

AMLAK FINANCE PJSC

Investor Relations Information Pack

30 September 2016

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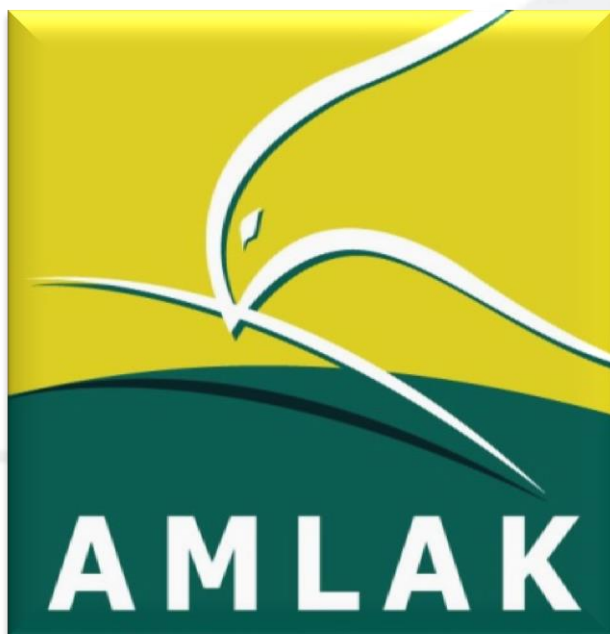
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- ☐ STRATEGY
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STOCK INFORMATION
- ☐ AWARDS

FINANCIAL HIGHLIGHTS

Group Performance Highlights – YTD

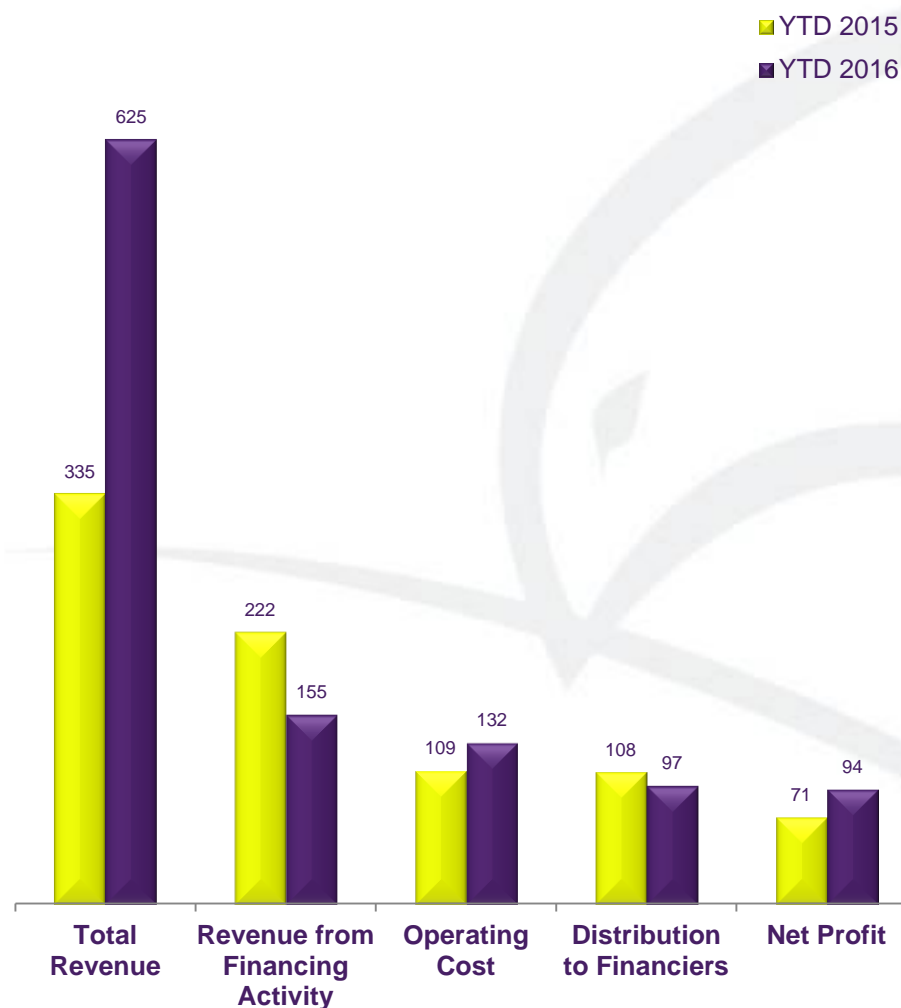
| Description | YTD 2016 AED (M) | YTD 2015 | Q3 2016 | Q2 2016 | Q1 2016 AED (M) | Q4 2015 | Q3 2015 |
|---|---------------------|------------|------------|-------------|--------------------|------------|------------|
| Income from financing and Investing assets | 155 | 222 | 51 | 46 | 59 | 76 | 74 |
| Rental Income | 42 | 33 | 14 | 14 | 13 | 14 | 12 |
| Share of results of associate | 21 | 18 | 7 | 7 | 6 | 8 | 7 |
| Sale of real estate | 396 | 44 | 84 | 32 | 280 | 30 | 23 |
| Other Income * | 11 | 19 | 4 | 4 | 4 | 6 | 4 |
| Total Income | 625 | 335 | 160 | 102 | 363 | 133 | 121 |
| Reversal of impairments / (impairments) * | (35) | 74 | (5) | (24) | (5) | 4 | 39 |
| Amortization of initial fair value gain / (loss) on investment deposits | (84) | (100) | (26) | (31) | (26) | (32) | (20) |
| Fair value gain / (loss) on investment properties | - | - | - | - | - | 67 | - |
| Cost of sale of real estate | (184) | (21) | (43) | (11) | (131) | (12) | (11) |
| Operating Expenses | (132) | (109) | (47) | (39) | (45) | (57) | (38) |
| Profit / (loss) before distribution to financiers / investors | 191 | 179 | 39 | (3) | 155 | 101 | 91 |
| Distribution to financiers / investors | (97) | (108) | (32) | (32) | (32) | (33) | (34) |
| Profit / (loss) for the period | 94 | 71 | 7 | (36) | 123 | 68 | 57 |

* During the year 2016, certain reclassifications have been made from other income to reversal of provisions for current and comparative period. Amount adjusted till Q3 2016 amounts to AED 8.2 M

- ❑ Total Revenue doubled for the 9 months ended 30 September 2016 when compared with same period in 2015 due to sale of land plots and operations of the associate company.
- ❑ The company recorded AED 94 million profit for the first nine months ending September 2016, compared to AED 71 million, representing a 32% increase over the same period last year.
- ❑ Rental Income and Share of results from associates improved in Q3-2016 when compared with the same period last year.

Group Income Statement YTD Comparative Analysis

AED in Million

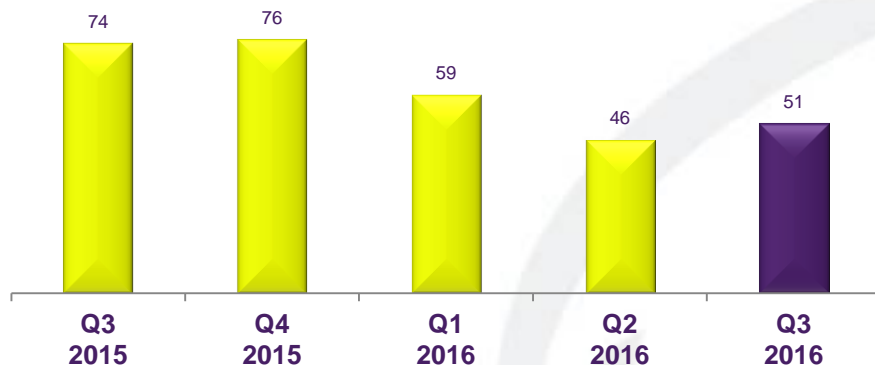


- ❑ Total revenue for the nine months period ended 30 September 2016, increased by 86% with company recording AED 625 million compared to AED 335 million for the same period last year.
- ❑ Revenue from financing business fell by 30% to AED 155 million as a result of a decrease in the size of the financing assets. The trend for early settlements has eased in Q3 and this trend is expected to continue going forward helping to stabilize the financing asset portfolio.
- ❑ Operating expenses for the first nine months period ended September 2016 increased by 9% to AED 111 million compared to AED 102 million for the same period last year. The increase, although marginal, was mainly relating to one off restructuring fees. This excluded AED 205 million (28 million for the same period last year) related to cost of sales and development of land plots.
- ❑ Profit distributable to financiers decreased from AED 108 million to AED 97 million for the nine months period ended September 2016. The decrease is a result of prepayment of scheduled payments made to financiers.
- ❑ The company recorded AED 94 million profit for the first nine months ending September 2016, compared to AED 71 million, representing a 32% increase over the same period last year.

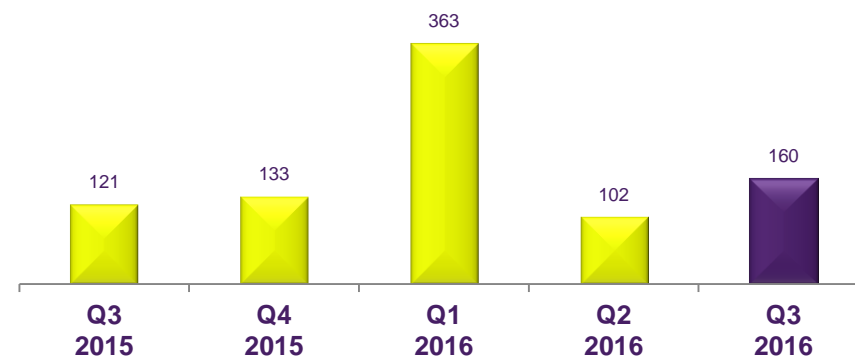
Group Performance – Quarterly Trends

AED in Million

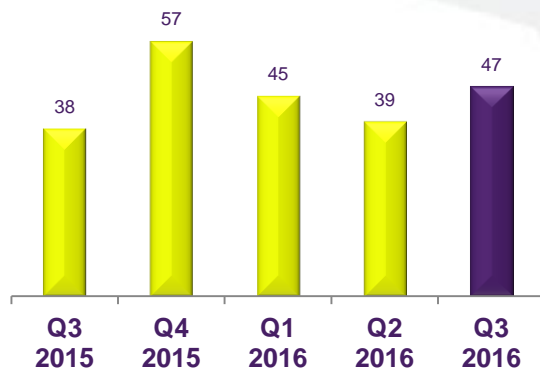
Income from financing and Investing assets



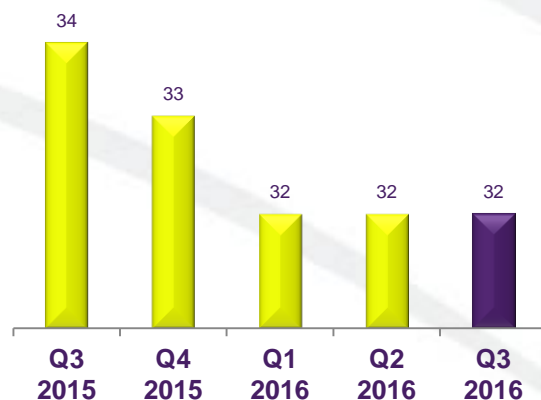
Total Income



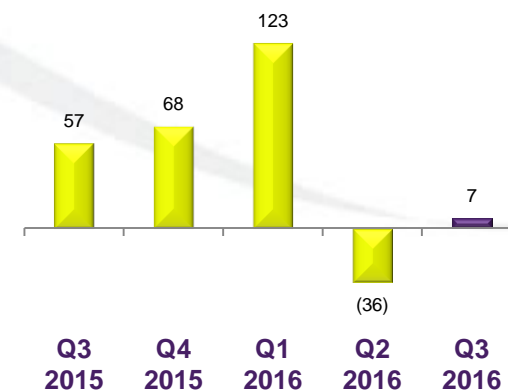
Operating Expenses



Distribution to financiers / investors



Profit / (loss) for the period



Consolidated Statement of Financial Position

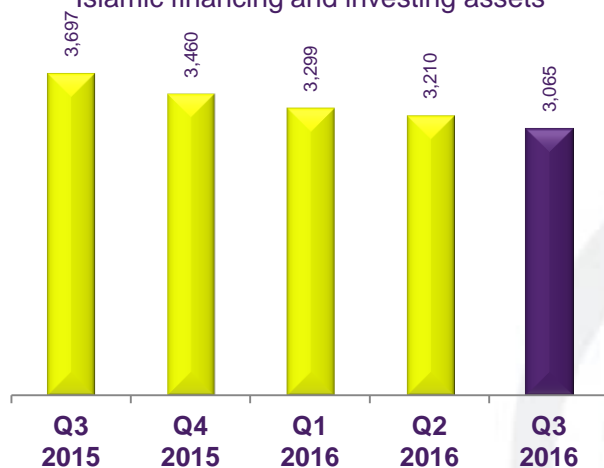
| Description | 30-Sep-16 | 30-Sep-15 | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | AED (M) | | 30-Jun-16 | 31-Mar-16 | 31-Dec-15 | 30-Sep-15 |
| Cash and balances with banks | 840 | 606 | 813 | 667 | 606 | 405 |
| Islamic financing and investing assets | 3,065 | 3,460 | 3,210 | 3,299 | 3,460 | 3,697 |
| Available-for-sale investments | 9 | 26 | 9 | 9 | 26 | 24 |
| Real Estate Assets | 2,263 | 2,411 | 2,286 | 2,282 | 2,411 | 2,243 |
| Investment in Associate | 287 | 282 | 279 | 288 | 282 | 274 |
| Other Assets | 211 | 103 | 184 | 213 | 103 | 77 |
| Total Assets | 6,674 | 6,888 | 6,781 | 6,757 | 6,888 | 6,721 |
| Investment deposits | 4,655 | 4,845 | 4,766 | 4,735 | 4,845 | 4,813 |
| Other liabilities (incl non-controlling interest) | 383 | 456 | 387 | 355 | 456 | 389 |
| Equity | 1,636 | 1,587 | 1,628 | 1,668 | 1,587 | 1,520 |
| Total Equity & Liabilities | 6,674 | 6,888 | 6,781 | 6,757 | 6,888 | 6,721 |

- ❑ Total assets fell by 3% to AED 6.67 billion as of end of September 2016 due to reducing financing portfolio.
- ❑ AMLAK's equity position increased from AED 1.52 billion to AED 1.64 billion, showing an increase of 3% on the back of robust earnings recognized since the beginning of 2016.

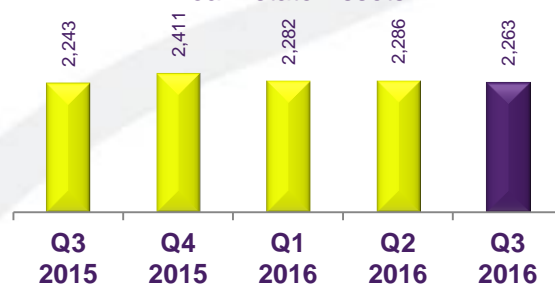
Financial Position – Quarterly Trends

AED in Million

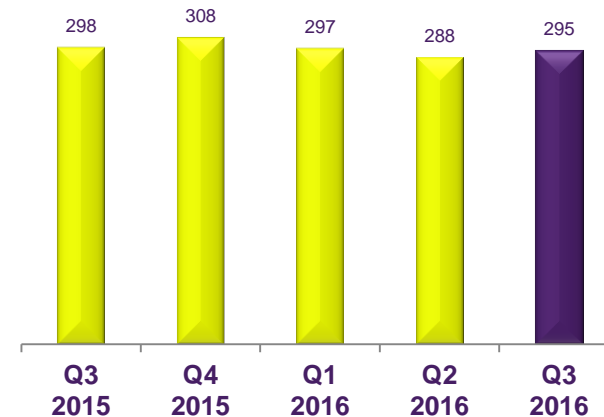
Islamic financing and investing assets



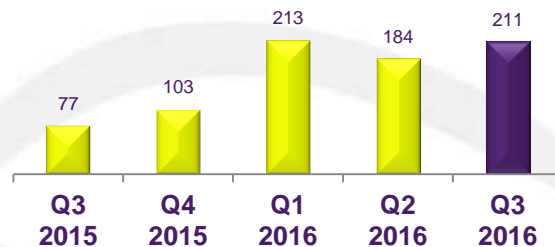
Real Estate Assets



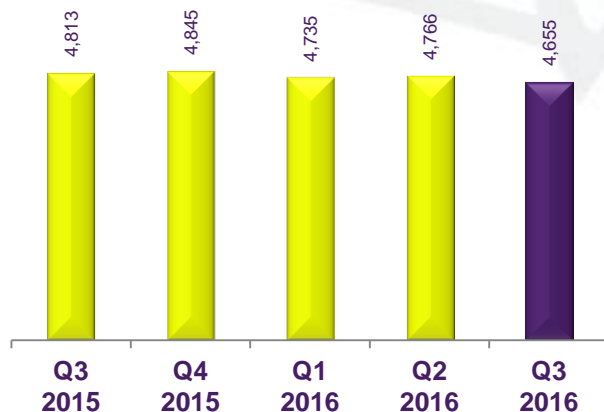
Corporate Investments



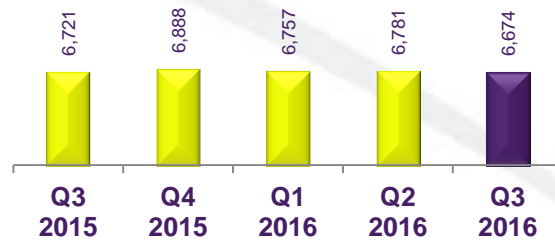
Other Assets



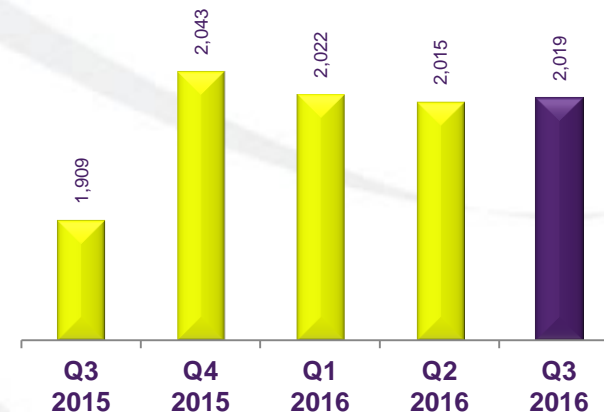
Investment deposits



Total Assets



Liabilities and Share Capital



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STRATEGY

Amlak's Strategic Direction

2016 +

Amlak pursues a strategy of sustainable growth, customer centricity and operational excellence, underpinned by prudence and corporate governance and responsibility:

Growth

- ❑ As a specialized real estate finance provider in the region, sustainable growth has been placed at the root of the corporate strategy. Key focus will be building up the financing book. Amlak also pursues creating long term value from its real estate portfolio by considering development of land parcels in conjunction with suitable partners in an effort to better and faster fulfill its restructuring commitment to its financiers.
-

Funding

- ❑ Optimum and sustainable long-term funding will remain as a critical focus for the organization which will underpin its balance sheet and profitability growth strategy. A number of on and off balance sheet options are being explored to raise funds to be utilized towards new asset originations.
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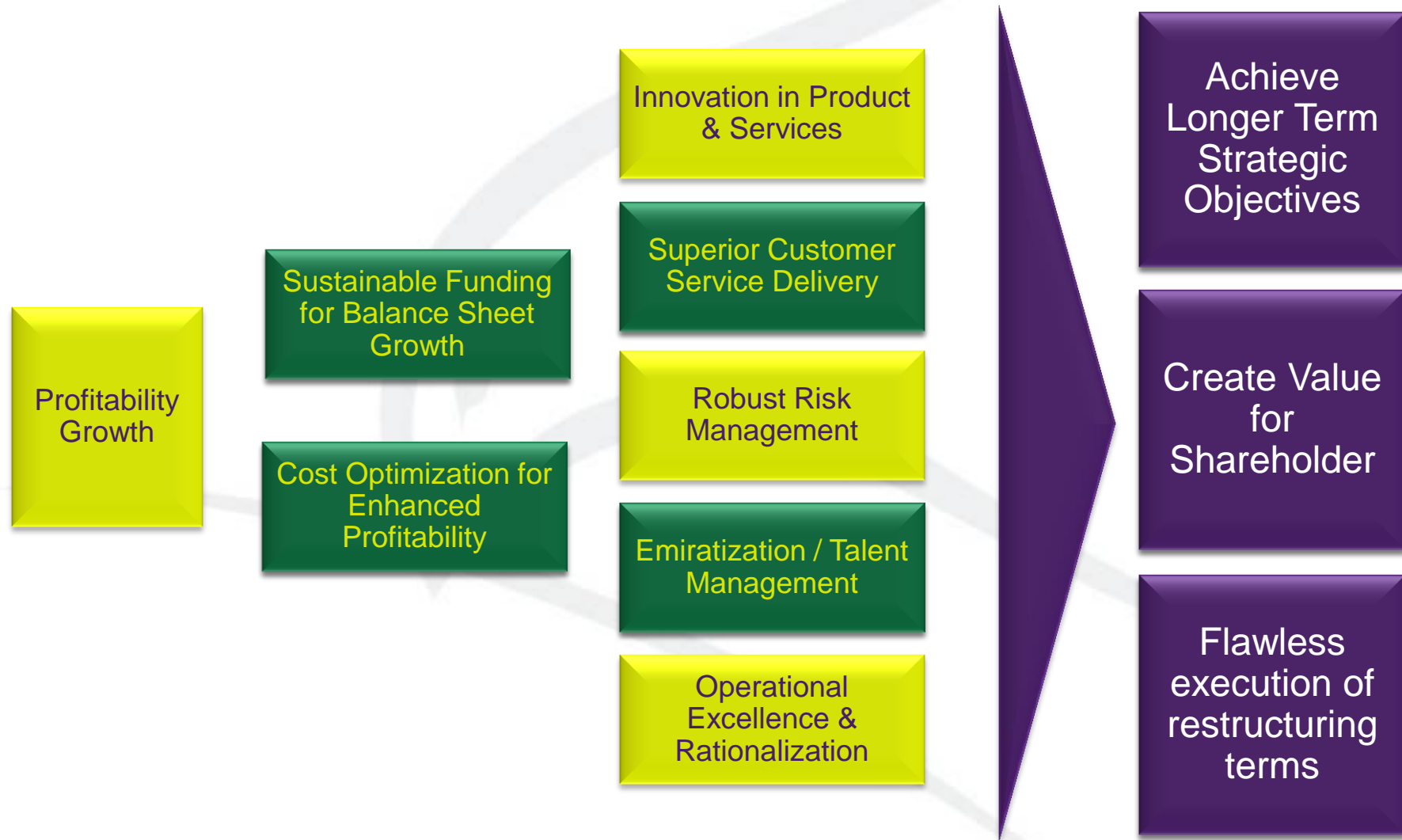
Value Propositions

- ❑ Differentiated, innovative products in the retail mortgage landscape based on customer needs are the focus of the organization in 2016 and beyond. Key targets will be UAE residents and non-residents for residential and commercial financing, particularly the investor customer segments.
-

Organizational Capabilities

- ❑ Improving customer service delivery through technology, targeted product development, robust risk management, progressive staff development and talent management as well as boosting corporate brand will be the other main strategic priorities.

2016 Priorities



AMLAK AT A GLANCE

Amlak Finance was established in 2000 as a leading specialized real estate financier under the regulation of UAE Central Bank.

Amlak became a listed company in 2004 on the Dubai Financial Market (DFM) under the regulation of Securities and Commodities Authority (SCA) and UAE Central Bank.

Amlak became a Sharia Compliant Finance Company in 2004.

Amlak operates in UAE, Egypt and with affiliation in Saudi Arabia.

In the UAE, Amlak's focus is on Dubai property market, in both freehold and leasehold areas.

Amlak provides innovative, Shari'a-compliant property financing products and solutions for end-users and investors for both ready and off-plan/under-construction properties.

To learn more about Amlak Finance, please visit our website: <http://www.amlakfinance.com>

Vision & Mission Statements

Our Vision

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

Our Mission

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

Business Segments

Real Estate Finance

- ☐ Retail Customers - ready & off plan financing
- ☐ Developers - project financing

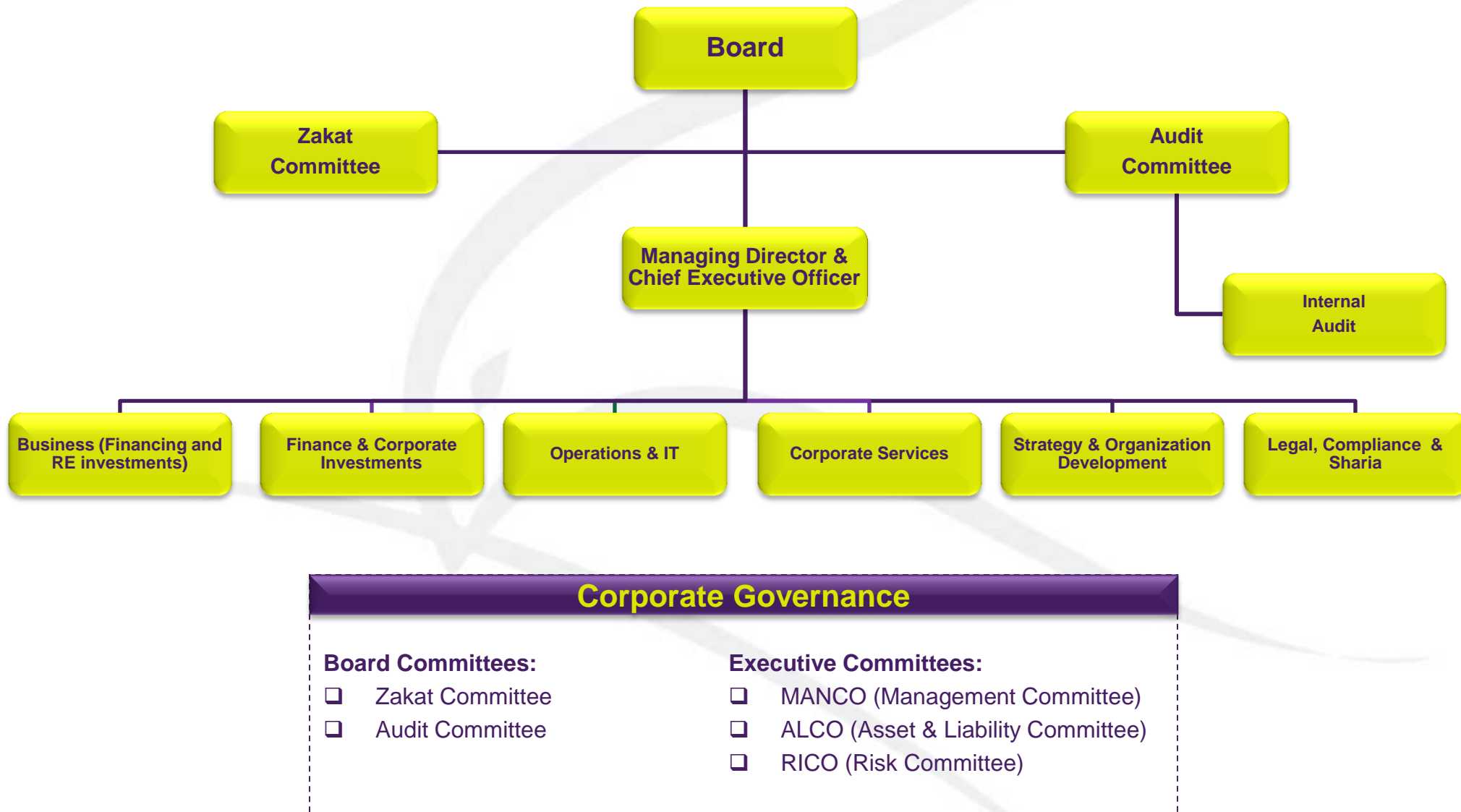
Real Estate Investments

- ☐ Land bank – with selected development
- ☐ Ready proprietary property
- ☐ Under development projects

Corporate Investments

Fully owned subsidiary in Egypt and associate company in KSA engaged in real estate financing activity

Organization Structure



Key Products and Services

Istithmari

- ❑ Amlak's 'Istithmari' is the first-of-its-kind Buy-To-Let property finance (Ijarah) 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.

End User Ijarah

- ❑ Our basic home finance product aimed towards end users for residential as well as commercial property in both ready and under-construction 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.

Tatweer

- ❑ Amlak 'Tatweer' is an off plan financing product for a Buy To Let property as well as for end users. Finance is supplemented by a complimentary full suite of property management services that comes into effect post completion of the property.

Developer Finance

- ❑ 'Developer Finance' is given for Amlak approved unfinished projects as an advance payment against future receivables or as an independent finance facility to complete the project.

Platinum Lifestyle Takaful

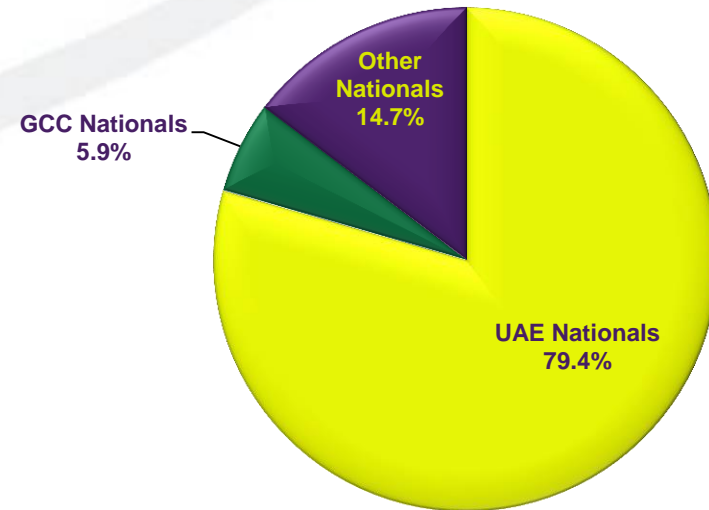
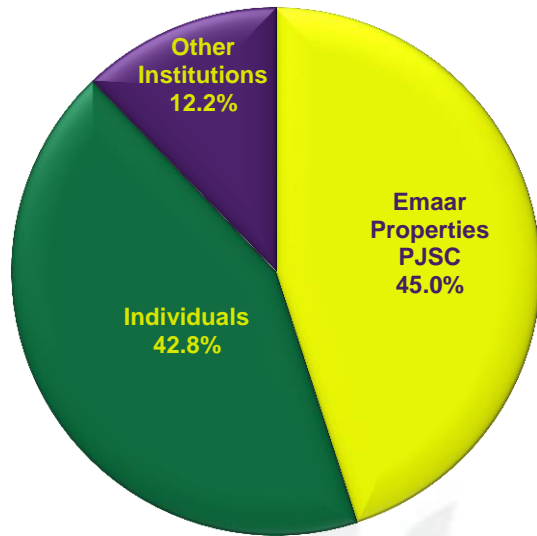
- ❑ 'Platinum Lifestyle Takaful' is a comprehensive Takaful plans package exclusively designed for all customers. The plans give protection against most property finance related perils and other value added lifestyle benefits.

Construction Finance

- ❑ 'Construction Finance' is offered to investors owning plots for construction with finance up to 50% of total project cost. It is packaged with value added services with support from Amlak's technical engineering team to assist in various stages of the construction project.

STOCK INFORMATION

Company Stock Information



Above charts represent shareholder ownership structure as of 24th April 2016.

Amlak's shares were re-admitted to Dubai Financial markets in June 2015 after more than 6 years of financial restructuring. The share price movements has followed the DFM general index and the banking sector.

As per latest Article of Association, foreign shareholding in the company cannot exceed 40% of the authorized share capital.

AWARDS

Awards – 2015/16

2015



2016

