



Amlak Finance Reports Third Quarter 2023 Financial Results

- *Amlak's group net profit for Q3 2023 stands at AED 269 million*
- *Debt settlement arrangements yielded a net gain of AED 174 million and contributed to a total debt reduction of AED 531 million (including Mudaraba instrument of AED 118 million).*

Dubai, United Arab Emirates; 06 November 2023: Amlak Finance PJSC today announced its Q3 2023 financial results for the period ended 30 September 2023. In this period, the company focused on prudently managing its UAE operations and balance sheet.

Amlak reported a net profit of AED 269 million for Q3 2023 as compared to a net profit of AED 390 million for Q3 2022. Amlak's total income for Q3 2023 decreased by 19% to AED 364 million as compared to AED 448 million in Q3 2022. Revenues from financing business decreased by 10% to AED 90 million during Q3 2023 as compared to AED 100 million in Q3 2022.

The company's debt settlement arrangements, through cash, remained successful during the period, enabling seven financiers to fully settle their exposure during the period ended 30 September 2023. The company recorded a net gain of AED 174 million on debt settlement arrangements and was able to reduce its debt burden by AED 531 million (including Mudaraba instrument of AED 118 million). Amlak had announced the commencement of negotiation with the remaining financiers on 2 May 2023 in order to exit from the Common Terms Agreement for restructuring, which remains underway.

Amlak's operating costs for the quarter increased by 6% to AED 69 million, compared to AED 65 million during the same period last year mainly due to a one-off expense related to the commencement of negotiations with financiers to exit the Common Terms Agreement.

The company also continued to efficiently manage its obligations, including the repayment of AED 80 million to financiers. To date, Amlak has settled 83% of its Islamic deposit liabilities including the Mudaraba instrument relating to financiers.

As a result of debt settlement arrangements and repayments, the profit distribution to financiers decreased by 20% and stood at AED 45 million for Q3 2023 as compared to AED 56 million for Q3 2022.

The company further recorded lower amortisation cost of AED 31 million this quarter, compared to AED 44 million in Q3 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.

PRESS RELEASE



In the region, Amlak's investment in Egypt witnessed the devaluation of the Egyptian Pound against the UAE Dirham, 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

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