



Press Release

Amlak Finance announces 2022 full-year financial results

- *Amlak FY22 net group profit stands at AED 476 million and total assets stand at AED 3.4 billion*
- *Debt settlement arrangements yielded AED 349 million net gain and contributed to total debt reduction of AED 1.07 billion (including Mudaraba Instrument of AED 228 million).*

Dubai, UAE: 14 March 2023: Amlak Finance PJSC today announced its full-year financial results for the year ended December 31, 2022. The company focused on prudently managing its UAE operations and balance sheet.

Amlak reported a net profit of AED 476 million for the year ended 31 December 2022 as compared to a net profit of AED 1,060 million for the year ended 31 December 2021.

Amlak's income for the year 2022 decreased by 7% to AED 552 million as compared to AED 596 million during the previous year, excluding the arbitration settlement income. Revenues from financing business activities for the year 2022 declined by 19% as compared to 2021 and stood at AED 127 million in 2022 (FY21: AED 157 million). Furthermore, net gain from debt settlement arrangements and successful closure of litigation cases generated a net gain of AED 379 million during 2022 (2021: AED 389 million).

The company's debt settlement arrangements, through cash and real estate assets swap, remained successful during the year, enabling two financiers to fully settle and three financiers to partly settle their exposure during the year ended 31 December 2022. The company recorded a net gain of AED 349 million on debt settlement arrangements and was able to reduce its debt burden by AED 1.07 billion (including Mudaraba instrument of AED 228 million).

Amlak's operating costs in 2022 decreased by 26% to AED 107 million as compared to the previous year (FY21: AED 144 million).

The company also continued to efficiently manage its obligations, including repayment of AED 119 million to financiers during 2022. To date, Amlak has settled 77% of its Islamic deposit liabilities including Mudaraba Instrument relating to financiers.

The company also recorded an amortisation cost of AED 55 million in 2022 compared to AED 64 million in 2021 on regular investment deposits. The amount of amortisation represents the



unwinding of fair value gains on initial recognition of investment deposits and varies according to the level of repayment and settlements made to the financiers in any reporting period.

As a result of debt settlement arrangements and repayments, the profit distribution to financiers decreased by 18% and stood at AED 71 million for 2022 as compared to AED 87 million for 2021.

In the region, Amlak's investment in Egypt witnessed the devaluation of the Egyptian Pound against AED which impacted the group's financial position. In KSA, the investment yielded an income of AED 17 million.

Commenting on the results, **Mr. Ali Ibrahim Mohammed, Chairman of Amlak Finance PJSC**, said: "In the last year, we have witnessed remarkable growth across the country thanks to an improving market sentiment, rising consumer confidence and restored appetite across the real estate sector, and our results are in line with this promising growth. We recorded strong profits throughout the year, further strengthening and solidifying Amlak Finance's financial position, which is testament to the robustness of our business strategy, prudent operations and balance sheet management and the hard work of all our employees. It is noteworthy to mention the success of our debt settlement program, among the year's key achievements.

Mr. Arif Albastaki, CEO of Amlak Finance PJSC, said: "During 2022, we have continued to demonstrate Amlak Finance's strong resolve and resilience, achieving a number of significant milestones over the course of the year. The year was marked with the success of our debt settlement program resulting in full settlement of two financiers and a net gain of AED 349 million, further deleveraging financial obligations. Our teams persevered, successfully recovering AED 129 million in legal recoveries while we also continued our focus on improving customer satisfaction and experience as well as on employee welfare, training and career development. Furthermore, we remained committed on enhancing our operations across Egypt through increased alignment with our UAE operations. We maintain our optimistic outlook and focus on targeting further growth, value-creation and financial sustainability."

- Ends -

Amlak Finance PJSC

Since its establishment in November 2000 as the region's pioneer financial services provider, Amlak Finance has provided its customers with innovative, Sharia-compliant property financing products and solutions designed to meet the rapidly evolving market demands.

For more information, please visit www.amlakfinance.com

Media Inquiries:



Andrea Benton
Group Account Director, Hill + Knowlton Strategies
Tel: +971 52 440 7034
Email: Andrea.Benton@hkstrategies.com

Faduma Muse
Account Manager, Hill + Knowlton Strategies
Tel: +971 58 8367164
Email: Faduma.Muse@hkstrategies.com