



Press Release

Amlak Announces Third Quarter 2018 Results

- *Revenues from core business activities stand at AED 260 million up by 6%*
- *Revenues from Sale of Properties under Development stand at AED 61 million.*
- *Rental income stands at AED 48M up by 7%*
- *Total liabilities decreased by 11%*
- *Total assets stand at AED 6 billion*

Dubai, UAE; November 08, 2018 – Amlak Finance PJSC, a leading specialized Islamic real estate financier in the Middle East, today announced its financial results for the 9 months period ending September 30, 2018.

Revenues from core business activities increased by 6% compared to the same period in 2017. Overall revenues decreased by 13% mainly due to unrealized fair value loss related to investment properties; a drop driven by softening real estate market and a more conservative approach in valuing assets which ultimately lead to a net loss of AED 51 million compared to AED 30 million net profit for same period last year.

Amlak recorded a 70% increase in revenue from sale of properties under development compared to the same period in 2017; an increase related to the infrastructure development completion and sales of plots in Nad Al Hamar joint venture.

Revenues from financing business activities witnessed a decrease by 8% to AED 132 million in the first 9 months of 2018 compared to AED 143 million for the same period of 2017.

Rental Income increased by 7% during the first 9 months of 2018 to AED 48 million, compared to AED 45 million for the same period of 2017.

Operating costs increased by 3% to AED 87 million in the reported period, compared to AED 84 million for the same period last year, excluding operating costs of joint ventures relating to real estate development.

During the first 9 months of 2018, the Group recorded an impairment charge of AED 42 million compared to an impairment reversal of AED 15 million for the same period in 2017. The Company also recorded an amortization cost of AED 84 million; an increase of 2% compared to



AED 82 million for the same period last year. The increase is due to the further early payment of AED 684 Million to financiers in January 2018, which is equivalent to 10 future scheduled monthly installments until December 2018. To date, Amlak has paid 42% of its Islamic deposits liabilities relating to financiers and 75% of its Islamic deposit liabilities relating to liquidity support providers.

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

The profit distributable to financiers stood at AED 83 million for first 9 months of 2018, a decrease of 11% compared to AED 93 million for the same period last year. This decrease is due to the early payment made to financiers in January 2018.

Following the repayment to financiers, Amlak's total liabilities decreased by 11% compared to year end 2017. Total assets stand at AED 6 billion, representing a 10% decrease from year end 2017.

Reporting quarter-on-quarter growth, Amlak's revenue from sale of properties under development for the third quarter of 2018 was AED 6 million; a growth of 100% compared to AED 3 million during Q3 2017. Revenue from rental income for Q3 2018 was AED 16.4 million; 10% higher than the AED 14.9 million for Q3 2017. Operating cost for Q3 2018 decreased to AED 25.8 million; 4% lower than the AED 27 million for the same period last year.

Commenting on the results, Mr. Arif Abdulla Alharmi, Managing Director & CEO of Amlak Finance, said:

"Amlak's third quarter results show a steady revenue generated from our core business, in addition to the sale of properties under development despite the challenging market conditions. The performance is a reflection of our diverse products, and we will continue to build on this success moving forward, by expanding our portfolio to meet the growing market demand. In line with the government's vision to position Dubai as the global hub of the Islamic economy, Amlak is exceptionally well positioned to foster the growth of the Sharia' compliant financing sector through a wide array of innovative products and services."

He added: "Our recent recognition, winning the prestigious Global Islamic Business Award (GIBA) presented by the Dubai Economy Development (DED) and the Global Islamic Business Excellence Center, further strengthens Amlak's position as a leading Sharia' compliant real estate financier in the region."



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About Amlak Finance PJSC:

Established in 2000, Amlak Finance is a leading specialized real estate financier in the Middle East. Amlak provides innovative, Shari'a-compliant property financing products and solutions designed to meet the ever-changing market demands. Amlak offers a range of customized financial solutions and products to investors for both ready and off-plan properties.

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.

Amlak launched its first international office in Cairo in 2007. It also has business associations in Saudi Arabia.

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

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