



## **Press Release**

### **Amlak Finance announces First Quarter 2023 financial results**

- *Amlak Q1 2023 net group profit up by 8% compared to the same period last year*
- *Debt settlement arrangements yielded AED 30 million net gain and contributed in total debt reduction of AED 94 million (including Mudaraba instrument of AED 21 million).*

**Dubai, UAE: 10 May 2023:** Amlak Finance PJSC today announced its quarterly financial results for the period ended March 31, 2023. The company focused on prudently managing its UAE operations and balance sheet.

Amlak reported a net profit of AED 14 million for Q1 2023 as compared to net profit of AED 13 million for Q1 2022. Amlak's total income for Q1 2023 increased by 11% to AED 74 million as compared to AED 67 million in Q1 2022. Revenues from financing business decreased by 16% to AED 30 million during Q1 2023 as compared to AED 35 million in Q1 2022.

The company's debt settlement arrangements, through cash, remained successful during the period, enabling three financiers to fully settle their exposure during the period ended 31 March 2023. The company recorded a net gain of AED 30 million on debt settlement arrangements and was able to reduce its debt burden by AED 94 million (including Mudaraba instrument of AED 21 million)

Amlak's operating costs increased in 2023 by 47% to AED 30 million in Q1 2023, compared to AED 21 million during the same period last year mainly due to one off expense related to asset held for sale.

The company also continued to efficiently manage its obligations, including repayment of AED 29 million to financiers during Q1 2023. To date, Amlak has settled 78% of its Islamic deposit liabilities including Mudaraba Instrument relating to financiers.

As a result of debt settlement arrangements and repayments, the profit distribution to financiers decreased by 24% and stood at AED 15 million for Q1 2023 as compared to AED 19 million for Q1 2022.

Further, the company also recorded lower amortisation cost of AED 12 million in Q1 2023 compared to AED 15 million in Q1 2022 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.



In the region, Amlak's investment in Egypt witnessed the devaluation of the Egyptian Pound against AED which impacted the group's financial position.

**- 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](http://www.amlakfinance.com)

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