



Press Release

Amlak Finance announces 2023 full-year financial results

- *Amlak FY23 net group profit stands at AED 259 million and total assets stand at AED 3.2 billion*
- *Debt settlement arrangements yielded AED 174 million net gain and contributed to total debt reduction of AED 531 million (including a Mudaraba Instrument of AED 118 million).*
- *Commenced negotiations with financiers to exit the current Common Term Agreement, and currently at an advanced stage of agreeing on the terms.*

Dubai, United Arab Emirates: 26 March 2024: Amlak Finance PJSC today announced its full-year financial results for the year ended December 31, 2023. The company focused on prudently managing its UAE operations and balance sheet.

Amlak reported a net profit of AED 259 million for the year ended 31 December 2023 as compared to a net profit of AED 476 million for the year ended 31 December 2022.

Amlak's revenue for the year 2023 decreased by 18% to AED 452 million as compared to AED 552 million during the previous year. Revenues from financing business activities for the year 2023 declined by 3% as compared to 2022 and stood at AED 122 million in 2023 (FY22: AED 127 million).

The company's debt settlement arrangements, through cash remained successful during the year, enabling seven financiers to fully settle their exposure during the year ended 31 December 2023. The company recorded a net gain of AED 174 million (2022: AED 349 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 has commenced negotiations with the remaining financiers in order to exit from the Common Terms Agreement for restructuring which are at an advanced level to agree on the conditions.

Amlak's operating costs for the year increased by 41% to AED 149 million, compared to AED 106 million 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 repayment of AED 103 million to financiers. To date, Amlak has settled 83% of its Islamic deposit liabilities including Mudaraba Instrument relating to financiers.

As a result of debt settlement arrangements and repayments, the profit distribution to financiers decreased by 15% and stood at AED 61 million for 2023 as compared to AED 71 million for 2022.



In the region, Amlak's investment in Egypt witnessed the devaluation of the Egyptian Pound against AED which impacted the group's financial position. In KSA, the investment yielded an income of AED 7 million.

Commenting on the results, Mr. Ali Ibrahim Mohammed, Chairman of Amlak Finance PJSC, said: "2023 was a transformational year for Amlak Finance as we executed our forward thinking and innovative new business strategy, our aim is to continually set new standards of excellence in the real estate sector, thereby strengthening our market position. This year, we remain focused on seizing all opportunities and continue to progress towards achieving our long-term objectives. This relentless pursuit of growth and excellence is grounded in our belief in the power of innovation to create sustainable value for our stakeholders."

Mr. Arif Albastaki, CEO of Amlak Finance PJSC, said: "In the current difficult situation, we have once again demonstrated the strength and vision of Amlak as we have reached an advanced stage in agreeing on the terms with our financiers to exit the current Common Term Agreement, enabling us to transition to our new business model. The overall Amlak financial position remains strong with total assets of AED 3.2 billion. We have fully settled seven financiers through debt settlement arrangements having exposure of AED 531 million and reporting a net profit of AED 259 million for the year ended 31 December 2023, which was in-line with our expectations. We are now in a strong position with the right team in place to move the business forward and to target future growth. 2024 will be another year of change but the completion of the successful conclusion of our negotiations with our financiers puts Amlak in a strong position and we maintain a positive outlook."

- 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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