

AMLAK FINANCE PJSC

Investor Relations Quarterly Information Pack
30 June 2016

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Sections

- FINANCIAL HIGHLIGHTS
- STRATEGY
- AMLAK AT A GLANCE
- OWNERSHIP STRUCTURE / STOCK INFORMATION

FINANCIAL HIGHLIGHTS

Group Performance Highlights – 1st Half

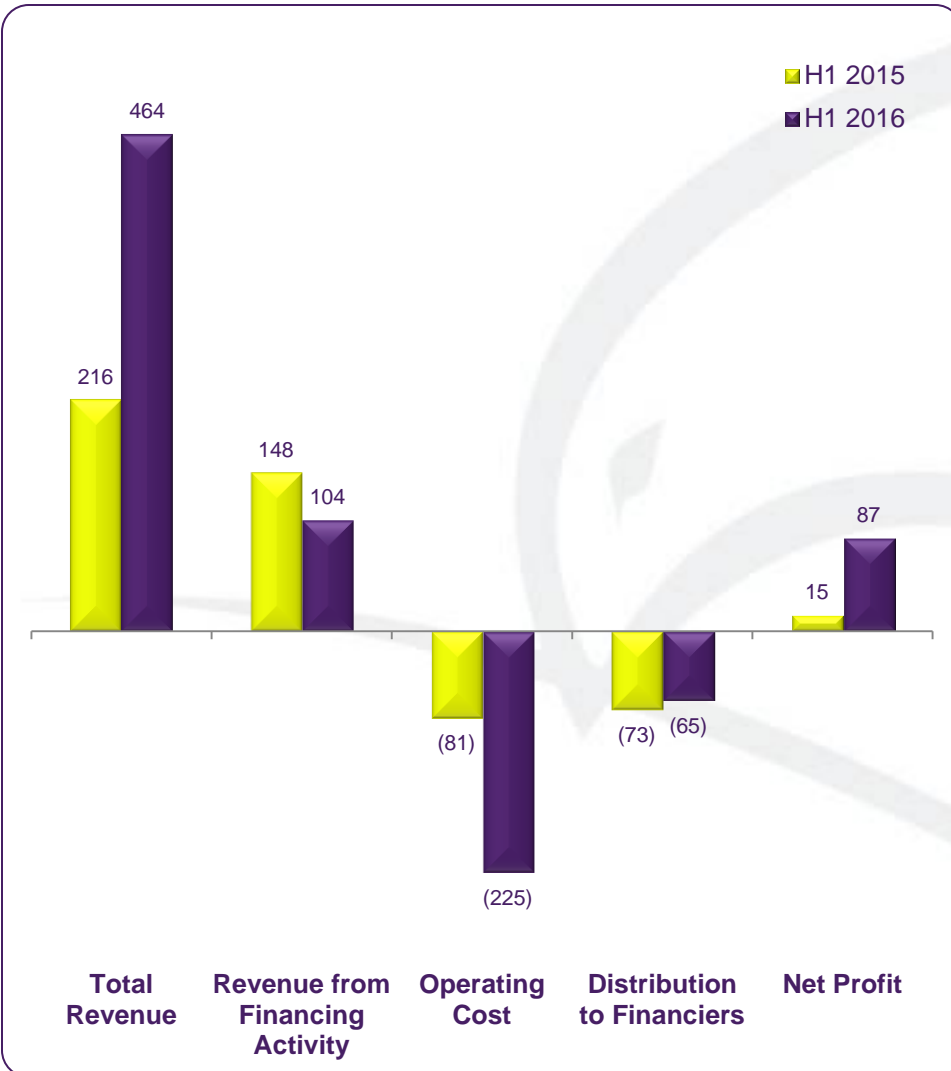
Description	H1 2016	H1 2015	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
	AED (M)						
Income from financing and Investing assets	104	148	45	59	75	74	67
Rental Income	27	21	14	13	13	12	10
Share of results of associate	13	11	7	6	7	7	5
Sale of real estate	312	21	32	280	30	23	21
Other Income	8	15	4	4	6	7	8*
Total Income	464	216	102	362	131	123	111*
Impairment (reversals)	(88)	(47)	(56)	(32)	(27)	17	(19)*
Fair value gain/(loss) on investment properties	-	-	-	-	67	-	-
Operating Expenses (including cost of sale of real estate)	(225)	(81)	(50)	(175)	(70)	(49)	(46)
Profit / (loss) before distribution to financiers / investors	151	88	(4)	155	101	91	46
Distribution to financiers / investors	(64)	(73)	(32)	(32)	(34)	(34)	(37)
Profit / (loss) for the period	87	15	(36)	123	67	57	9

- ❑ Total Revenue improved by more than 2 folds and Group Profit by more than 5 folds in H1 2016, when compared with similar period last year.
- ❑ Rental Income and Share of Results from Associates improved in Q2-2016.
- ❑ Q2 2016 recorded net loss of AED 36M due to increased provisioning caused by a number of customer accounts becoming delinquent as well as a general fall in real estate prices against mortgage assets.

* These numbers have been reclassified and disclosed in the 30 June 2016 financial statements with no impact on net profit / (loss) for the period.

Group Income Statement YTD Comparative Analysis

AED in Million

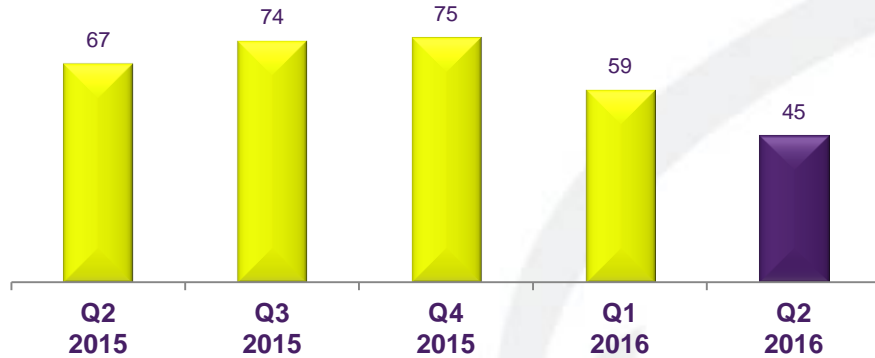


- ❑ Total revenue rose to AED 464M in H1 2016. This is due to income recognized in Q1 2016 from sale of real estate assets (Nad Al Hamar).
- ❑ Revenue from Financing Activity is AED 104M in H1 2016, representing a 30% fall from the same period last year in view of lower financing (mortgage) book following customer repayments.
- ❑ Steady rise in rental income with slight increase in rental prices and further foreclosed units becoming available for rent.
- ❑ Operating costs remained the same as last year. H1 2016 numbers include cost of sales (AED 130M) and operating costs (AED15M) related to the Nad Al Hamar Land Project.
- ❑ Distribution to Financiers improved by 12%, falling to AED65M, as result of further repayments of the Financiers' facilities during the period.
- ❑ Net profit rose to AED87M in H1 2016. This was due to income generated from the partial sale of land projects in Q1 2016.

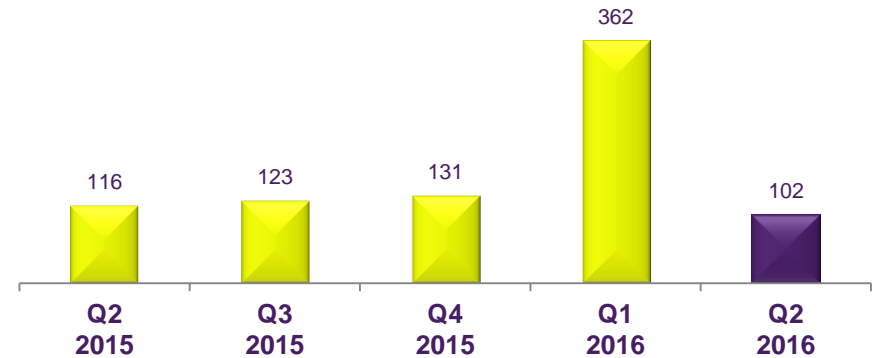
Group Performance – Quarterly Trends

AED in Million

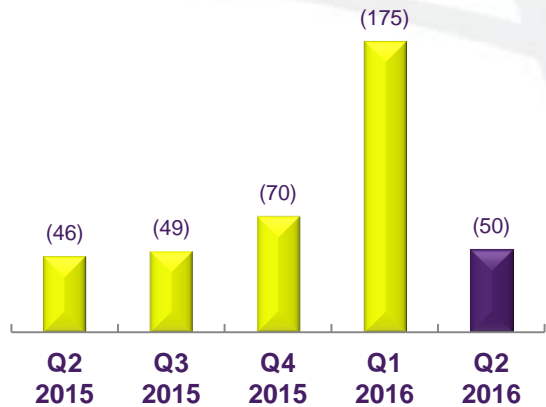
Income from financing and Investing assets



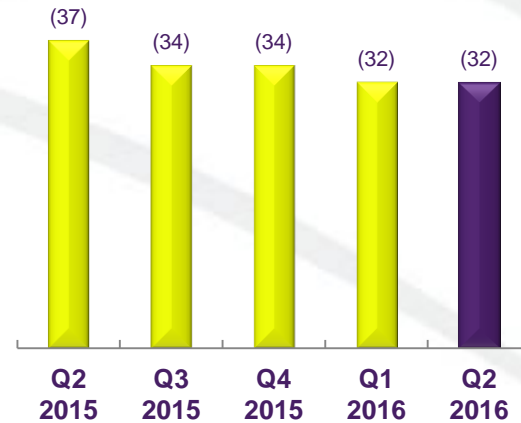
Total Income



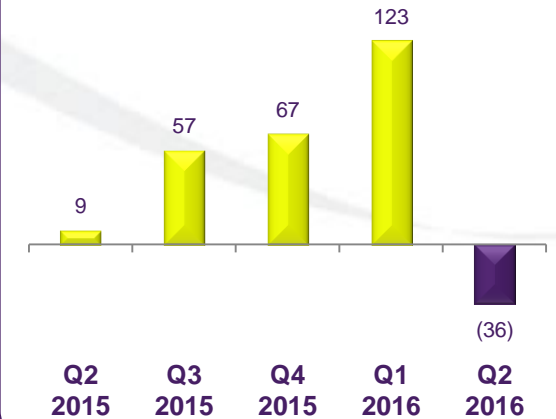
Operating Expenses



Distribution to financiers / investors



Profit / (loss) for the period



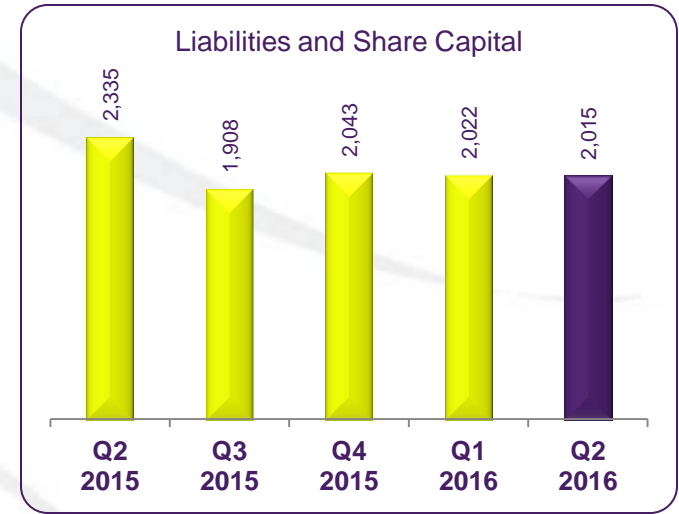
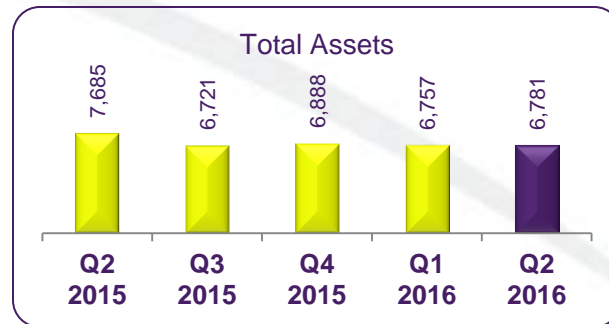
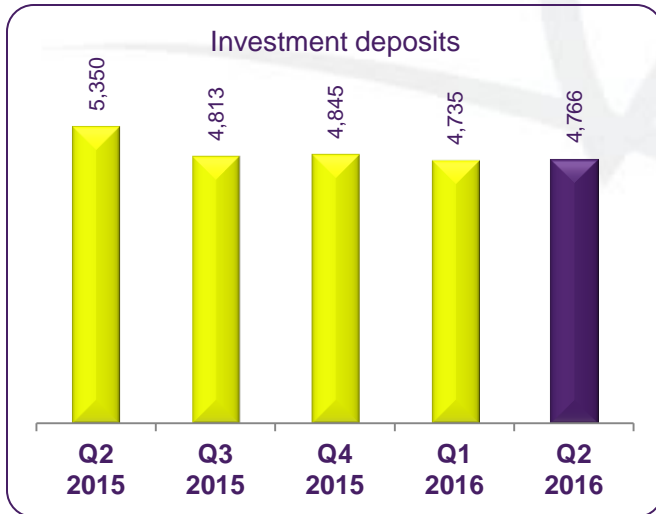
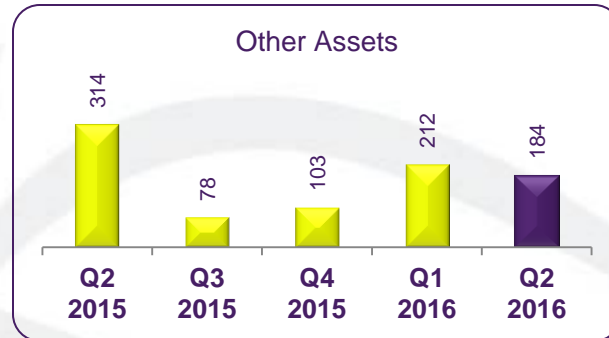
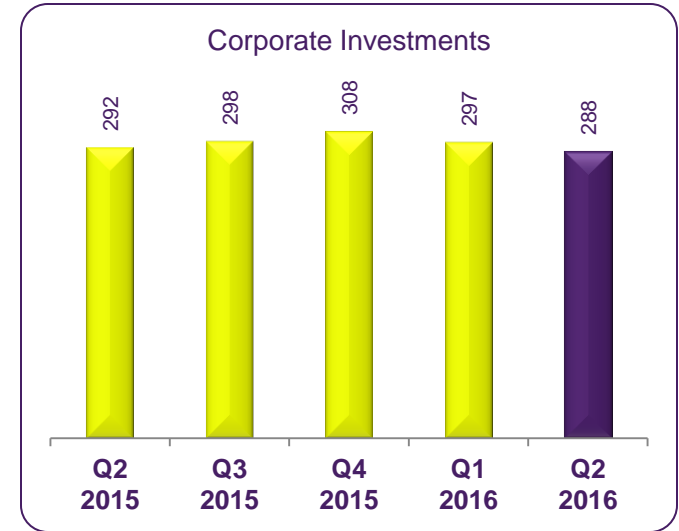
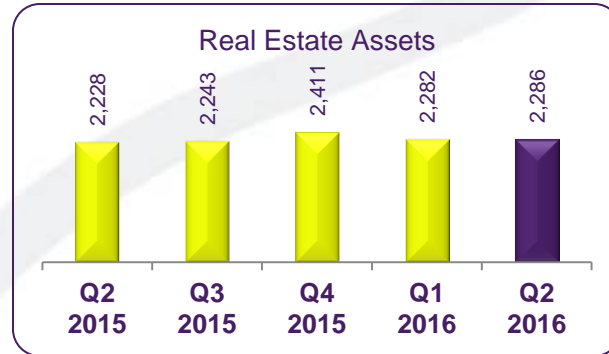
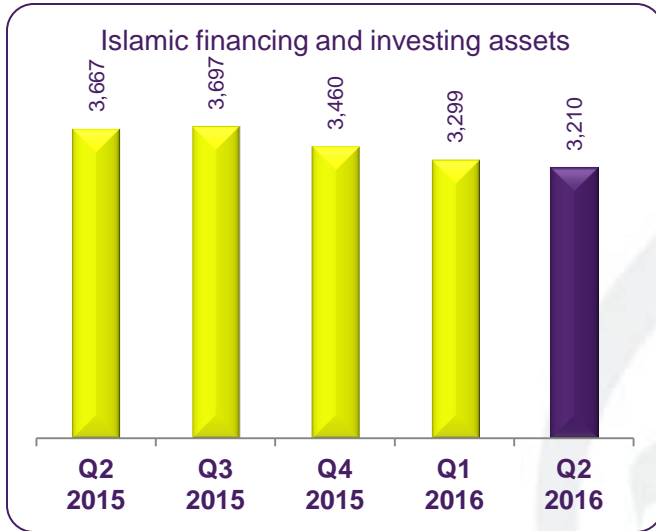
Consolidated Statement of Financial Position

Description	30-Jun-16	30-Jun-15	31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15
	AED (M)		AED (M)			
Cash and balances with banks	813	1,184	667	606	405	1,184
Islamic financing and investing assets	3,210	3,667	3,299	3,460	3,697	3,667
Available-for-sale investments	9	24	9	26	24	24
Real Estate Assets	2,286	2,228	2,282	2,411	2,243	2,228
Investment in Associate	279	268	288	282	274	268
Other Assets	184	314	212	103	78	314
Total Assets	6,781	7,685	6,757	6,888	6,721	7,685
Investment deposits	4,766	5,350	4,735	4,845	4,813	5,350
Other liabilities (incl non-controlling interest)	387	654	354	456	388	654
Equity	1,628	1,681	1,668	1,587	1,520	1,681
Total Equity & Liabilities	6,781	7,685	6,757	6,888	6,721	7,685

- ❑ Total assets stood at just under AED 6.8B in H1 2016 representing a 12% decrease from the same period last year.
- ❑ The mortgage book has continued to diminish since last year given lower new origination.
- ❑ Shareholders equity improved to AED1.63B from AED1.58B as of the end of 2015.

Financial Position – Quarterly Trends

AED in Million



A large, light gray, stylized graphic of a bird or wing shape, composed of several curved lines, positioned behind the text.

STRATEGY

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.

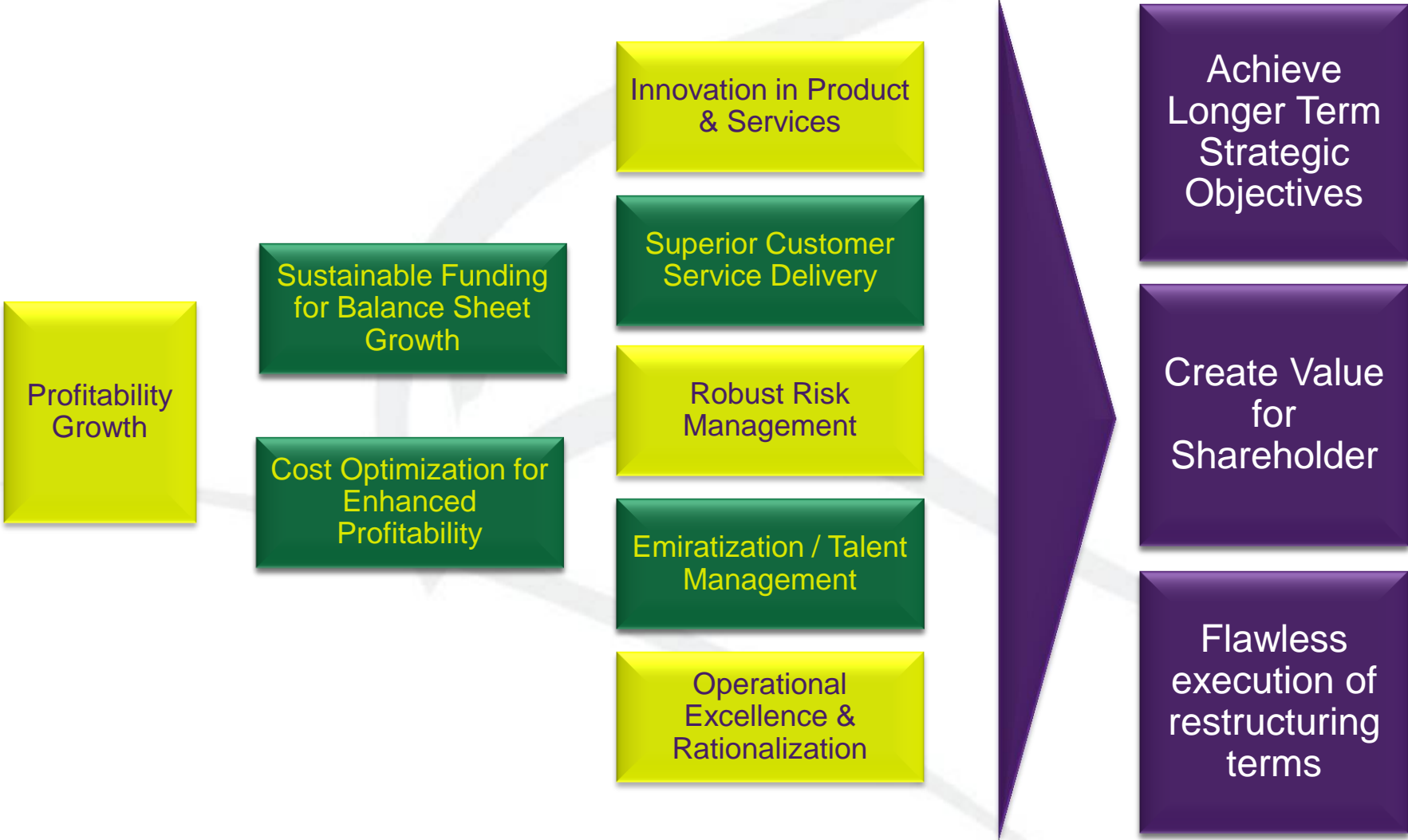
Value Propositions

- ❑ 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.

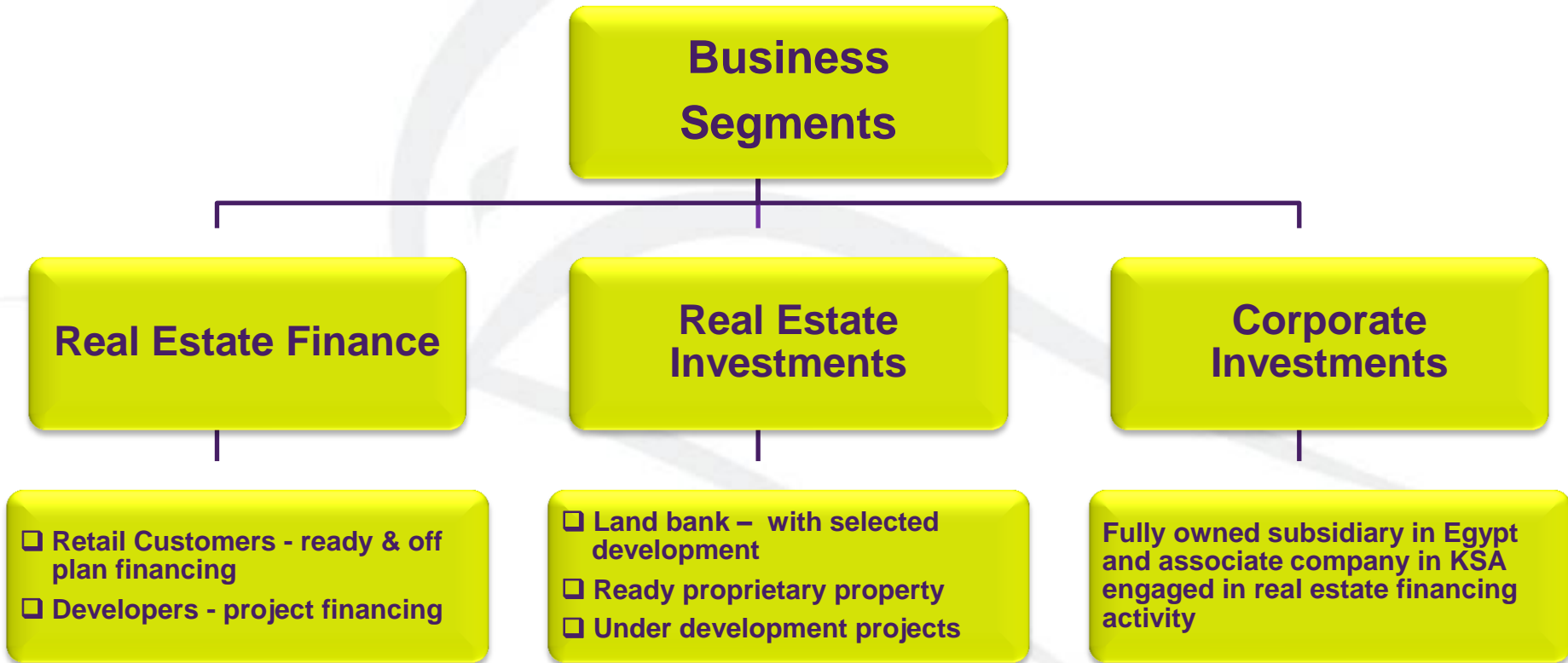
To learn more about Amlak Finance, please visit our website: <http://www.amlakfinance.com>

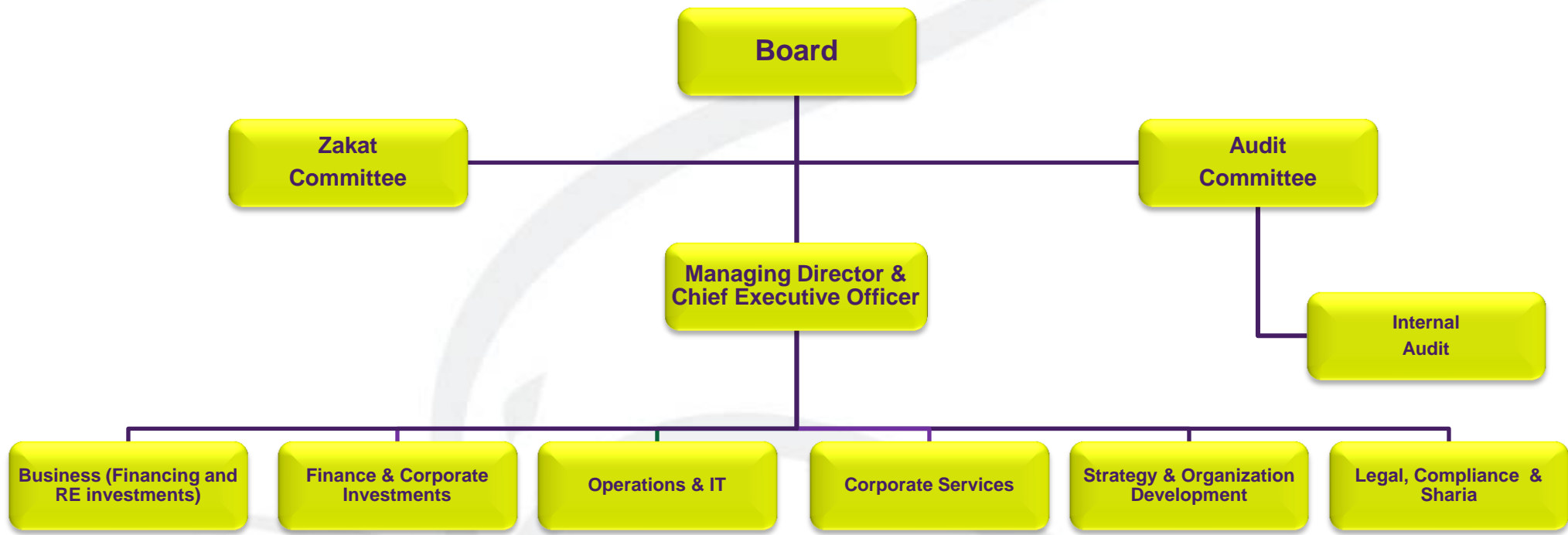
Our Vision

“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”





Corporate Governance

<p>Board Committees:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Zakat Committee <input type="checkbox"/> Audit Committee 	<p>Executive Committees:</p> <ul style="list-style-type: none"> <input type="checkbox"/> MANCO (Management Committee) <input type="checkbox"/> ALCO (Asset & Liability Committee) <input type="checkbox"/> RICO (Risk Committee)
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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

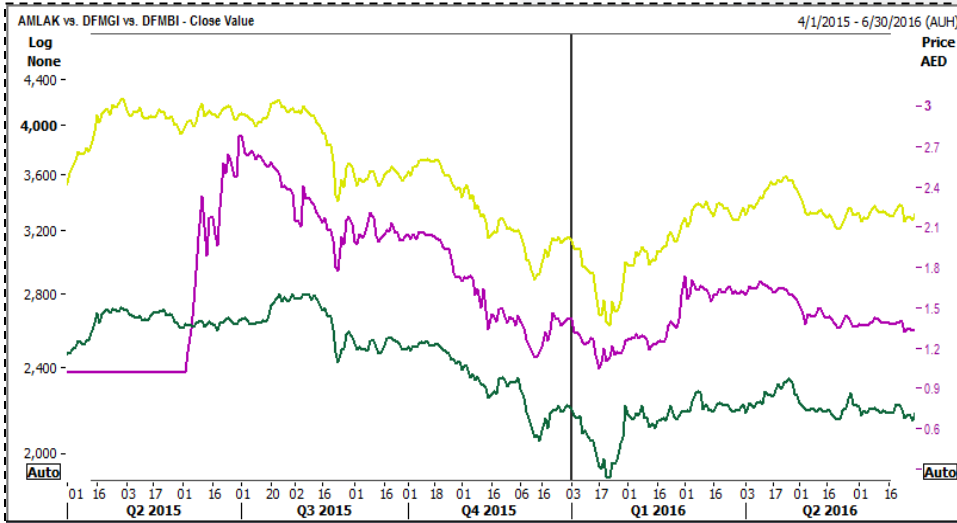
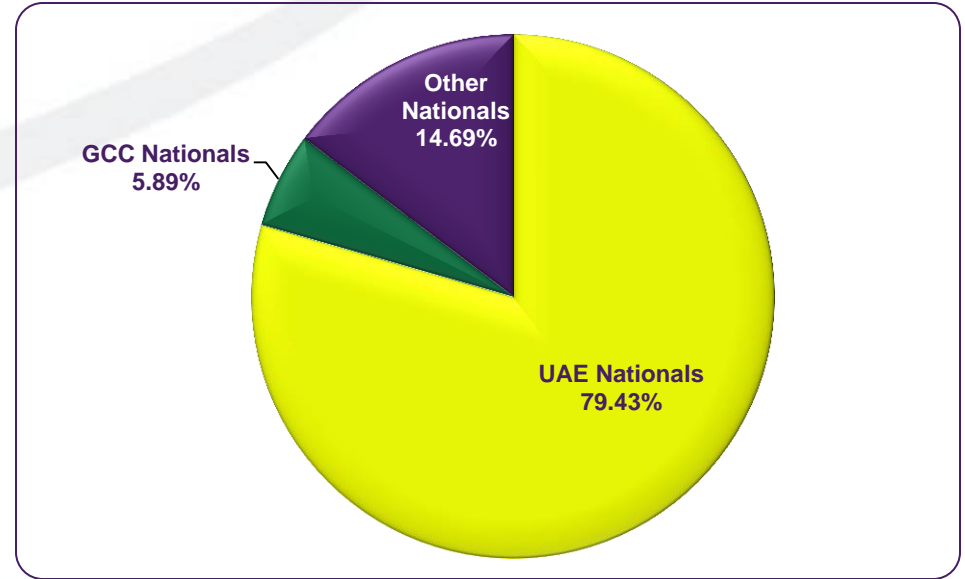
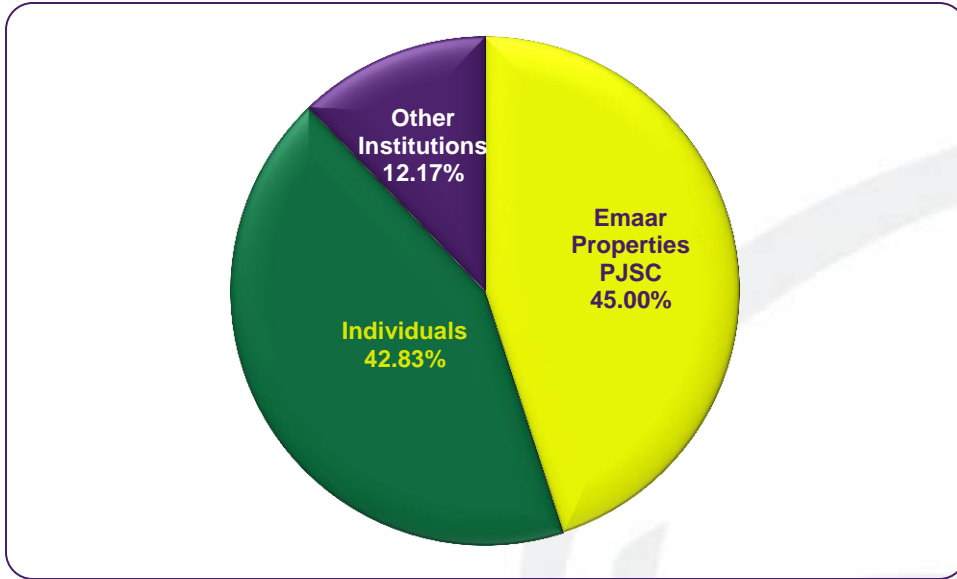
- ❑ 'Platinum Lifestyle Takaful' is a comprehensive Takaful plans package exclusively designed for all customers. The plans give protection against most property finance related perils and other value added lifestyle benefits.

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.

OWNERSHIP STRUCTURE / STOCK INFORMATION

Company Ownership Structure / 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.