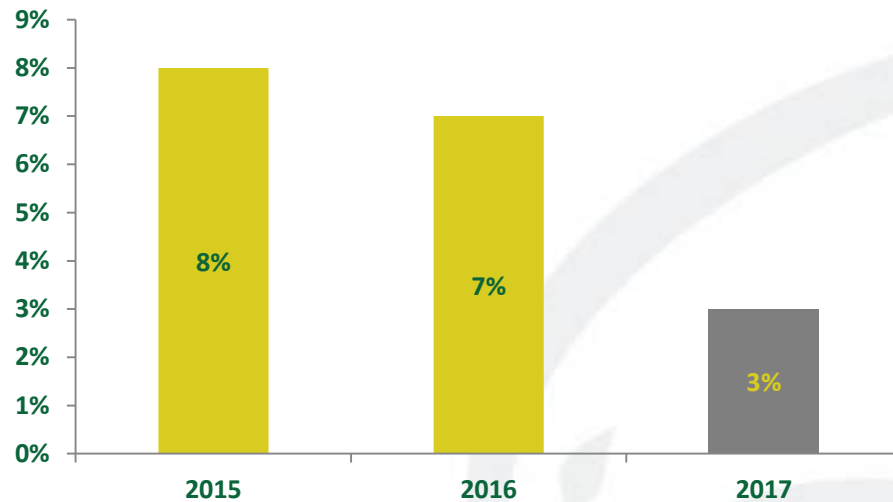


2017 Full Year Financial Highlights

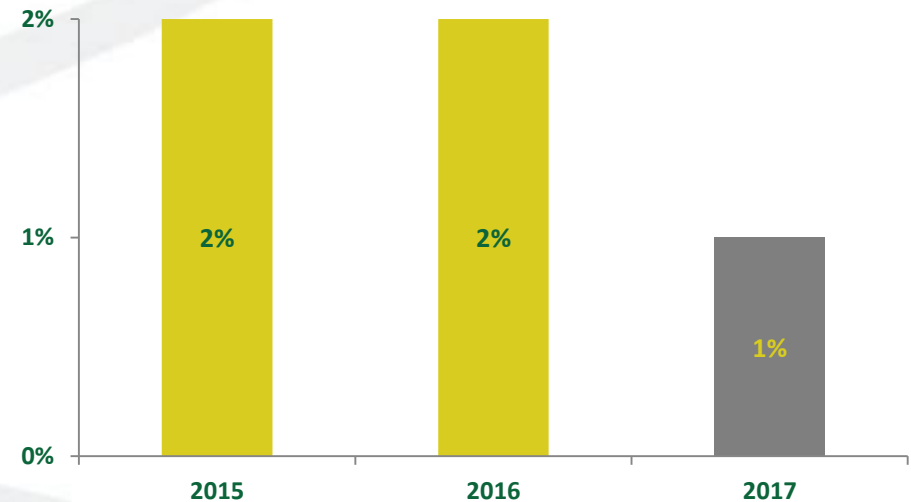
Financial Ratios (cont'd)



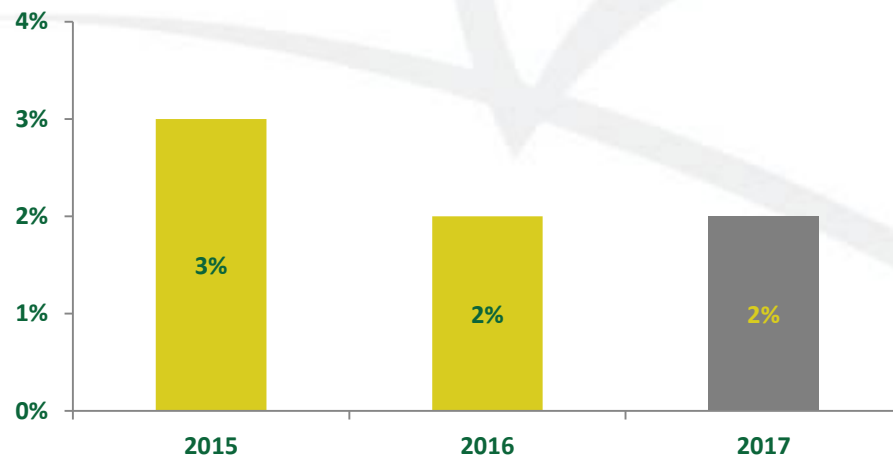
Return on Equity (ROE)



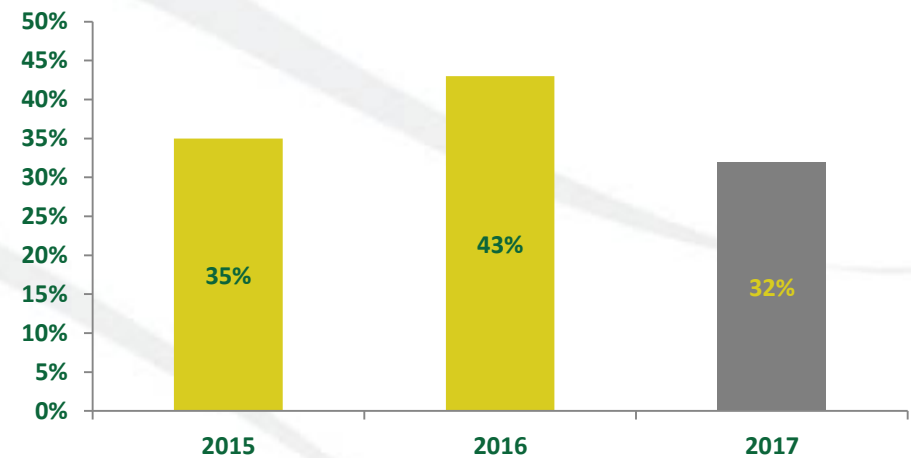
Return on Average Assets (ROA)



Net Profit Margin



Cost to Income Ratio





Awards

2015 – 2017 Awards



1. Dubai Chamber's CSR Label 2015
2. Finance Monthly CEO Award 2015
3. Finance Monthly CFO Award 2015
4. Best Islamic Finance CSR Company UAE 2015
5. Best Sharia Compliant Property Finance Company 2015
6. Innovation in Islamic Finance
7. Restructuring Deal of The Year 2014

1. Dubai Chamber's CSR Label 2016
2. Best Islamic Finance CSR Company UAE 2016
3. Best Sharia Compliant Property Finance Company UAE 2016
4. Innovation in Property Finance 2017
5. Islamic Finance of the year Award Dubai 2016
6. Finance Monthly CEO Award 2016
7. Top CEO
8. Most Innovative Takaful Product - Platinum Lifestyle Takaful, UAE 2016
9. Best Shari'a Compliant Property Finance Company 2016 , UAE 2016

1. Best Sharia Compliant Property Finance Company
2. Best Islamic Finance CSR Company UAE 2017
3. Best for Sharia Compliant Property Finance
4. 2017 UAE Leading Decision Makers Award Chief Executive Officer of The Year 2017 – Dubai.
5. Best Real Estate Product (Double Your Property)_ UAE
6. Best Home Finance Company

Appendix



Appendix

2018 Quarterly Consolidated Statement of Income



AED '000

Particulars	Q2 2018	Q2 2017	H1 2018	H1 2017	Change in %
					H1 2018 vs. H1 2017
Income from Islamic financing and investing assets	41,778	46,641	82,295	92,355	(11%)
Fee income	1,270	1,884	3,190	3,427	(7%)
Income on deposits	1,793	1,597	4,214	3,236	30%
Rental income	16,704	15,231	32,087	30,159	6%
Fair value gain on investment properties	(9,033)	11,031	15,044	11,031	36%
Sale of properties under development	48,504	10,365	55,102	32,943	67%
Other income	4,507	2,602	11,124	10,731	4%
	105,523	89,351	203,056	183,882	10%
Reversal of impairment / (impairment) on:					
- Islamic financing and investing assets	(21,290)	982	(23,169)	7,139	(425%)
- Other assets	(2,014)	94	(2,159)	316	(783%)
Amortization of initial fair value gain on investment deposits	(24,844)	(27,087)	(59,194)	(54,502)	9%
Operating expenses	(30,893)	(27,317)	(60,718)	(56,851)	7%
Cost of sale of properties under development	(879)	(3,576)	(3,850)	(13,886)	(72%)
Share of results of an associate	6,325	6,648	12,397	11,060	12%
PROFIT / (LOSS) BEFORE DISTRIBUTION TO FINANCIERS / INVESTORS	31,928	39,095	66,363	77,158	(14%)
Distribution to financiers / investors	(27,591)	(31,033)	(55,194)	(61,640)	(10%)
PROFIT / (LOSS) FOR THE PERIOD	4,337	8,062	11,169	15,518	(28%)
Attributable to:					
Equity holders of the parent	4,518	4,637	10,387	10,199	2%
Non-controlling interests	(181)	3,425	782	5,319	(85%)
	4,337	8,062	11,169	15,518	(28%)

Appendix

2018 Quarterly Consolidated Statement of Financial Position

AED '000



Particulars	H1 2018	FY 2017	Change in %
			H1 2018 vs. FY 2017
ASSETS			
Cash and balances with banks	245,150	673,015	(64%)
Islamic financing and investing assets	2,812,467	3,084,983	(9%)
Available-for-sale investments	11,795	12,387	(5%)
Advances for investment properties	322,818	322,818	0%
Investment properties	1,955,261	1,821,064	7%
Properties under development	210,989	212,849	(1%)
Investment in an associate	288,712	302,567	(5%)
Other assets	94,327	132,489	(29%)
Furniture, fixtures and office equipment	18,964	17,072	(11%)
TOTAL ASSETS	5,960,483	6,579,244	(9%)
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits & other Islamic financing	4,167,136	4,792,037	(13%)
Term Islamic financing	100,092	66,136	51%
Employees' end of service benefits	5,835	6,551	(11%)
Other liabilities	127,223	143,612	(11%)
TOTAL LIABILITIES	4,400,286	5,008,336	(12%)
Equity			
Equity attributable to equity holders of the parent			
Share capital	1,500,000	1,500,000	0%
Treasury Shares	(93,048)	(93,048)	0%
Statutory reserve	122,650	122,650	0%
General reserve	122,650	122,650	0%
Special reserve	99,265	99,265	0%
Mudaraba Instrument	215,472	215,472	0%
Mudaraba Instrument reserve	810,088	810,088	0%
Cumulative changes in fair value	106	698	(85%)
Foreign currency translation reserve	(324,018)	(323,595)	0%
General impairment reserve	4,316	-	
Accumulated losses	(1,010,568)	(1,011,193)	0%
	1,446,913	1,442,987	0.3%
Non-controlling interests	113,284	127,921	(11%)
TOTAL EQUITY	1,560,197	1,570,908	(1%)
TOTAL LIABILITIES AND EQUITY	5,960,483	6,579,244	(9%)

Appendix

2017 Full Year Consolidated Statement of Income



AED '000

Particulars	FY 2017	FY 2016	Change in %
			FY 2017 vs. FY 2016
Income from Islamic financing and investing assets	184,456	200,493	(8%)
Fee income	6,635	6,119	8%
Income on deposits	6,487	7,135	(9%)
Rental income	60,597	56,602	7%
Fair value gain on investment properties	69,530	18,070	285%
Sale of properties under development	52,217	428,826	(88%)
Other income	26,967	33,042	(18%)
	406,889	750,287	(46%)
Reversal of impairment / (impairment) on:			
- Islamic financing and investing assets	218	(66,685)	(100%)
- Other assets	196	957	(80%)
Amortization of initial fair value gain on investment deposits	(110,013)	(110,430)	0%
Operating expenses	(125,089)	(171,478)	(27%)
Cost of sale of properties under development	(21,670)	(196,117)	(89%)
Share of results of an associate	25,568	27,905	(8%)
PROFIT / (LOSS) BEFORE DISTRIBUTION TO FINANCIERS / INVESTORS	176,099	234,439	(25%)
Distribution to financiers / investors	(124,764)	(127,392)	(2%)
PROFIT / (LOSS) FOR THE PERIOD	51,335	107,047	(52%)
Attributable to:			
Equity holders of the parent	42,550	107,440	(60%)
Non-controlling interests	8,785	(393)	(2335%)
	51,335	107,047	(52%)

Appendix

2017 Full Year Consolidated Statement of Financial Position



AED '000

Particulars	FY 2017	FY 2016	Change in %
			FY 2017 vs. FY 2016
ASSETS			
Cash and balances with banks	673,015	620,502	8%
Islamic financing and investing assets	3,084,983	3,219,711	(4%)
Available-for-sale investments	12,387	7,688	61%
Advances for investment properties	322,818	322,818	0%
Investment properties	1,821,064	1,623,096	12%
Properties under development	212,849	220,679	(4%)
Investment in an associate	302,567	293,540	3%
Other assets	132,489	162,350	(18%)
Furniture, fixtures and office equipment	17,072	22,284	(23%)
TOTAL ASSETS	6,579,244	6,492,668	1%
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits & other Islamic financing	4,792,037	4,682,024	2%
Term Islamic financing	66,136	57,704	15%
Employees' end of service benefits	6,551	6,157	6%
Other liabilities	143,612	135,091	6%
TOTAL LIABILITIES	5,008,336	4,880,976	3%
Equity			
Equity attributable to equity holders of the parent			
Share capital	1,500,000	1,500,000	0%
Treasury Shares	(93,048)	(93,048)	0%
Statutory reserve	122,650	117,690	4%
General reserve	122,650	117,690	4%
Special reserve	99,265	99,265	0%
Mudaraba Instrument	215,472	231,128	(7%)
Mudaraba Instrument reserve	810,088	868,947	(7%)
Cumulative changes in fair value	698	1,663	(58%)
Foreign currency translation reserve	(323,595)	(334,691)	(3%)
Accumulated losses	(1,011,193)	(1,016,088)	0%
	1,442,987	1,492,556	(3%)
Non-controlling interests	127,921	119,136	7%
TOTAL EQUITY	1,570,908	1,611,692	(3%)
TOTAL LIABILITIES AND EQUITY	6,579,244	6,492,668	1%

Appendix

Board of Directors



Mr. Ali Ibrahim Mohammad
Chairman



Mr. Essamuddin Galadari
Vice-Chairman



Mr. Khalid Al-Halyan
Board Member



Mr. Farooq Mahmood Arjomand
Board Member



Mr. Hesham Abdulla Al Qassim
Board Member



Major General Ahmad Hamdan Bin Dalmook
Board Member



Mr. Arif Alharmi
**Managing Director and
Chief Executive Officer**

Appendix

Stakeholders Priorities



Appendix

Products and Services



Istithmari

Istithmari is the first-of-its-kind Buy-To-Let property finance (Ijara) product in the region, designed for investors looking to invest in completed residential and commercial properties. Customers are also provided with a complimentary full suite of Property Management Services.

Ijarah

Ijara is the basic home finance product aimed towards end users for residential as well as commercial property in ready or completed projects. Under Ijarah, Amlak buys the property from the developer/seller and leases it out to the customer with a promise to sell at the end of the lease term. The customer pays monthly rentals that comprise of fixed, variable and supplementary rentals.

Double Your Property Portfolio

This first-of-its-kind product is designed for investors who have equity in UAE property to double their property portfolio. The product provides investors with increased returns on their real estate investments as well as attractive financing terms. Amlak will facilitate the entire new investment process and investors can enjoy complete access to Amlak's diverse real estate portfolio and receive complimentary property management services.

Tatweer

Tatweer is an under-construction financing product for investors as well as for end users. Finance is supplemented by a complimentary full suite of property management services that comes into effect post completion and handover of the property.

Private Construction Finance

Private Construction Finance is offered to individuals or corporates that carry out under construction projects with an intention to either rent, occupy or operate the development, post construction completion. Although the product is primarily targeted towards the wholesale segment, individual or retail applications are also catered under the same offer on a case by case basis.

Appendix

General Economic Indicators - UAE and Dubai Economy



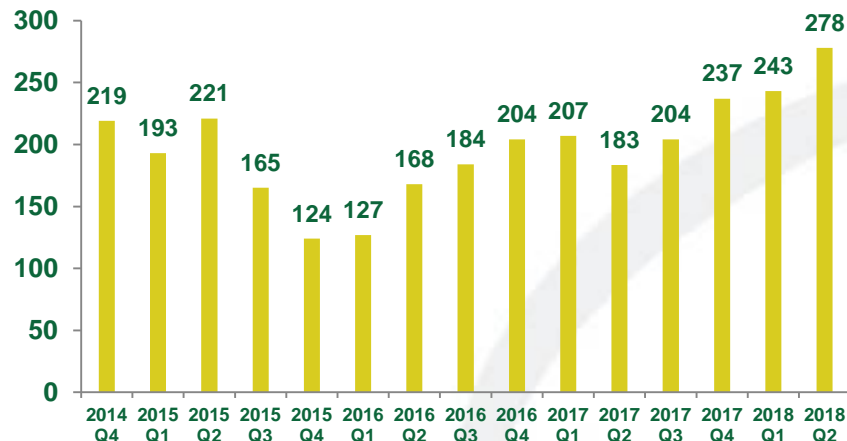
- The UAE economy is expected to **grow** by **2.6 per cent** this year and **3.8 per cent** in 2019, according to a new report by the Institute of Chartered Accountants in England and Wales (ICAEW) and Oxford Economics.
- Dubai recorded an unemployment rate **of 0.5 percent** in 2017, significantly **lower** than the global average, according to the emirate's statistics center.
- The actual spending of the UAE's federal government reached **AED 48.572 billion (\$13.22 billion)** in 2017, according to a new report by the Ministry of Finance.
- The UAE labor market created jobs for **more than five million people** in 2017 and received **1.35 million workers** for the private sector.
- According to Dubai Statistical Center, the current population of Dubai stands at **3,080,165** which showed a **2% increase** since last quarter.
- According to figures by Dubai Statistical Center, the consumer price index for June 2018 stands at **110.91**, which is **up by 1.3%** when compared to the same term last year.
- The UAE's Central Bank has **raised** its forecast for non-oil GDP growth in 2018 **to 3.9 percent** from **3.6 percent**.

Appendix

General Economic Indicators - Key Economic Indicators

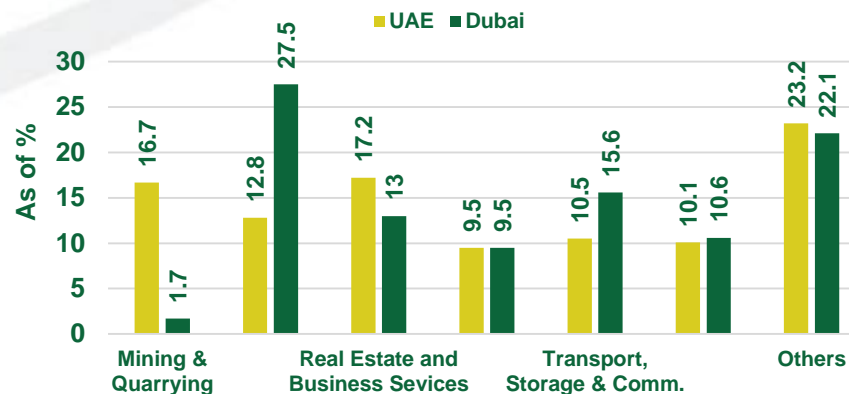


1 Brent OPEC Oil Basket Price in UAE (AED)



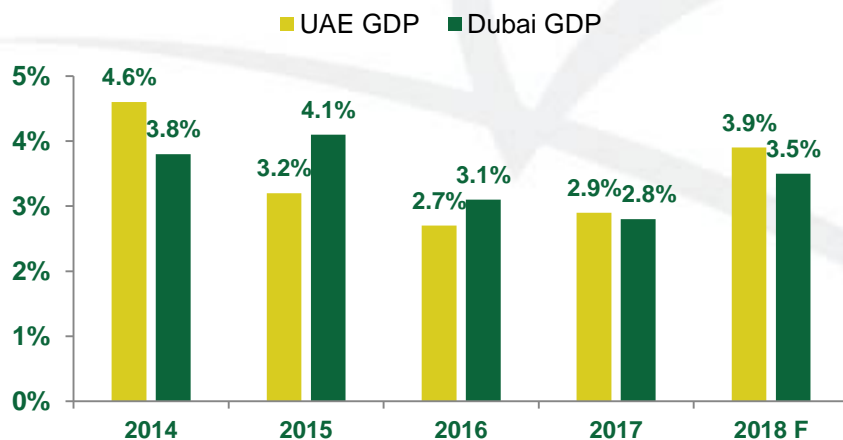
Source: Oilprice.com

Distribution of GDP Sectors (in %) – UAE & Dubai 2016



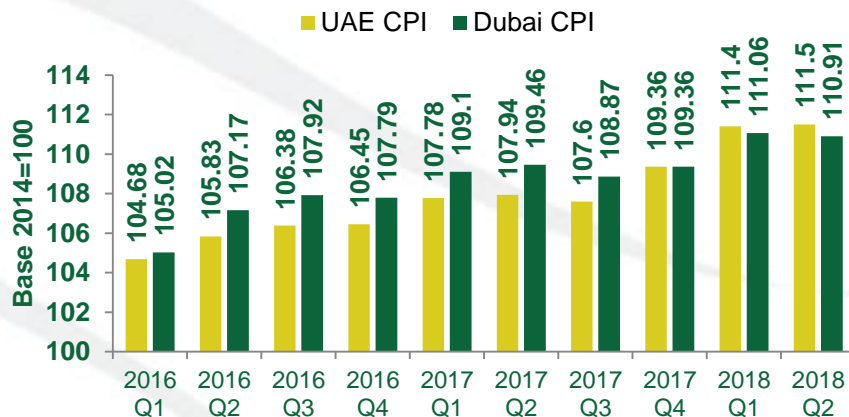
Source: Dubai Statistics Center, National Bureau of Statistics

UAE & Dubai GDP Growth Rates



Source: Ministry of Economy

Consumer Price Index (CPI) – UAE & Dubai



Source: Dubai Statistics Center, National Bureau of Statistics

Appendix

General Economic Indicators - Dubai Real Estate Market



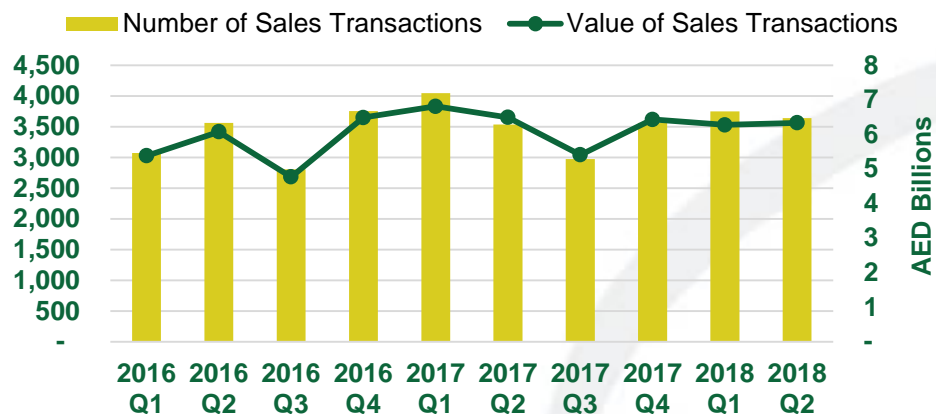
- Dubai Land Department (DLD) has revealed that real estate transactions in the emirate for the first half of 2018 reached **AED111 billion**, H1 2018 recorded a total of **27,642 transactions**, **18,191 sales** worth about **AED40 billion**, **7,668 mortgage** transactions worth over **AED57.6 billion**, and **1,783 other** transactions valued at **AED13.4 billion**.
- The number of sales transactions have **dropped down** from **3,751** in Q1 2018 to **3,637** in Q2 2018. Even though there was a **3% decline** in the number of transactions on a quarterly basis, a **minor uptick of 1%** was noticed in the value of transactions.
- The Dubai real estate sales and rent prices continued to **decline further** in the second quarter of 2018 owing to **low economic growth** coupled with **strong USD** and an **influx of new residential units**. Apartment rentals are **down by 2.8%**, while villa rentals are **down by 1.6%** on a quarterly basis.
- Sales and Rent prices of Dubai office **dropped marginally** in the second quarter of 2018 as **no new office supply** was introduced into the market.
- Rental conditions will remain **favorable** for new tenants throughout 2018 as **new deliveries** continue to **flood** the market. Landlords have also gone easy by holding the rents **steady** in line with the market sentiment and have started offering various **incentives** to boost their occupancy level.
- Around **38,000 units** are in the pipeline for the remainder of 2018 as per announcements made by developers. However, the actual materialization rate will be lower.

Appendix

General Economic Indicators - Key Real Estate Indicators

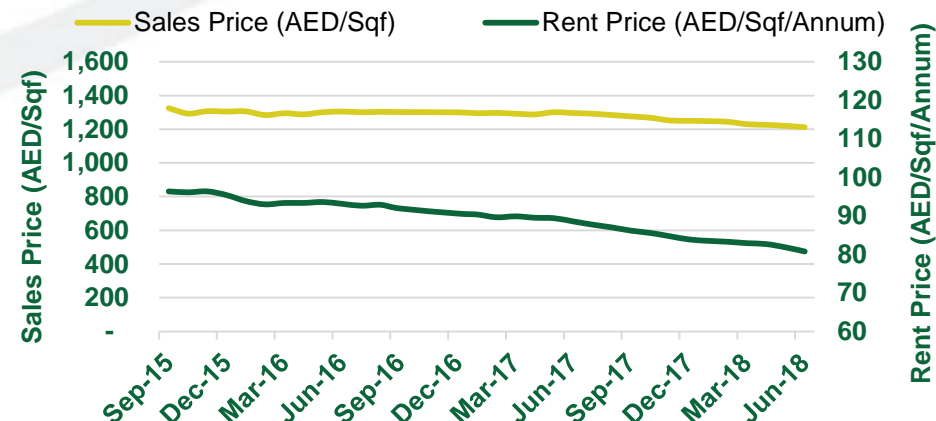


Number and Value of Real Estate Transactions



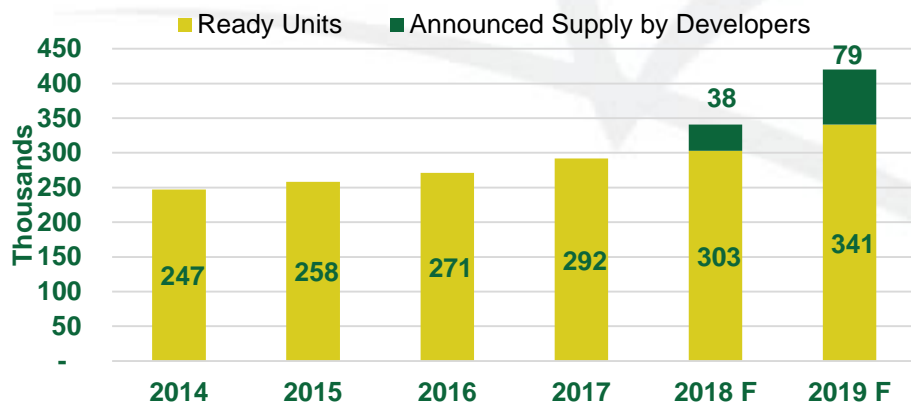
Source: Reidin

Dubai Residential Sales and Rental Price Changes



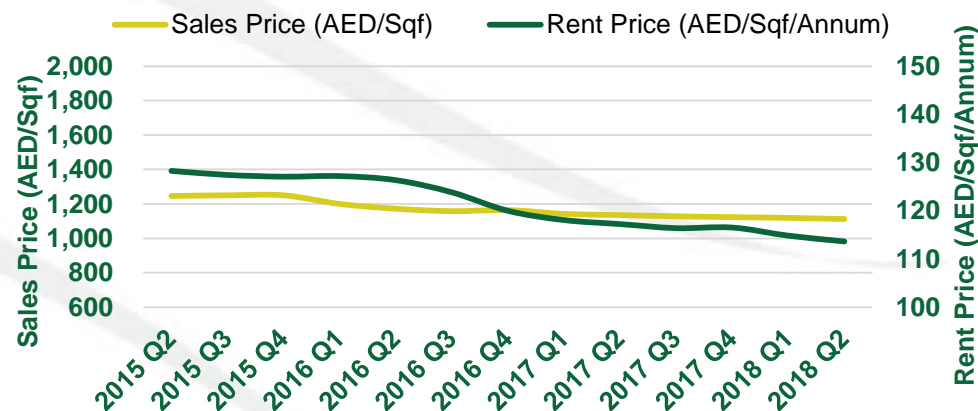
Source: Reidin

Dubai Residential Supply Trends (Freehold Areas)



Source: Reidin

Dubai Commercial Rental Prices



Source: Reidin

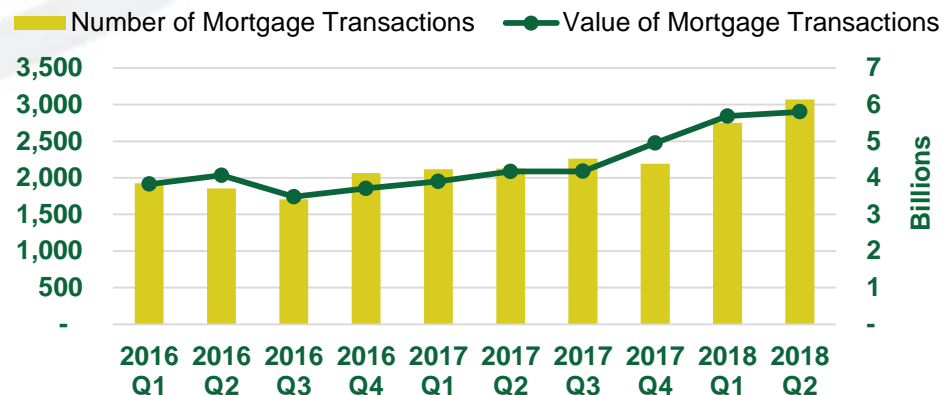
Appendix

General Economic Indicators - Dubai Mortgage Market



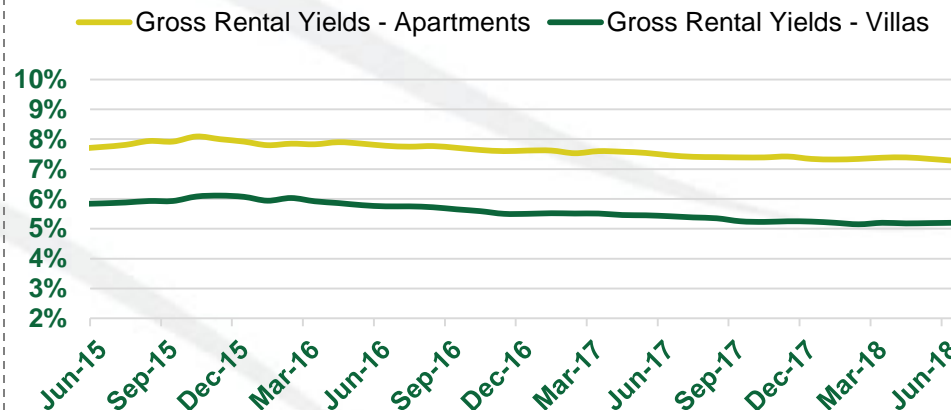
- Value of Residential and Commercial mortgage transactions in Dubai valued at **AED 11.5 Billion** during the **first 6 months** of 2018, when compared to the same term last year the value of transactions are **up by 42%**.
- Eibor [Emirates Interbank Offered] rates have continued to **rise** in 2018, reflecting to a number of factors including the **increase** in benchmark rates and the **introduction of a new methodology** for the calculation of Eibor in mid-April. Analysts expect the central bank to **raise** the domestic interest rates in **tandem** with the Fed rate hike.
- Rental declines **outpaced** sales prices in the second quarter of 2018 which resulted in a **slight drop** in the gross rental yields.
- As of **June 2018**, the average Dubai apartment gross rental yield stands at **7.1%** while average villa rental yield stands at **5.1%**.

Mortgage Transactions Over the Years



Source: Reidin

Rental Yields in Dubai



Source: Reidin



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