Press Release

Emirates Islamic Announces FY 2016 Results

Dubai, 16 January, 2017: Emirates Islamic, one of the leading Islamic financial institutions in the UAE, today announced its full-year financial results for 2016.

Emirates Islamic Full Year 2016 Financial Highlights:

- Net profit for the year at AED 106 million
- Total Income for 2016 (net of customers' share of profit and distribution to Sukuk holders) grew by 3% to AED 2.5 billion during the year.
- Total cost at AED 1.1 billion increased by 11% compared with the previous year. However, total costs declined significantly over last three quarters of 2016 as cost control measures were implemented during the year.
- Total assets at AED 59.2 billion, up 11% from end 2015.
- Financing and investing receivables at AED 36.3 billion, up 6% from end 2015.
- Customer deposits at AED 41.1 billion, up 5% from end 2015.
- Current and Savings accounts balances, up 8% from end 2015.
- Headline Financing to Deposits ratio at 88%.
- Impaired Financing ratio stands at 9% and coverage ratio advanced to 96.9%.

"In the face of challenging markets, Emirates Islamic has proven its resilience with sound financial results," said **Hesham Abdulla Al Qassim, Chairman of Emirates Islamic, Vice Chairman and Managing Director of Emirates NBD**. "The milestone performance of our record breaking Sukuk in May that was three times oversubscribed was followed by an equally successful tap issuance in August. This is a testimony to the strong regional and international investor confidence in the bank.

Continued Al Qassim, "With a stronger balance sheet and a focused medium term strategy, we shall continue to cement our position as a leader in the nation's Islamic banking sector. We remain committed to fulfilling the vision of His Highness Sheikh

Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai in making Dubai the global capital of Islamic economy."

Jamal Bin Ghalaita, Chief Executive Officer of Emirates Islamic added**:** "Emirates Islamic's achievements in product and service innovation integrated with a customer-centric business model has allowed us to achieve positive results in 2016. This year, we concentrated on improving our liabilities mix leading to a significant increase in the Bank's current and saving accounts balances. Our commitment to delivering a customer-first experience has resulted in a 5% increase in deposits and a greater demand for our product offerings, with total assets increasing by 11% during 2016."

"In 2016, we continued to play a leading role in the growth of Islamic banking in the UAE, through initiatives such as the ISLAMIC BANKING INDEX BY EMIRATES ISLAMIC™, the first-of-its-kind consumer focused survey on Islamic Banking in the UAE. We also invested in state-of-the-art technology to launch our new core banking system, aimed at providing our customers with the best banking experience. Going forward, we remain focused on organic growth and increased market share by serving the evolving needs of our individual, commercial and corporate customers" concluded Bin Ghalaita.

Underlining investor confidence in the bank, during 2016 Fitch affirmed Emirates Islamic's Long-Term Issuer Default Rating (LT IDR) of 'A+' with a Stable Outlook, Short-Term IDR (ST IDR) of 'F1', and a Viability Rating (VR) at 'bb-' for the second consecutive year.

The Bank successfully completed a Rights issue during the year for AED 1.5 billion, further strengthening its capital base.

The Bank won several industry accolades in 2016, including Innovator in Islamic Finance by Global Finance magazine for EI trade, the world's first of its kind Shari'a-compliant online Trade Finance and Supply Chain platform and Fastest Growing Bank – UAE at the Banker Middle East Industry Awards 2016.

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About Emirates Islamic:
Established in 2004, as Emirates Islamic Bank, Emirates Islamic is one of the fastest growing banks in the UAE. Combining the best in Shari'a compliant services with the strongest levels of customer care and efficiency, the bank has established itself as a major player in the highly competitive financial services sector in the UAE. Offering products and services developed in line with the highest ethical standards, Emirates Islamic gives customers the transparency they seek in a strong, honest financial partner.
Emirates Islamic offers a comprehensive range of products and services across the Personal, Business and Corporate banking spectrum with a network of 61 branches and 196 ATMs/CDMs across the UAE. In the fast growing area of online and mobile banking, the bank has the reputation as an innovator, and was the first Islamic bank to launch a mobile banking app and the first bank in the Middle East to launch an App on the Windows 8 mobile platform.
Emirates Islamic has consistently received local and international awards, an acknowledgement of the bank's strong record of performance, growth and market leading banking practices. The bank was named 'Best Islamic Bank in the UAE' at the 2015 World Finance Awards and also won the prestigious Euromoney Award for Innovation in Islamic Finance 2015. In the Islamic Business & Finance Awards 2015, the bank was named 'Best Retail Bank, UAE'; 'Best Commercial Bank, UAE'; and 'Best Wealth Management, ME'. The bank won several industry accolades in 2016, including Innovator in Islamic Finance by Global Finance magazine for EI trade, the world's first of its kind Shari'a-compliant online Trade Finance and Supply Chain platform and Fastest Growing Bank – UAE at the Banker Middle East Industry Awards 2016.

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