

# AMLAK FINANCE PJSC

Investor Relations Quarterly Information Pack  
Q1 2015

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## Sections

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- AMLAK AT A GLANCE

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- STRATEGY

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- FINANCIAL HIGHLIGHTS

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Q1 2015 Results Presentation  
**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 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

- ❑ Following suspension of Amlak's shares in the Dubai Financial Market in 2008, the company undertook a comprehensive restructuring of its balance sheet and its business.
- ❑ Restructuring was needed to address the substantial impairment of the company's real estate assets and short term facilities
- ❑ The restructuring solution overseen by the Government steering committee entailed allocation of the real estate impairments fairly between Amlak and the financiers and 'terming out' the facilities over a 12 year repayment period
- ❑ In lieu of the impairment taken by Financiers, value growth from real estate assets over the restructuring period is partly to be allocated to the Financiers
- ❑ In the third quarter of 2014, Amlak completed the financial restructuring, which was approved by its financiers.
- ❑ The company's shareholders approved the restructuring proposal at Amlak's EGM, held in September 2014.
- ❑ Amlak is expected to be re-admitted to DFM and start of its shares trading on 2 June 2015

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

## Our Vision *(What we aim to become?)*

***“To be a premier and specialized real estate financing institution in the region”***

## Our Mission *(What is our purpose?)*

***“To provide innovative financial solutions and quality services to our customers while maximizing shareholders’ value and nurturing our employees”***

# Amlak's Business Segments

As of 31<sup>st</sup> March 2015

## Business Segments

### Real Estate Finance

- Retail Customers Ready & U/C Financing
- Developer Project Financing

### Real Estate Investments

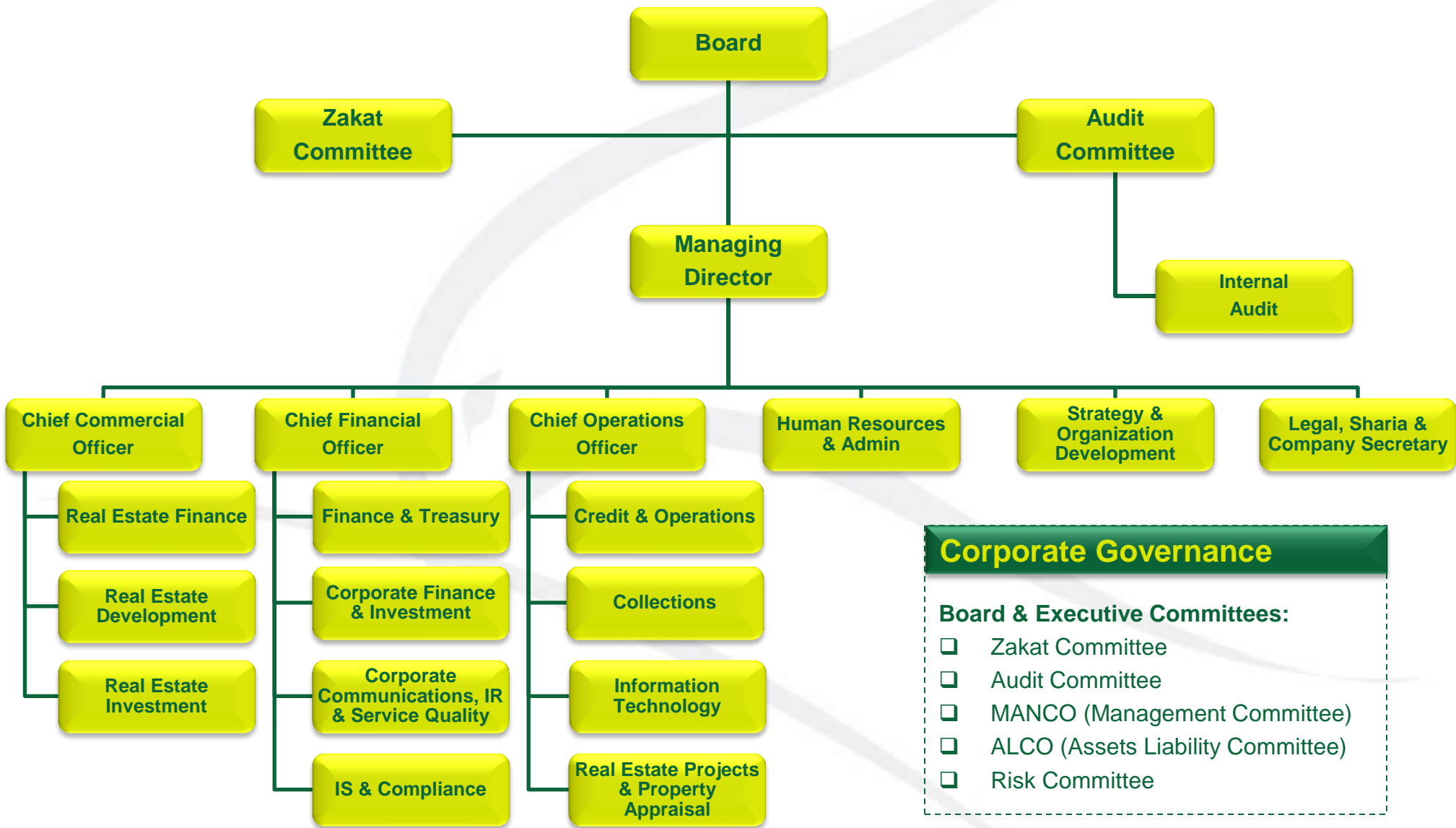
- Land
- Ready Property
- Under Development

### Corporate Investments

- Associate : KSA
- Subsidiary : Egypt
- Other Investments



# Organization Structure



**Corporate Governance**

**Board & Executive Committees:**

- Zakat Committee
- Audit Committee
- MANCO (Management Committee)
- ALCO (Assets 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, exclusively designed for investors looking to invest in completed residential and commercial properties. Product envisages financing as well as a complimentary full suite of Property Management Services.
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## *End User Ijarah*

- ❑ Amlak 'Ijarah' is our basic property finance product aimed towards end users for residential as well as commercial property in both ready and under-construction projects.
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## *Edaraa*

- ❑ Amlak 'Edaraa' is a comprehensive property management services package designed primarily for our Investor segment of customers. Offered services include assessing the rental valuation of the property to screening and managing potential tenants, to collecting and managing rentals on customers behalf and managing maintenance procedures.
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## *Tatweer*

- ❑ Amlak 'Tatweer' is an off plan financing product for a Buy To Let property. Finance is bundled with the complimentary suite of property management services that comes into effect post completion of the property.
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## *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.
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## *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.

Q1 2015 Results Presentation

# **STRATEGY**

**2015 +**

## **Amlak pursues the following key strategies in short to medium and long term:**

- ❑ Adhere to the terms, and complete the financial restructuring period (2026) successfully
- ❑ Continue to develop niche real estate financing product and services focusing mainly on investor customer segment
- ❑ In partnership with reputable developers, develop and sell propriety land parcels to meet restructuring terms agreed with Financiers
- ❑ Develop and establish a sustainable long term innovative funding model to grow business volumes and revenue
- ❑ Maintain a healthy balance sheet and cost of capital structure to mitigate financial risk and drive profitability
- ❑ Ultimately exit all non-core and non-strategic corporate investments and redeploy funds into core strategy
- ❑ Invest in Human Capital and core talent in the organization with key focus on Emiratization
- ❑ Through the above strategies, create long term value for our shareholders and attract new investors

Q1 2015 Results Presentation

# **FINANCIAL HIGHLIGHTS**

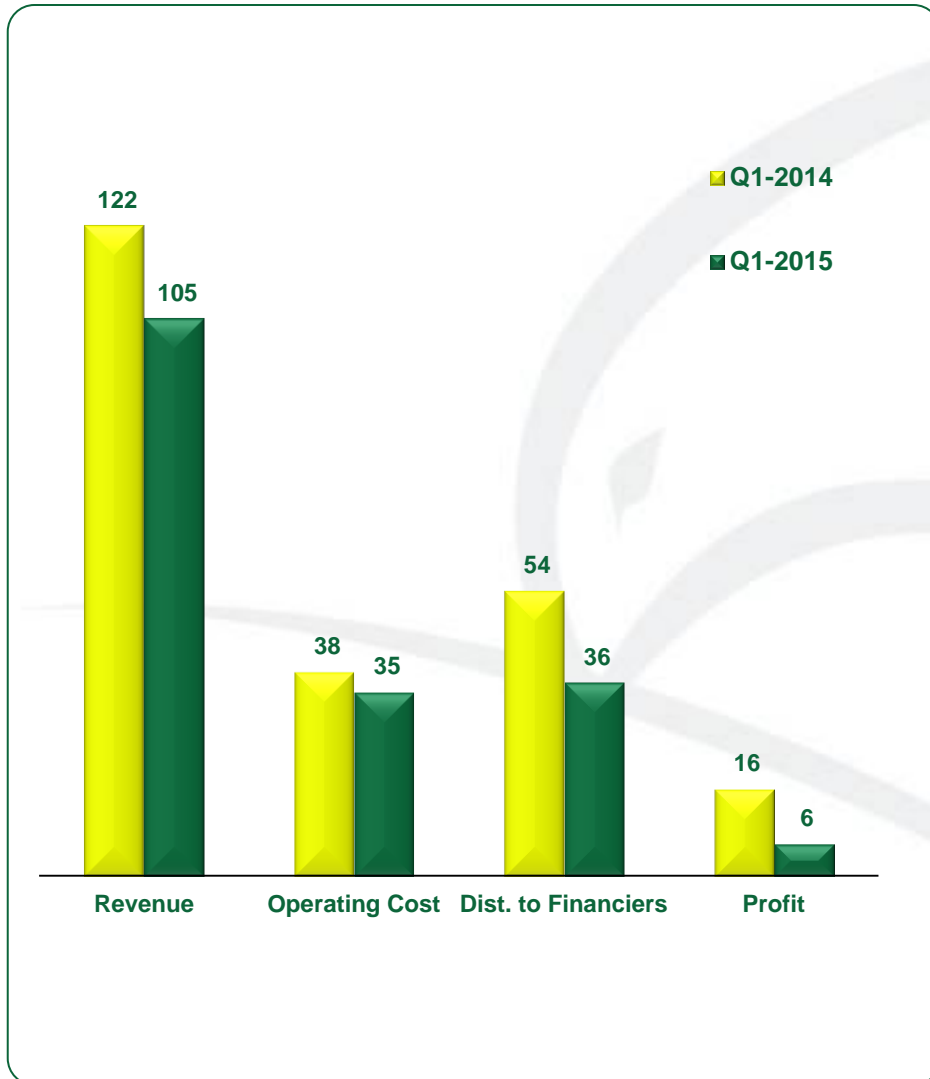
# Group Performance Highlights

Description	Q1 2015	Q1 2014	Q4 2014 Q3 2014 Q2 2014 Q1 2014			
	AED (M)		AED (M)			
Income from financing and Investing assets	81	101	89	91	95	101
Rental Income	11	7	10	10	7	7
Fair value loss on investment properties	-	-	(2,115)	-	-	-
Share of results of associate	6	6	8	5	4	6
Other Income	7	8	1	3	7	8
<b>Total Income</b>	<b>105</b>	<b>122</b>	<b>108</b>	<b>109</b>	<b>113</b>	<b>122</b>
Impairment (reversals)	(28)	(14)	1,953	7	43	(14)
Operating Expenses	(35)	(38)	(64)	(34)	(45)	(38)
<b>Profit / (loss) before distribution to financiers / investors</b>	<b>42</b>	<b>70</b>	<b>(118)</b>	<b>82</b>	<b>111</b>	<b>70</b>
Distribution to financiers / investors	(36)	(54)	(48)	(75)	(55)	(54)
<b>Profit / (loss) for the period</b>	<b>6</b>	<b>16</b>	<b>(166)</b>	<b>7</b>	<b>56</b>	<b>16</b>

- ❑ Revenue and Group Profit in line with management expectations.
- ❑ Amlak is confident that it can meet full year profit target as at the year end.

# Group Income Statement Trend Analysis

AED in Million

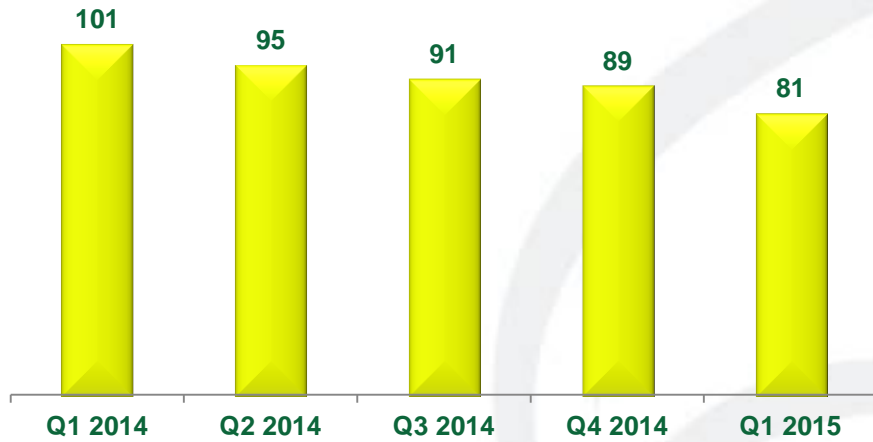


- ❑ Amlak's Total Revenue reached AED 105 million and revenue from finance business activity was AED 81 million representing a 14% and 20% fall respectively from the same period last year due to decreasing real estate portfolio.
- ❑ Rental and Other Income and Share of Results from Associates improved to AED 24 million up by almost 14% compared to the same period last year.
- ❑ Operating costs improved from AED 38 million to AED 35 million as result of proactive cost management
- ❑ Profit distributable to financiers decreased from AED 54 million to 36 million given swapping of a portion of the facility by the financiers to a non/contingent profit earning Mudaraba instrument as part of the restructuring package.

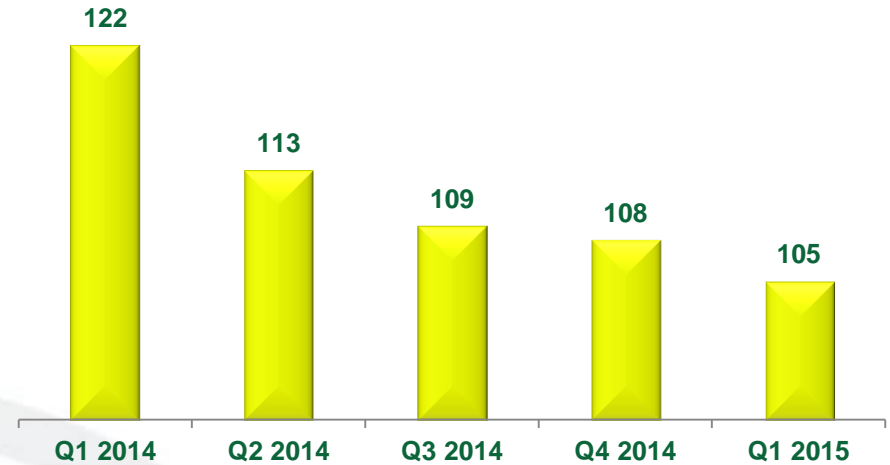
# Group Performance - Trends

AED in Million

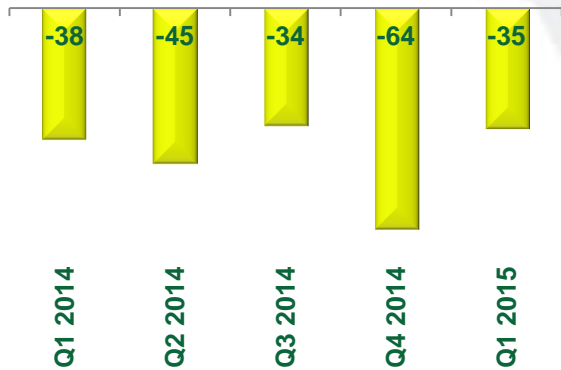
Income from financing and Investing assets



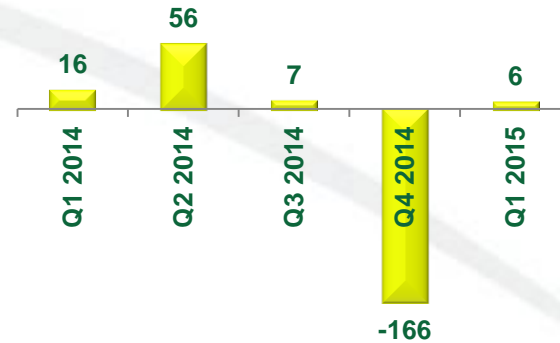
Total Income



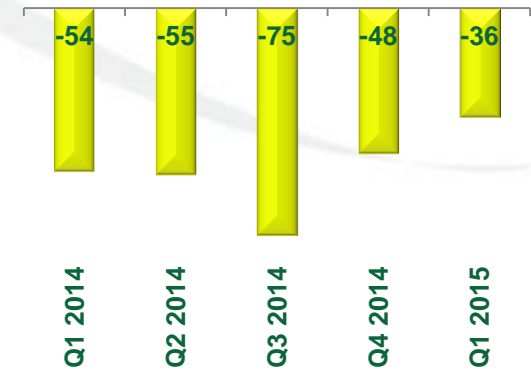
Operating Expenses



Profit / (loss) for the period



Distribution to financiers / investors





# Consolidated Statement of Financial Position

Description	31-Mar-15	31-Dec-14	31-Dec-14	30-Sep-14	30-Jun-14	31-Mar-14
	AED (M)		AED (M)			
Cash and balances with banks	685	498	498	1,037	1,817	1,668
Islamic financing and investing assets	4,096	4,265	4,265	4,625	5,602	5,935
Available-for-sale investments	24	24	24	29	29	28
Real Estate Assets	2,155	2,165	2,165	4,409	4,383	4,145
Investment in Associate	274	268	268	260	255	267
Other Assets	84	82	82	75	82	90
<b>Total Assets</b>	<b>7,317</b>	<b>7,302</b>	<b>7,302</b>	<b>10,435</b>	<b>12,168</b>	<b>12,133</b>
Investment deposits	5,299	5,270	5,270	8,490	10,204	10,205
Other liabilities (incl non-controlling interest)	339	332	332	493	513	524
Equity	1,680	1,700	1,700	1,452	1,451	1,404
<b>Total Equity &amp; Liabilities</b>	<b>7,317</b>	<b>7,302</b>	<b>7,302</b>	<b>10,435</b>	<b>12,168</b>	<b>12,133</b>

- ❑ Balance sheet remains steady after restructuring in November 2014
- ❑ Surplus cash after operating and working capital requirements is paid to Financiers in bi-annual “cash sweep”

# Financial Position - Trends

AED in Million

