



Amlak Finance PJSC

Investor Presentation

FY 2019

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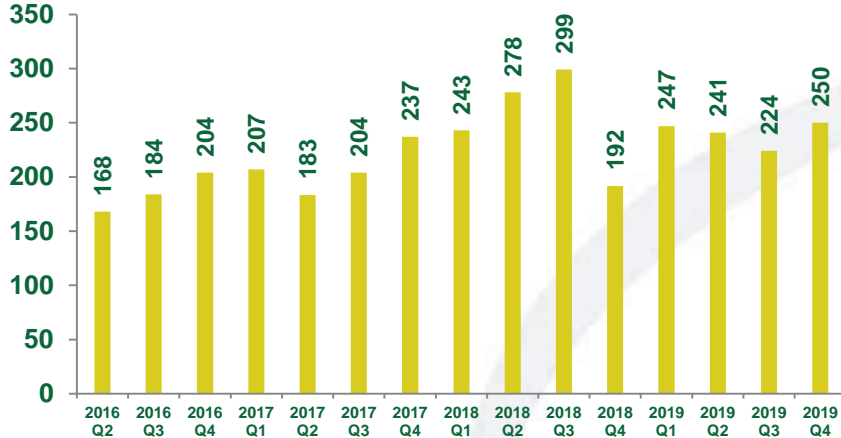
UAE and Dubai Economy

- The UAE's federal budget for 2020 will increase 2 percent from 2019's budget of AED 60.3 billion, with over 40 percent going to community development programmes.
- The Dubai Government approved the budget of AED 196 Billion from 2020 to 2022. For the fiscal year of 2020, the emirates approved a budget of AED 66.4 Billion which is the largest ever annual budget in Dubai's history.
- The Dubai government has also announced a special reserve of 3% [AED 2 Billion] of the total expected expenditure in 2020 to support the Expo 2020 event, which is expected to boost the economy and stimulate the real estate sector.
- Dubai's Department of Economic Development (DED) issued 14,737 new licenses in the first half of the year. Of the new licenses, 7,648 – 52 percent – were commercial, compared to 45 percent (6,722) that were professional, two percent (262) tourism related and one percent (105) industrial.
- Dubai welcomed 8.36 million international overnight visitors in the first six months of 2019, up 3 percent compared to the same period last year, according to official figures.



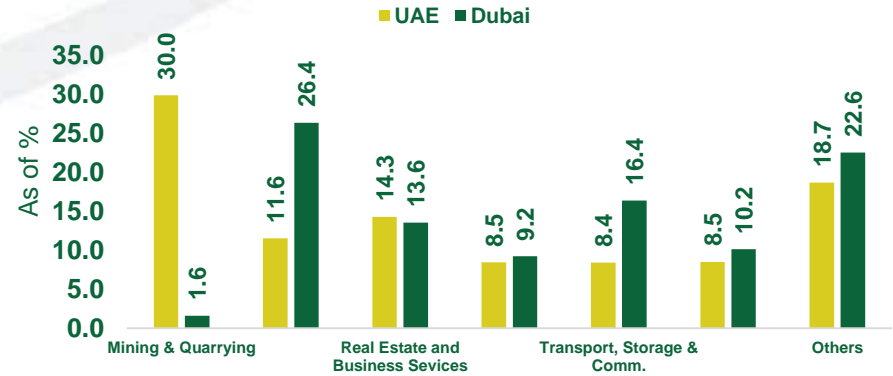
Key Economic Indicators

1 Brent OPEC Oil Basket Price in UAE (AED)



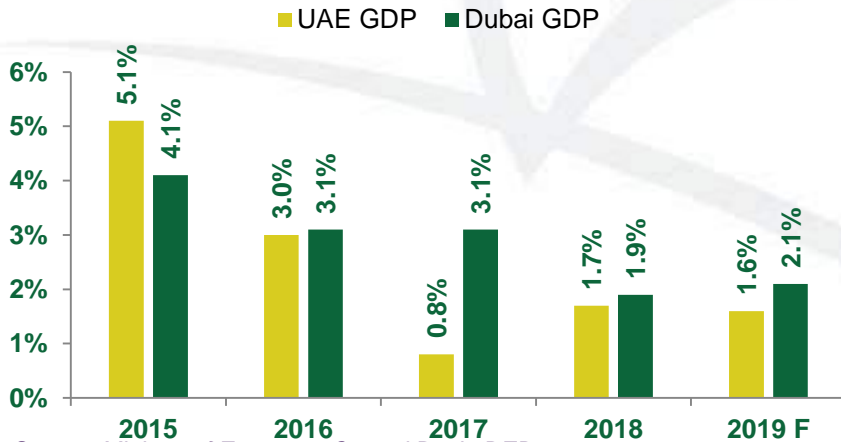
Source: Oilprice.com

Distribution of GDP Sectors (in %) – UAE & Dubai 2018



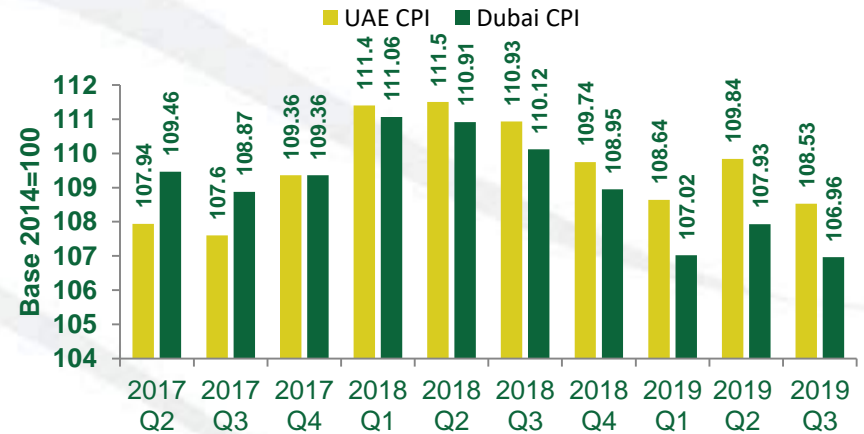
Source: Dubai Statistics Center, National Bureau of Statistics

UAE & Dubai GDP Growth Rates



Source: Ministry of Economy, Central Bank, DED

Consumer Price Index (CPI) – UAE & Dubai



Source: Dubai Statistics Center, National Bureau of Statistics

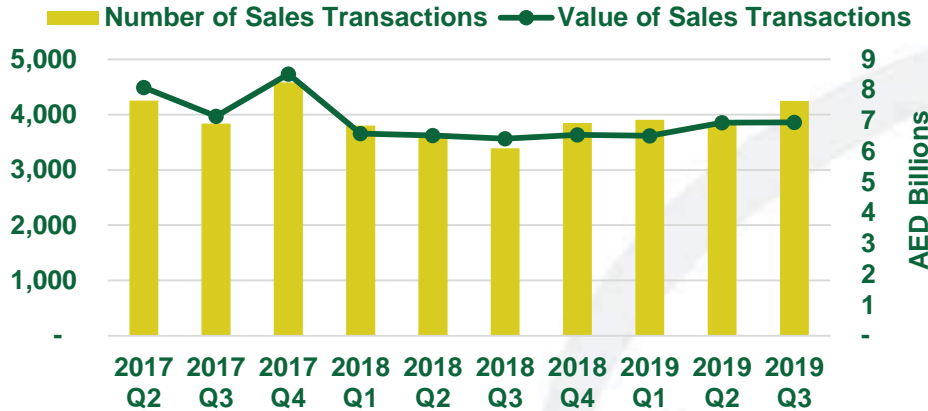
Dubai Real Estate Market

- Around 4,200 units have entered the Dubai real estate market in Q3 2019.
- Almost, 74% of the projects launched this year are by Tier 1 developers. When compared to the same period last year only 43% of the projects were by Tier 1 developers. Materialization rate has fallen to 35% compared to the historic average of 40%.
- Volume of secondary & off-plan residential and commercial transactions have risen by 25 percent & 70 percent on a yearly basis.
- On a quarterly basis, Selling and Rental prices in the residential segment have declined by 0.5 per cent and 2.6 per cent respectively.
- The Dubai government has recently launched a new real estate committee to minimize the gap between demand and supply. The committee will also coordinate supply and demand between private and government-backed developers. The announcement of the real estate planning committee has improved the overall market sentiment.
- Both private and government-backed developers in Dubai are holding back on new project launches and are focused on selling their existing inventory. Around 9,400 new units have been launched in the first 9 months of 2019, during the same time last year around 11,600 new units were launched. The number of new units launched are down by 19%. The limited number of new launches will the market stabilize in the long run.



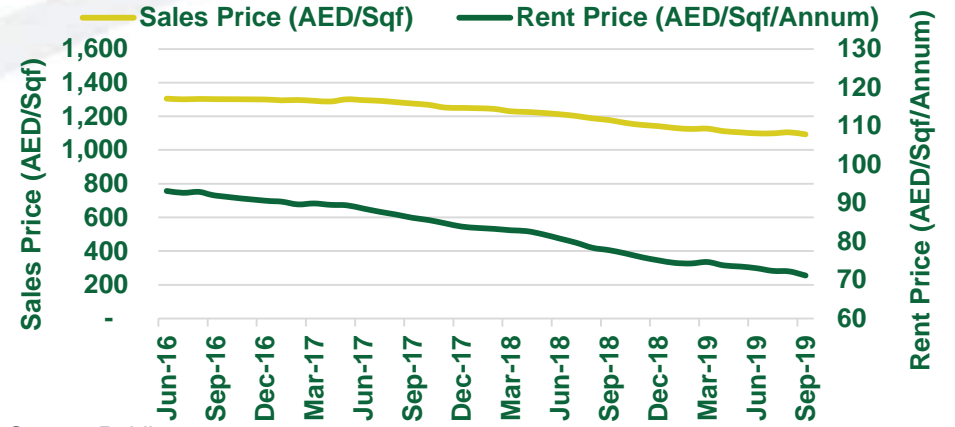
Key Real Estate Indicators

Number and Value of Real Estate Transactions



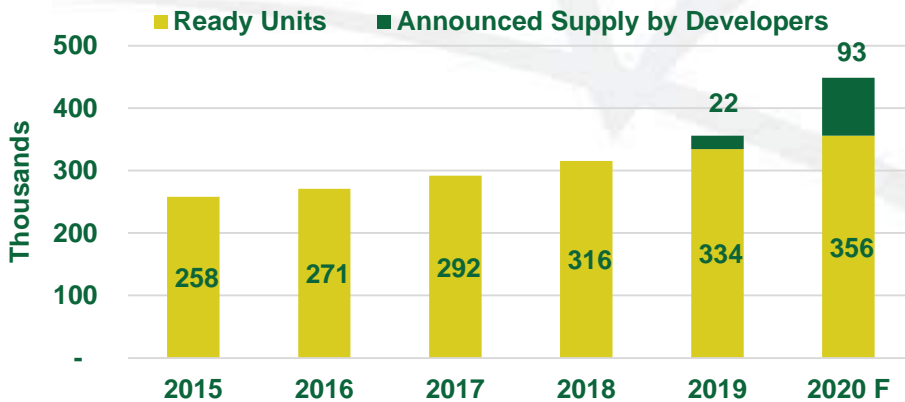
Source: Reidin

Dubai Residential Sales and Rental Price Changes



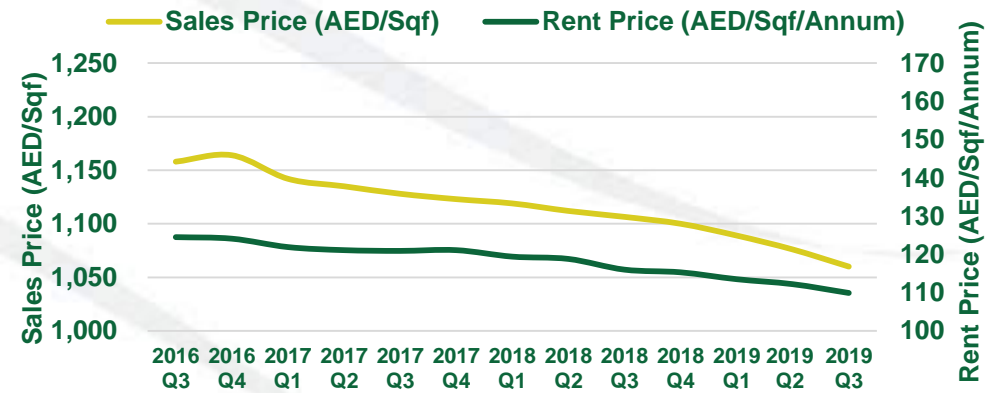
Source: Reidin

Dubai Residential Supply Trends (Freehold Areas)



Source: Reidin

Dubai Commercial Rental Prices

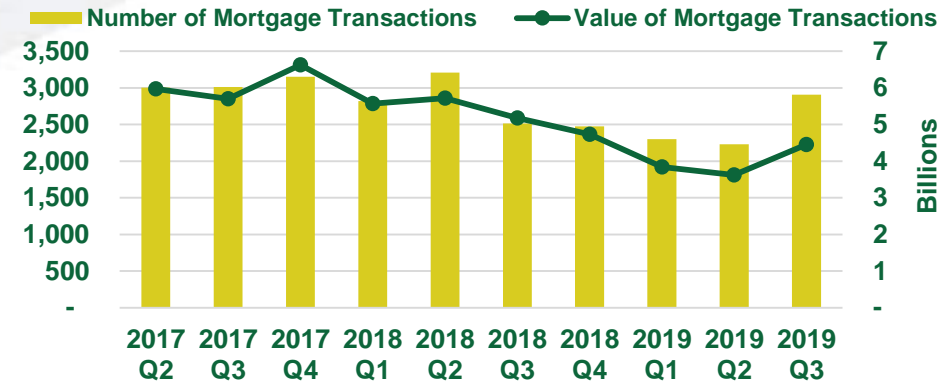


Source: Reidin

Dubai Mortgage Market

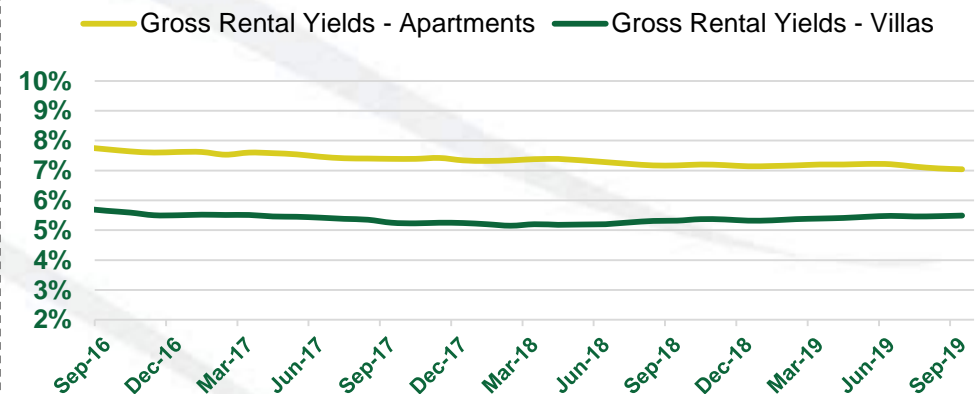
- The UAE Central Bank removed the 3 per cent early settlement fee for mortgages introduced last year and reverted to a 1 per cent, or Dh10,000, cap as part of a series of moves aimed at easing home loan rules.
- Value of Residential and Commercial mortgages registered valued at AED 4.5 Billion in Q3 2019, up quarter on quarter by 23 percent.
- As of September 2019, the gross rental yields for the apartment segment stands at 7.0% while the villa segment currently provides a yield of 5.5%. Gross Rental Yields have marginally decreased on a quarterly basis.
- Despite price declines over the last few years, Dubai still provides investors with higher yield when compared to other emerging markets.

Mortgage Transactions Over the Years



Source: Reidin

Rental Yields in Dubai



Source: Reidin

Company Profile

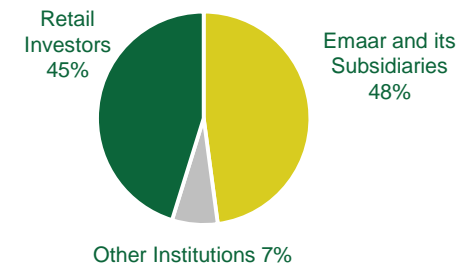
Background

- 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

Company	Location	% Shareholding
Amlak Property Investment LLC	UAE	100%
Amlak Capital LLC	UAE	100%
Amlak Holding Limited	UAE	100%
Warqa Heights LLC	UAE	100%
Amlak Sky Gardens LLC	UAE	100%
EFS Financial Services LLC	UAE	57.5%
Amlak Limited	UAE	100%
Amlak Finance Egypt Company S.A.E	Egypt	100%
Amlak Nasr City Real Estate Investment LLC	Egypt	100%
Amlak International for Real Estate Finance Company	KSA	26.21%

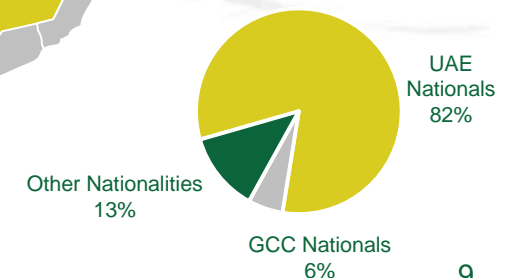
Ownership Structure



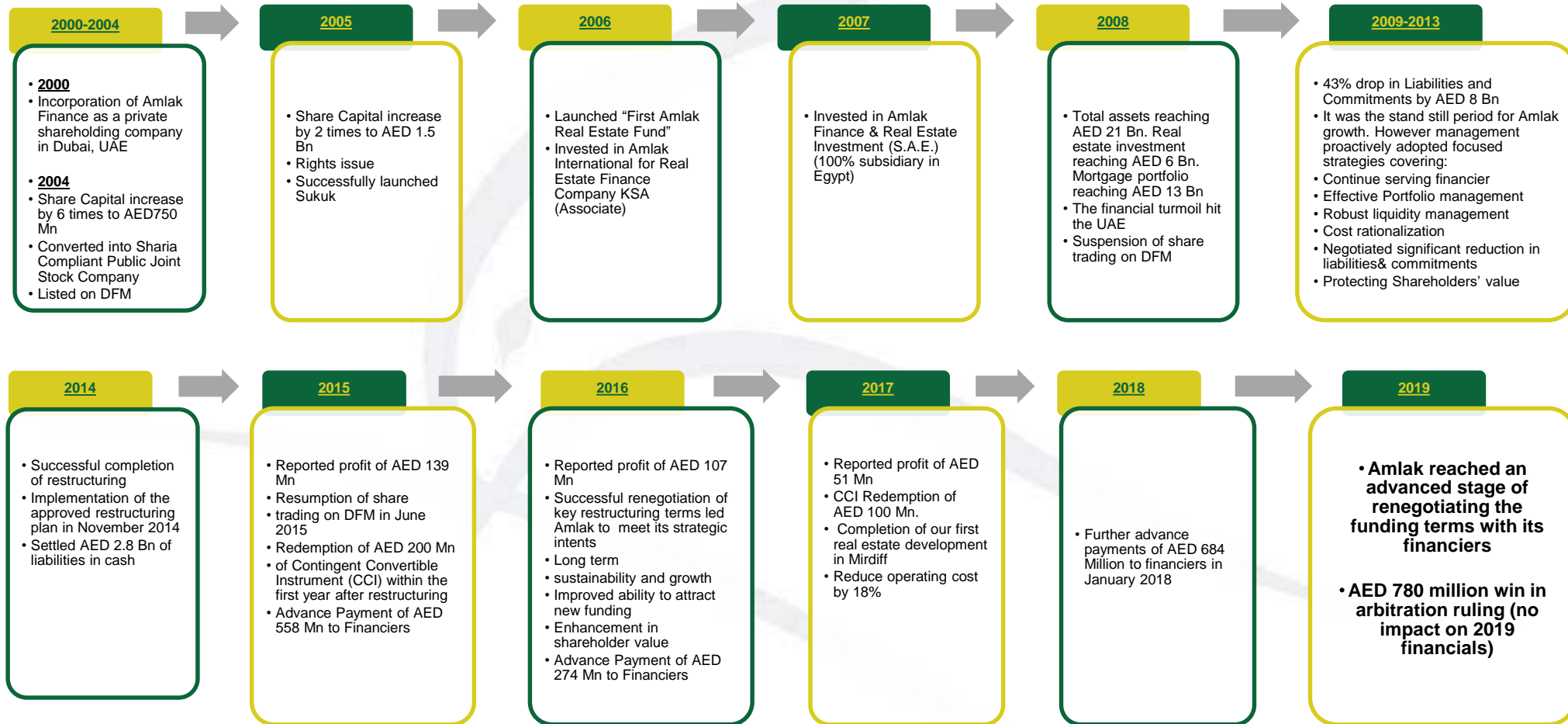
Geographic Presence



Nationality of Ownership



Through The Years



Key Strategies

Strategic Priorities

Strategic Intents

Strategic Metrics

Restructuring

- Renegotiation with financiers to ensure long term growth of the Company and ensuring full compliance with and adherence to revised agreement reached with the Depositors.
- Flawless implementation of restructuring milestones

Liquidity & Compliance

Profitability and Growth

- 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
- Exit real estate investments to limit real estate markets volatility impact and reinvest in generation of core revenue stream
- Enhance shareholder profitability through improved margins and sustained operational efficiencies

Remain Profitable

Sustainable Funding

- Secure funding from innovative sources 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

- Offer specialized and differentiated products, superior lead generation and excellent sales and service execution

Product Innovation

New Customer Segments

Organizational Capability

- Robust risk management to manage risks within risk appetite.
- Staff and talent development and retention as well as boosting corporate brand.

Customer Satisfaction

Cost Rationalization

- 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 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”



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.

Stakeholders Priorities



Business Overview

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

Business Segments

Real Estate Finance (REF)

Ready Property

- Ready Property Financing
- Ready property portfolio (Repossessed units)
- Customer centricity, relationship management and property management

Private Construction

- Private Construction Financing
- Management of under construction projects
- Customer centricity
- End to end customer solution

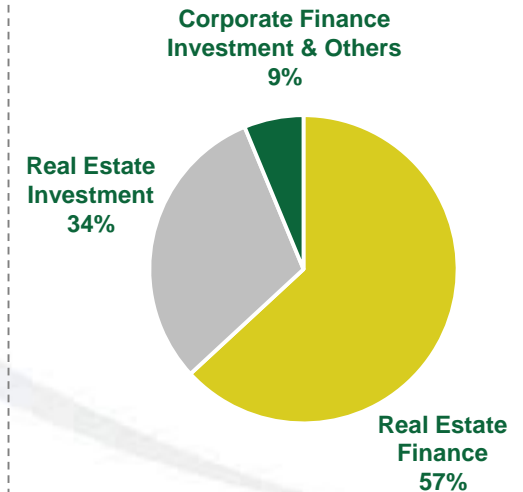
Real Estate Investment (REI)

- Includes investment in ready property, land parcels and properties under development
- Proactive property management to enhance value
- Development of land parcels

Corporate Finance and Investment (CFI)

- Includes Amlak Finance Egypt Company S.A.E. (Subsidiary - Egypt)
- Includes investment in Amlak International for Real Estate Development and Finance Company (Associate - KSA)
- Other Investments (Private Equity and Funds)

Segment Asset Mix – Q3 2019



Segment Strategy

Real Estate Finance (REF)

Key Metrics	Actual Q3 2019	Targeted 2020
Portfolio Level	AED 2.2Bn	AED 2.2Bn
Delinquency Rate	5.9%	5%
Rental Income	AED 20Mn	AED 20Mn

Ready Property

- 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
- Exit Amlak Finance Investment Unit (AFIU) repossessed assets
- Improve portfolio quality

Private Construction

Focus on higher-margin business with aim to capture larger market share of this untapped segment

Real Estate Investment (REI)

Key Metrics	Actual Q3 2019	Targeted 2020
Rental Income	AED 24Mn	AED 19Mn
Rental Yield	4.5%	5%
Mark to Market (MTM) on real estate assets	AED 127Mn	AED (50)Mn
Development Completion % - Nad Al Hamar	70%	100%
Development Completion % - Al Ttay	100%	NA

- Focus on value creation by continuing to develop land parcels
- Maintain high asset yield and low vacancy rates for ready properties
- Enhance property management offering

REI Portfolio

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

Corporate Finance & Investment (CFI)

Key Metrics	Actual Q3 2019	Targeted 2020
Dividend Income	AED 17Mn	AED 2Mn
KSA IPO Sale %	-	30%
Return on Investment (ROI)	7.6%	8.4%

- Focus on exiting non-core investments

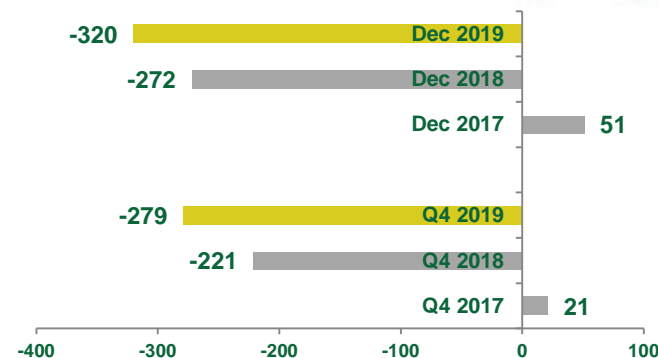
Group Income Statement

AED in Mn

Particulars	Q4 2019	Q4 2018	Q4 2019 vs. Q4 2018		Dec 2019	Dec 2018	Dec 2019 vs. Dec 2018	
			Variance	Change in %			Variance	Change in %
Income from Financing and Investing assets	41	42	(1)	-2%	172	174	(2)	-1%
Rental income	13	16	(3)	-19%	57	64	(7)	-11%
Sale of properties under development	-	-	-	-	-	61	(61)	-100%
Fair value gain / (loss) on investment properties	(91)	(10)	(81)	-810%	(18)	(35)	17	-49%
Loss on sale of investment properties	(8)	0	(8)	-	(18)	-	(18)	-
Other Income	24	2	22	1100%	50	22	28	127%
Total Income	(19)	56	(75)	-134%	260	307	(47)	-15%
Reversal of impairments / (impairments)	(36)	(17)	(19)	112%	(111)	(59)	(52)	88%
Amortisation of initial fair value gain on investment deposits	(22)	(26)	4	-15%	(96)	(110)	14	-13%
Operating Expenses	(29)	(59)	30	-51%	(117)	(145)	28	-19%
Cost of sale of properties under development (including related operating expenses)	(146)	(146)	-	-	(146)	(153)	7	-5%
Share of results of an associate	2	6	(4)	-67%	17	21	(4)	-19%
Profit Before Distribution to financiers / investors	(252)	(192)	(60)	31%	(210)	(160)	(50)	31%
Distribution to financiers / investors	(27)	(29)	2	-7%	(110)	(112)	2	-2%
Profit / (Loss) for the year	(279)	(221)	(58)	26%	(320)	(272)	(48)	18%

Dec stands for 12 months of the year (i.e. 12 months from Jan to Dec) .Q4 stands for the Fourth quarter of the year only (i.e. 3 months Oct to Dec)

Profit / (Loss) for the period



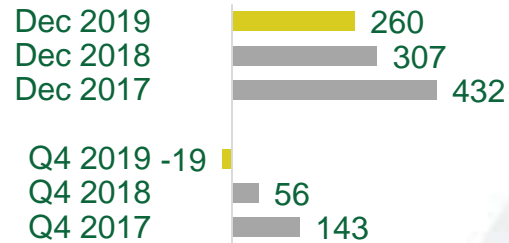
Highlights

- Total revenues of 2019 amounted to AED 260 million; a decrease of 15% compared to 2018.
- Revenues from financing business activities down by 1% to AED 172 million in 2019 compared to AED 174 million in 2018.
- The company reported net loss of AED 320 million in 2019 compared to AED 272 million net loss in 2018.
- Operating costs remained under control amounting to AED 117 million when compared to last year.
- Impairment charge of AED 111 million on Islamic Financing Assets compared to AED 59 million in same period last year; this increase in impairment is mainly due to a financial default of one developer.

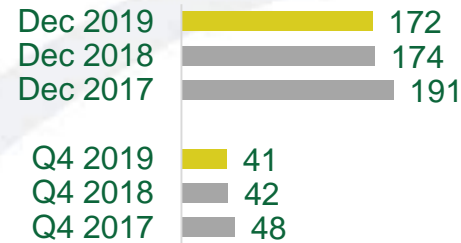
Group Income Statement (cont'd)

AED in Mn

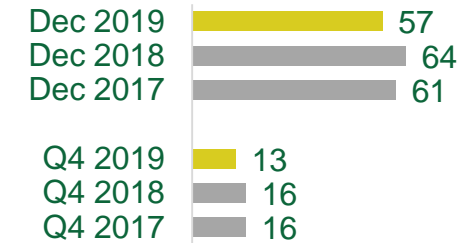
Total Income*



Income from Financing and Investing Assets

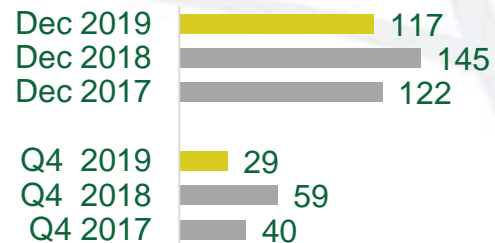


Rental Income

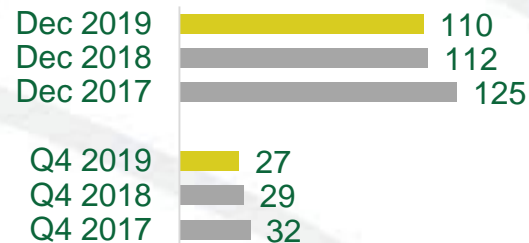


*Including Share of Results

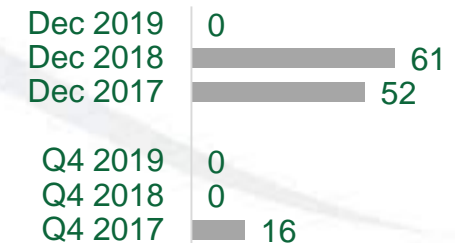
Operating Expenses



Distribution to Financiers/ Investors



Net Gain on Sale of Properties Under Development



Group Balance Sheet

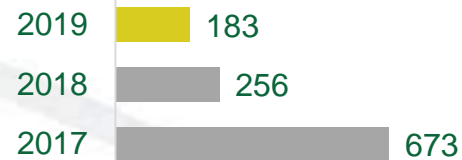
AED in Mn

Particulars	YE 2019	YE 2018	YE 2019 vs. YE 2018	
			Variance	Change in %
Cash and Balances with Banks	183	256	-73	-29%
Islamic Financing and Investing Assets	2,435	2,704	-269	-10%
Real Estate Investments	2,320	2,396	-76	-3%
Corporate Investments	297	297	0	0%
Other Assets	72	84	-12	-14%
Total Assets	5,307	5,737	-430	-7%
Investment Deposits and Other Islamic Financing	4,171	4,330	-159	-4%
Other Liabilities (Incl Non-Controlling Interest)	429	403	26	6%
Equity	707	1,005	-298	-30%
Total Equity & Liabilities	5,307	5,737	-431	-8%

Highlights

- Total assets of Amlak stand at AED 5.3 billion FY 2019 (2018: AED 5.8 billion) and total liabilities at AED 4.5 billion (2018: AED 4.6 billion)

Cash and Balances with Banks



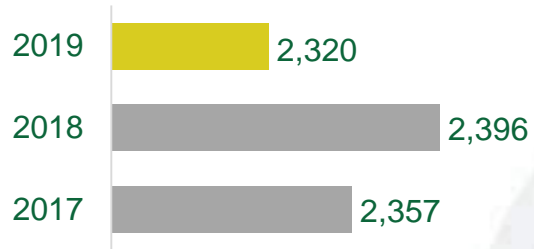
Islamic Financing and Investing Assets



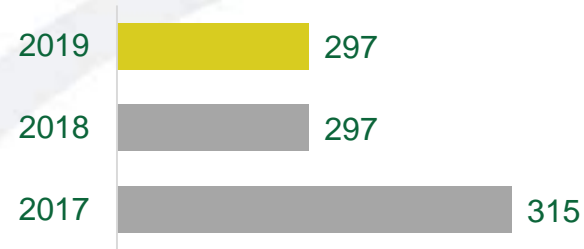
Group Balance Sheet (cont'd)

AED in Mn

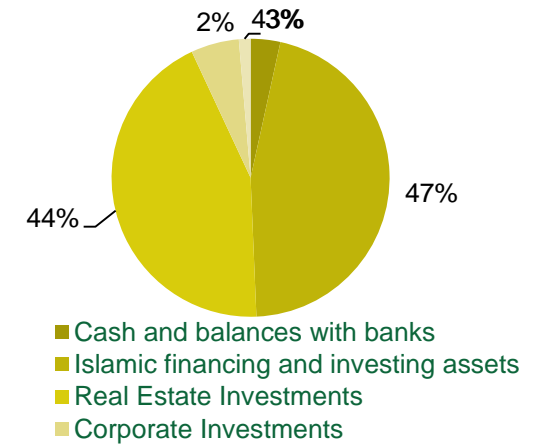
Real Estate Investments



Corporate Investments



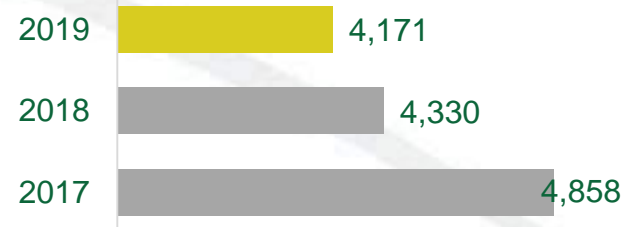
Assets Mix – Dec 2019



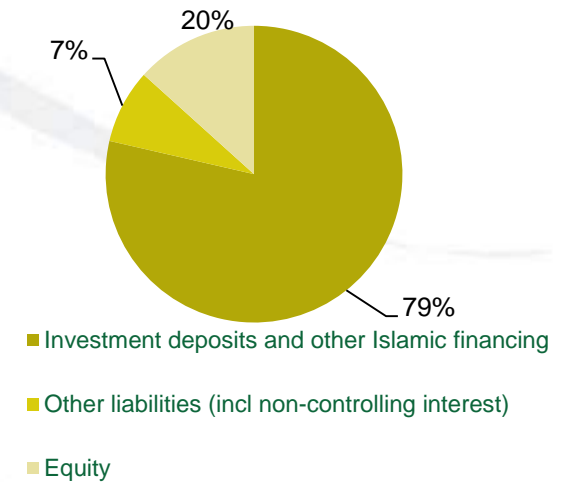
Total Assets



Investment Deposits and Other Islamic Financing

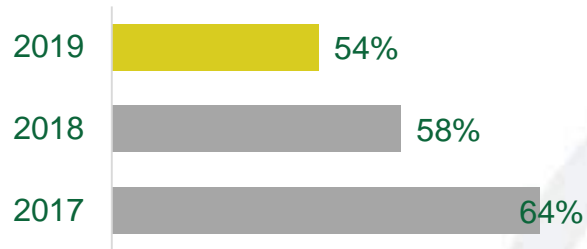


Liability and Equity Mix – Dec 2019

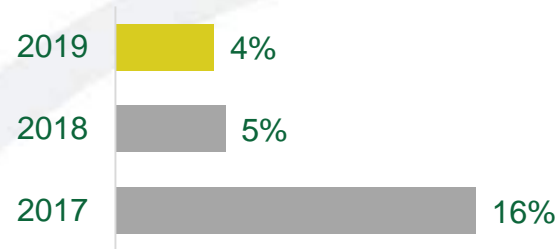


Financial Ratios

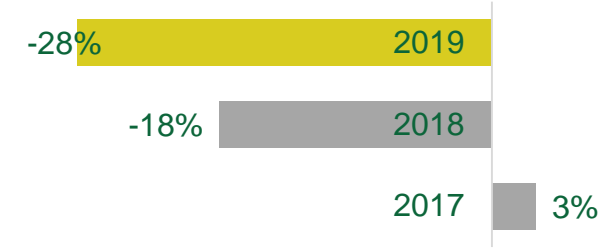
Net Financing to Deposit Ratio



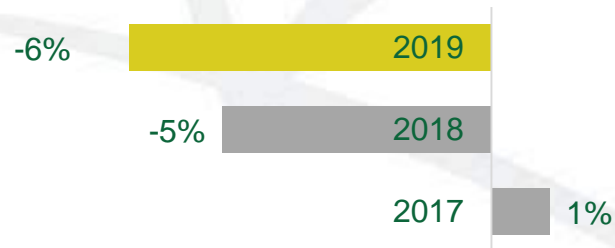
Liquid Assets to Total Assets Ratio



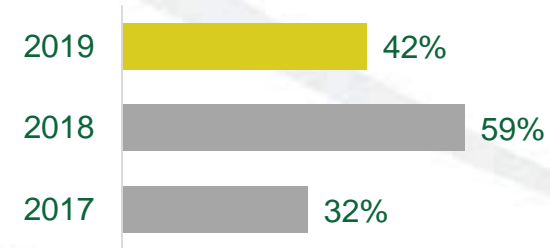
Return on Equity (ROE)



Return on Assets (ROA)



Cost to Income Ratio



Awards



2017

2018

2019



mea
Arif Alhariri
Amlak Finance PJSC
2017 UAE Leading Decision Makers Awards
Chief Executive Officer of the Year 2017 – Dubai

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

1. Global Islamic Business Award 2018
2. Dubai Chamber's CSR Label 2018
3. Best Islamic Finance CSR Company UAE 2018
4. Best Sharia Compliant Property Finance Company 2018
5. Best Real Estate Financier 2018 & Award for Excellence in Client-Focused Financial Services

1. Best Islamic Finance CSR Company UAE 2019
2. Best Sharia Compliant Property Finance Company UAE 2019

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

Ijarah 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.



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