AMLAK FINANCE PJSC

Investor Relations Quarterly Information Pack

31 March 2016

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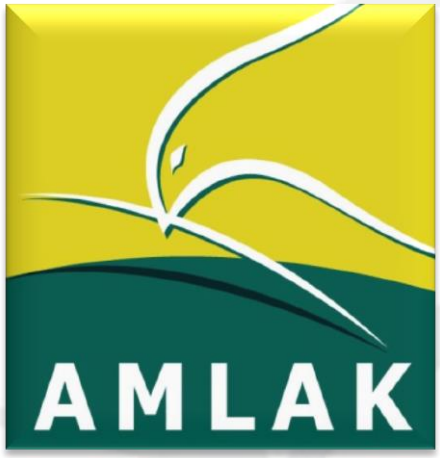


Sections

- FINANCIAL HIGHLIGHTS
- STRATEGY
- AMLAK AT A GLANCE
- STOCK INFORMATION

FINANCIAL HIGHLIGHTS

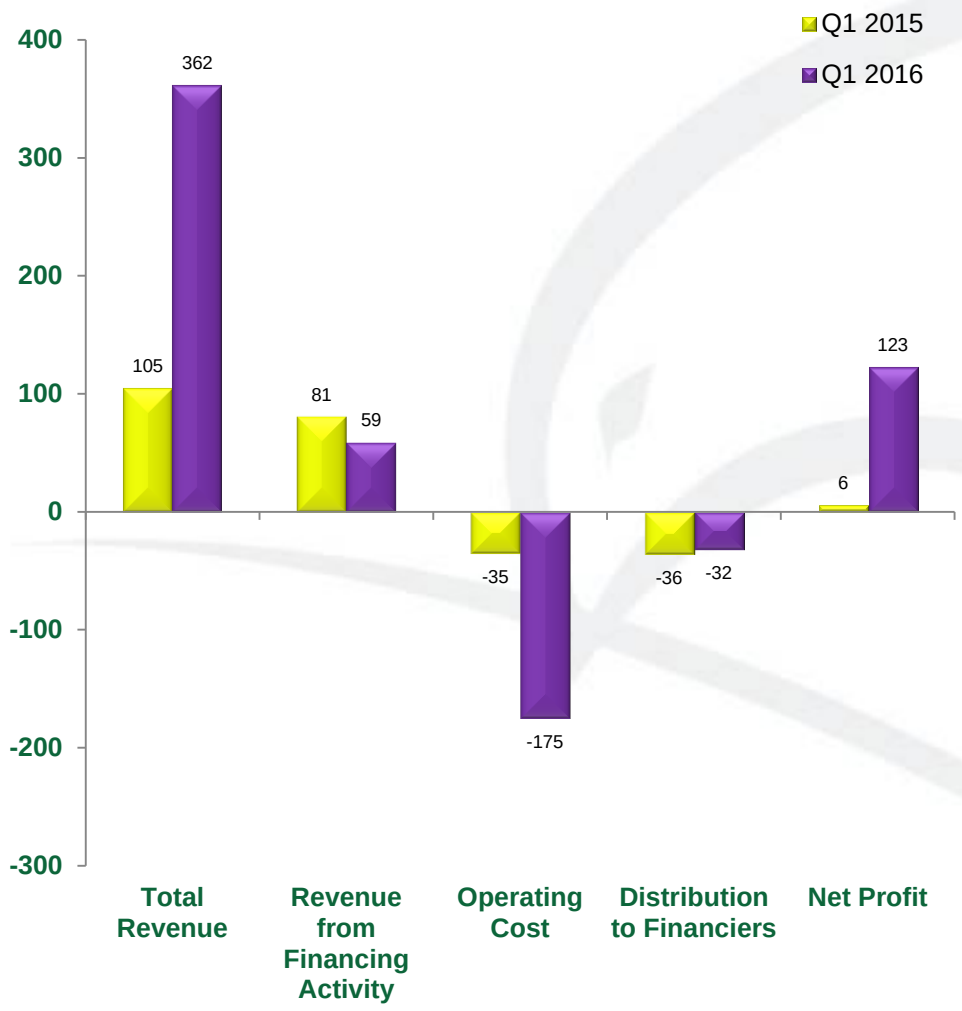
Group Performance Highlights – 1st Quarter

Description	Q1 2016	Q1 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
	AED (M)		AED (M)			
Income from financing and Investing assets	59	81	75	74	67	81
Rental Income	13	11	13	12	10	11
Fair value loss on investment properties	-	-	67	-	-	-
Share of results of associate	6	6	7	7	5	6
Sale of real estate	280	-	30	23	21	-
Other Income	4	7	6	7	13	7
Total Income	**362**	**105**	**131**	**123**	**116**	**105**
Impairment (reversals)	(32)	(28)	(27)	17	(24)	(28)
Operating Expenses*	(175)	(35)	(70)	(49)	(46)	(35)
Profit / (loss) before distribution to financiers / investors	**155**	**42**	**101**	**91**	**46**	**42**
Distribution to financiers / investors	(32)	(36)	(34)	(34)	(37)	(36)
Profit / (loss) for the period	**123**	**6**	**67**	**57**	**9**	**6**

- ❑ Revenue and Group profit improved further in Q1-2016.
- ❑ Rental Income improved given higher number of foreclosed units available for rental with a fall on other income from investment deposits.
- ❑ Share of Results from Associates held steady in Q1-2016.
- ❑ Operating expenses includes cost of sales (AED 130M) and operating costs (AED15M) related to the Nad Al Hamar Land Project.

Group Income Statement YTD Comparative Analysis

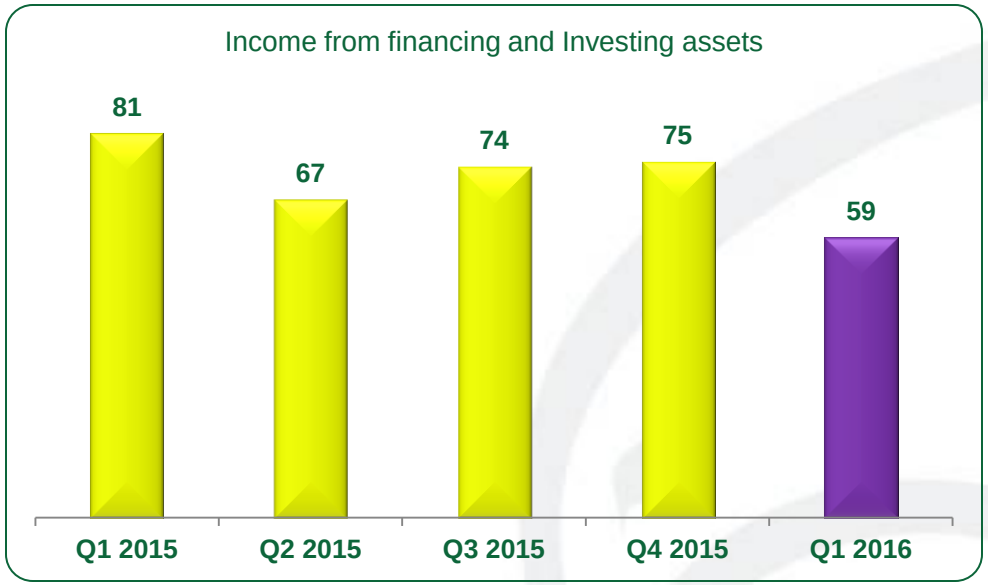
AED in Million

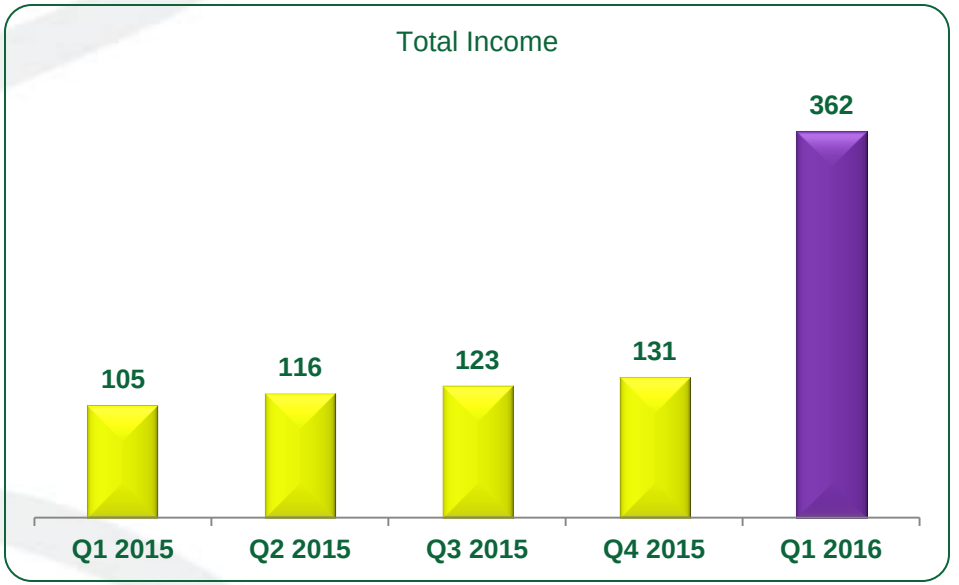


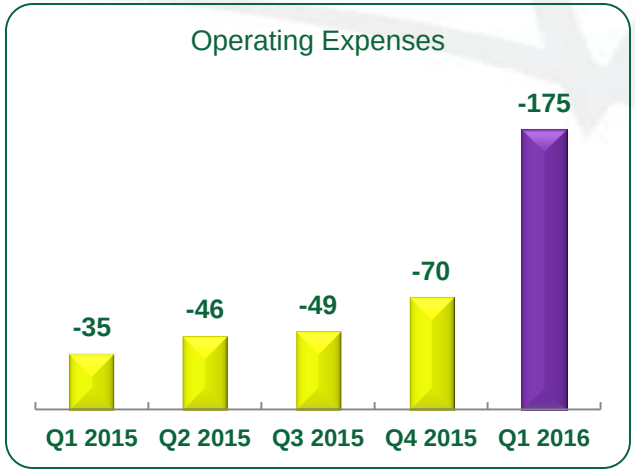
- Total revenue rose by 245% to AED 362M as compared to last year. This is due to income recognized in Q1 2016 from sale of real estate assets (Nad Al Hamar).
- Revenue from Financing Activity is AED 59M in Q1 2016, representing a 27% fall from the same period last year in view of lower financing (mortgage) book following customer repayments.
- Steady rise in rental income with slight increase in rental prices and further foreclosed units becoming available for rent.
- Operating expenses net of operating costs relating to Nad Al Hamar have reduced amounting to AED30M given robust cost management and savings in the quarter.
- Profit distributable to financiers improved by 11%, falling to AED 32M due to repayments of the Financiers Facilities.
- Net profit rose to AED123M in Q1 2016. This was due to income generated from the partial sale of land projects.

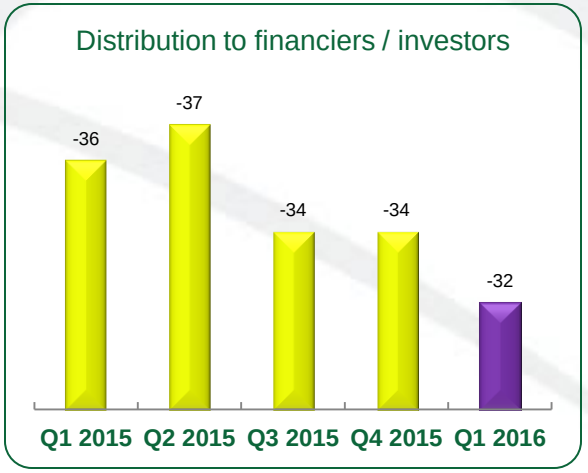
Group Performance – Quarterly Trends

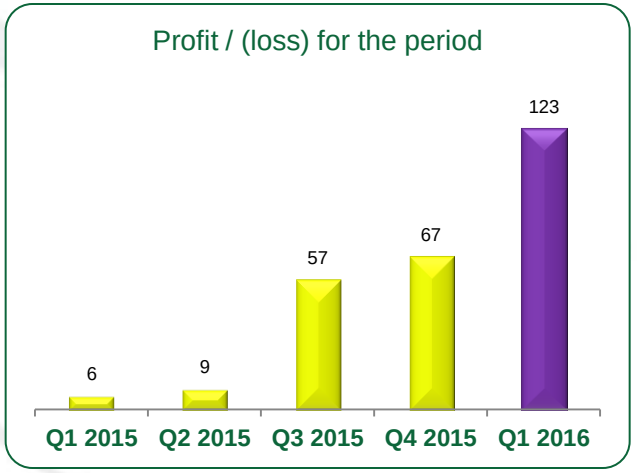
AED in Million











Consolidated Statement of Financial Position

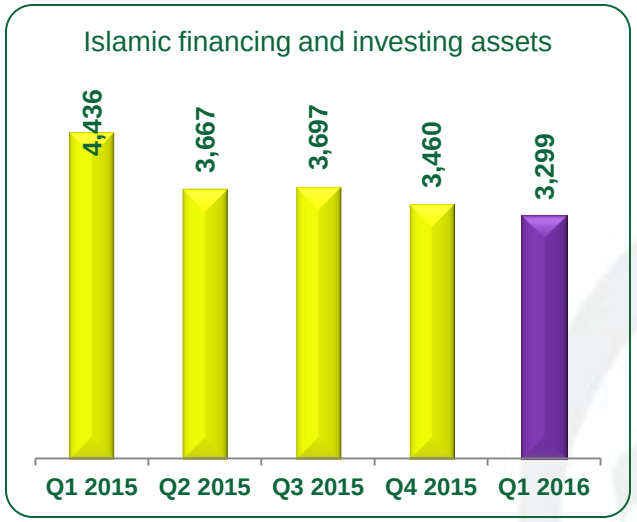
Description	31-Mar-16	31-Dec-15
	AED (M)	
Cash and balances with banks	667	606
Islamic financing and investing assets	3,299	3,460
Available-for-sale investments	9	26
Real Estate Assets	2,282	2,411
Investment in Associate	288	282
Other Assets	212	103
Total Assets	**6,757**	**6,888**
Investment deposits	4,735	4,845
Other liabilities (incl non-controlling interest)	354	456
Equity	1,668	1,587
Total Equity & Liabilities	**6,757**	**6,888**

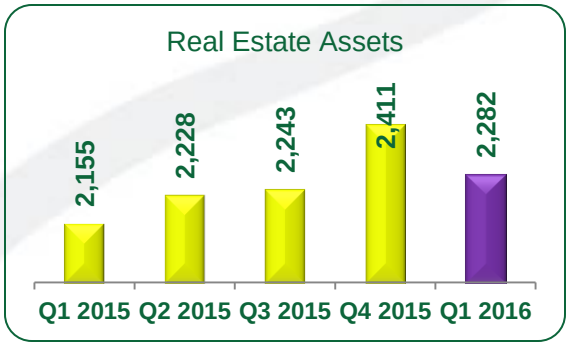
Year 2015			
31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15
AED (M)			
606	405	1,184	685
3,460	3,697	3,667	4,096
26	24	24	24
2,411	2,243	2,228	2,155
282	274	268	274
103	78	314	84
6,888	**6,721**	**7,685**	**7,318**
4,845	4,813	5,350	5,299
456	388	654	339
1,587	1,520	1,681	1,680
6,888	**6,721**	**7,685**	**7,318**

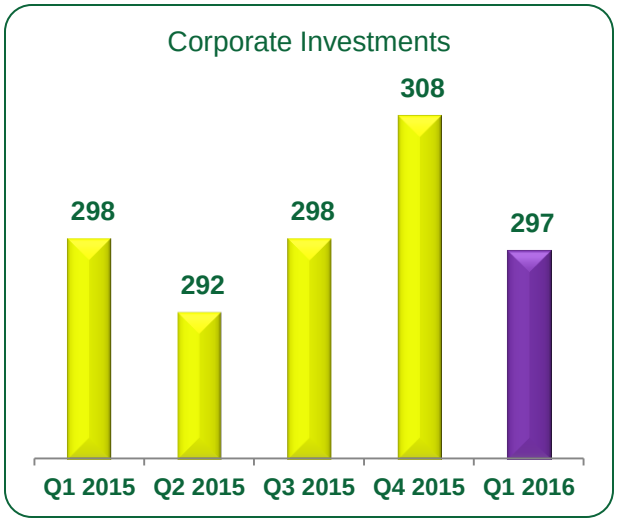
- Total balance sheet remains steady with Total Assets dropping by 2% in Q1 2016.
- Real Estate Assets declined by 5% due to sale of Nad Al Hamar land plots.
- Investment Deposits decreased 2.2% due to payments to financiers.
- Total Equity & Liabilities decreased by 2% in Q1 2016.

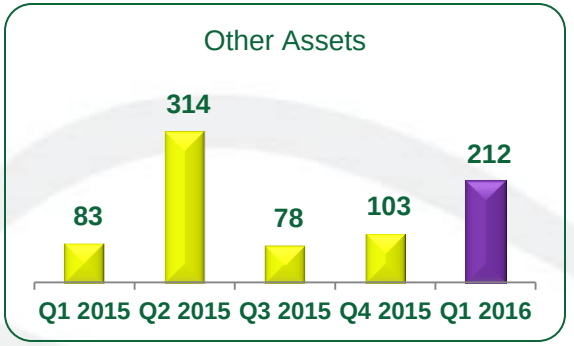
Financial Position – Quarterly Trends

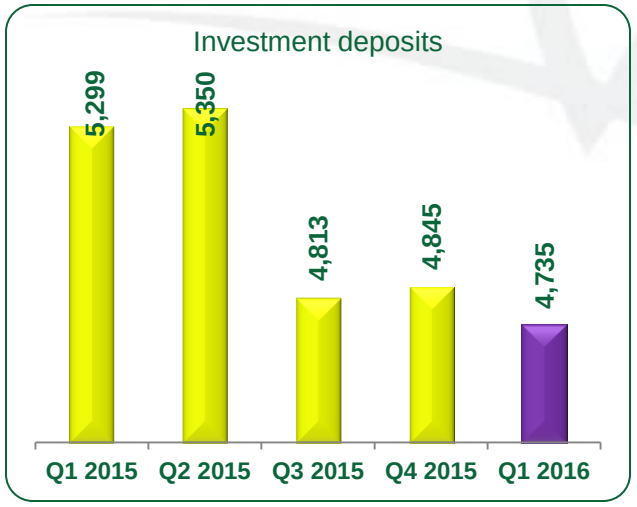
AED in Million

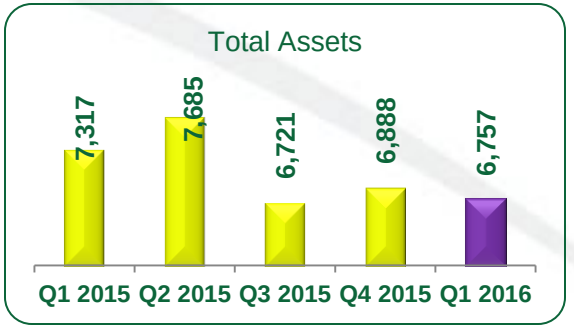


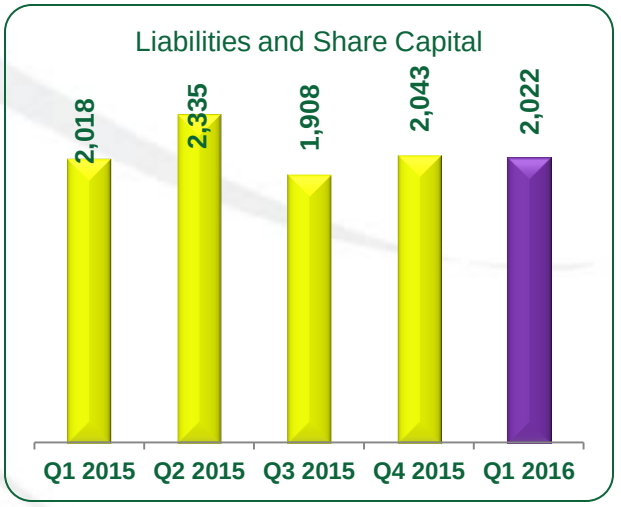












STRATEGY

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 on developer finance and retail mortgage sectors for growth in core revenue streams. 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 innovative funding options are being explored which allows Amlak to free capital and place itself as one of the leading real estate finance originators in the UAE.

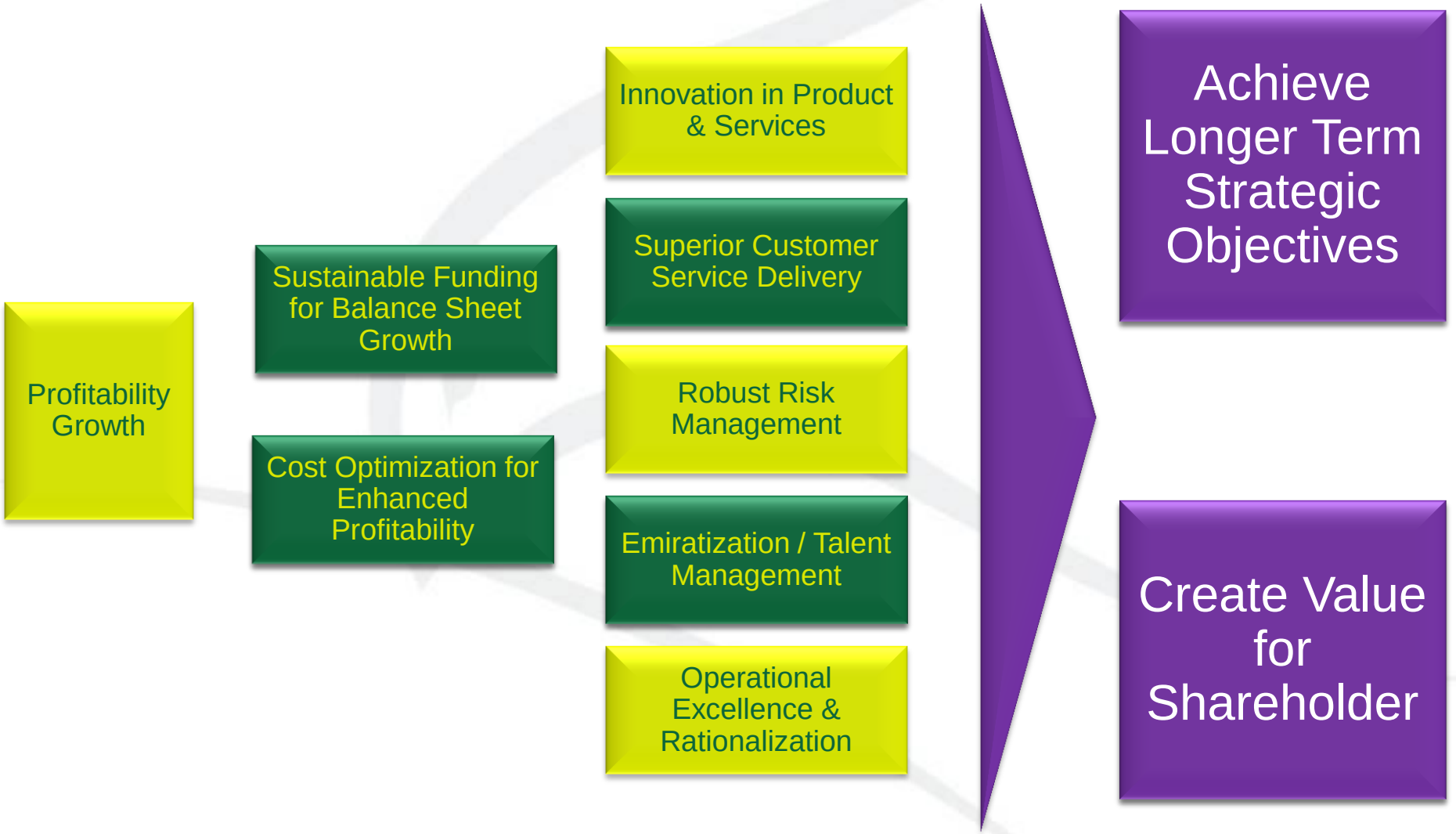
Value Propositions

- Differentiated, innovative products in the retail mortgage landscape based on customer needs are the focus of the organization in 2016 and beyond. Key target segments will be resident and non-resident in addition to commercial financing.

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

About Amlak

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 and Egypt 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

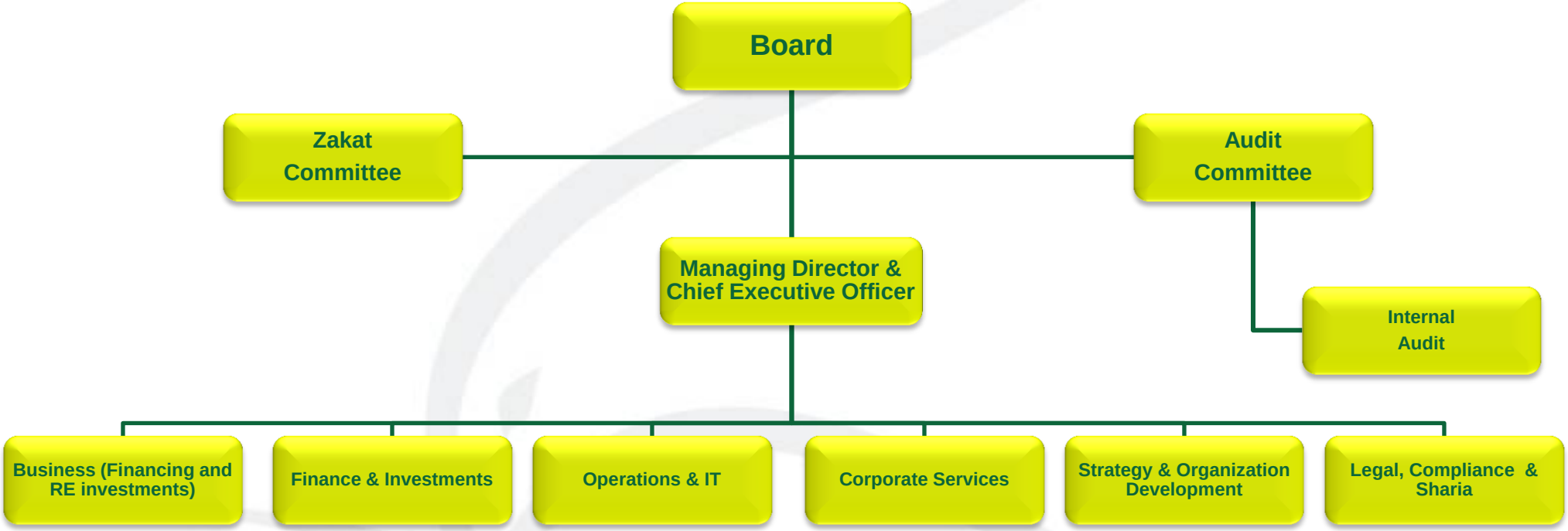
Real Estate Investments

- 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



Corporate Governance

Board Committees:

- Zakat Committee
- Audit Committee

Executive Committees:

- MANCO (Management Committee)
- ALCO (Asset & Liability Committee)
- Risk Committee

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

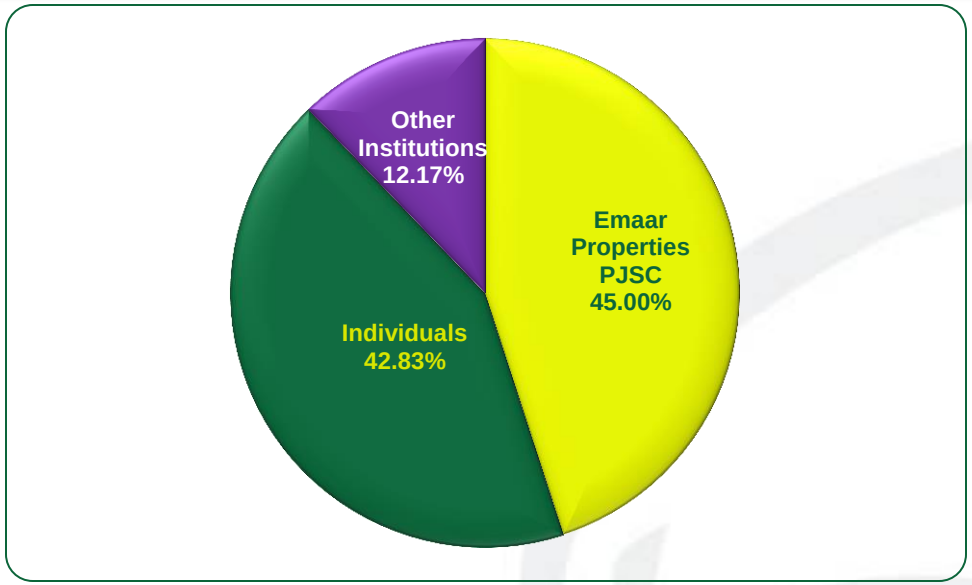
- Developer Finance' is given for Amlak approved unfinished projects as an advance payment against future receivables or as an independent finance facility to complete the project.

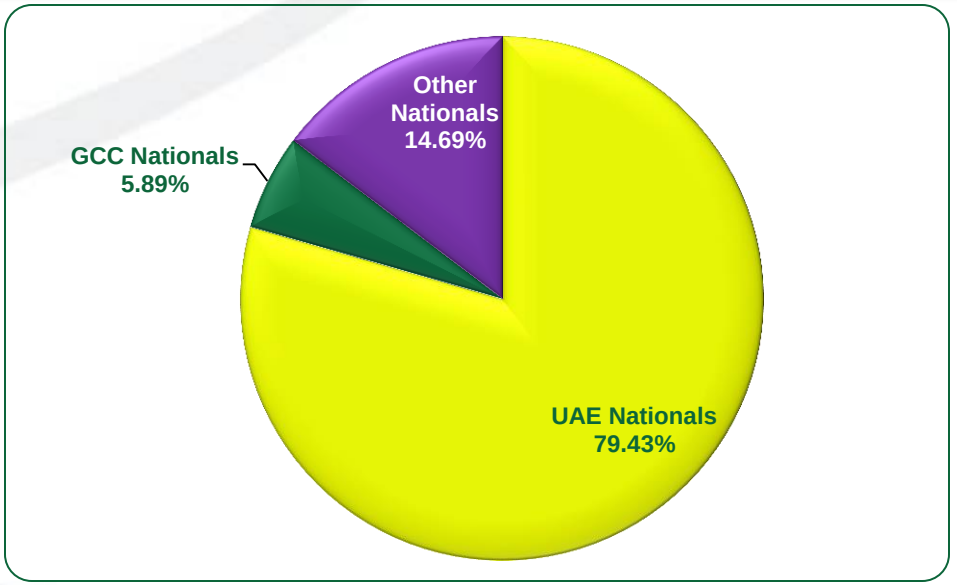
Platinum Lifestyle Takaful

- '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.

STOCK INFORMATION

Company Stock Information





DFM-General Index | AMLAK | DFM-Banks

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 closely 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.