Press Release

Emirates Islamic announces Q1 2020 results

Dubai, 20 April, 2020: Emirates Islamic, one of the leading Islamic financial institutions in the UAE, announced its financial results for the quarter ending 31 March, 2020. The Bank reported a net profit of AED 155 million for the first quarter of 2020.

Emirates Islamic Q1 2020 Financial Highlights:

- Total Income of AED 641 million, lower by 3% year-on-year.
- Funded Income margins lower by 10 bps year-over-year due to lower profit rate environment.
- Net profit of AED 155 million, lower by 62% year-on-year.
- Total assets at AED 62.9 billion, decreased by 3% from end 2019.
- Financing and Investing Receivables at AED 39 billion, increased by 4% from end 2019.
- Customer accounts at AED 44.8 billion, broadly flat from end 2019.
- Current and Savings accounts balances up 5% from end 2019.
- Impaired Financing Ratio is at 7.3% with strong coverage ratio of 126.5%.
- Headline financing to deposit ratio at 87% demonstrates healthy liquidity position.
- Tier 1 capital ratio at 18.7% and Capital adequacy ratio at 19.8%.

Salah Mohammed Amin, Chief Executive Officer of Emirates Islamic commented: “This is a challenging time for businesses everywhere as we deal with the significant impact of COVID-19, combined with low oil prices and negative market sentiment. Despite these challenges, we reported a net profit of AED 155 million as funded income remained stable at AED 468 million.

Net profit is lower as we have made additional impairments allowances to boost coverage in anticipation of a deterioration in credit quality in subsequent quarters. Emirates Islamic

provisions during the Q1-2020 reached AED 206 million, an increase of AED 224 million compared to the same period last year.

I would like to reassure our stakeholders that we are committed to protecting the well-being and financial health of our customers, employees and the wider community. We welcome the actions taken by both the Government of Dubai and the UAE Central Bank in supporting customers. We were among the first Islamic banks to recognize the needs of our customers by offering relief measures, a true reflection of our commitment to society, according to the principles of Shari'a. Our strong focus and investment on safe, accessible banking through digital platforms have helped us continue to deliver an exceptional service to our customers.

"As we continue to act in accordance with UAE government directives, I am confident that our proactive business resilience and continuity plans, combined with our responsive approach to customers, digital banking expertise and financial strength will help us continue to be the market-leading Islamic bank in the UAE," concluded Amin.

Emirates Islamic continues to receive global industry recognition for its strong financial performance and commitment to service excellence as well as its innovative Shari'a-compliant products and services. The Bank was named 'Best Islamic Financial Institution in UAE' 2020 in New York-based *Global Finance* magazine's list of the 'World's Best Islamic Financial Institutions.' Emirates Islamic was also recognised as 2019's 'Best Islamic Bank' and the 'Most Innovative Islamic Bank' by the *World Finance Magazine*'s global Islamic Finance Awards. The Bank was also awarded the 'Most Innovative Islamic Bank' by Islamic Finance News, a leading global Islamic finance news provider.

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About Emirates Islamic:

Emirates Islamic (DFM: EIB), part of Emirates NBD Group, is one of the fastest growing banks in the UAE. Established in 2004 as Emirates Islamic Bank, the bank has established itself as a major player in the highly competitive financial services sector in the UAE.

Emirates Islamic offers a comprehensive range of Shari'a-compliant products and services across the Personal, Business and Corporate banking spectrum with a network of 53 branches and 191 ATMs/CDMs across the UAE. In the fast-growing area of online and mobile banking, the bank is an innovator, being the first Islamic bank in the UAE to launch a mobile banking app and offer Apple Pay, as well as being the first Islamic bank in the world to launch Chat Banking services for customers via WhatsApp.

Emirates Islamic has consistently received local and international awards, in recognition of its strong record of performance and innovation in banking. The Bank was named 'Best Islamic Financial Institution in UAE' 2020 in New York-based Global Finance magazine's list of the 'World's Best Islamic Financial Institutions.' Emirates Islamic was also recognized as 2019's 'Best Islamic Bank' and the 'Most Innovative Islamic Bank' by the World Finance Magazine's global Islamic Finance Awards. The Bank was also awarded the 'Most Innovative Islamic Bank' by Islamic Finance News, a leading global Islamic finance news provider.

As part of its commitment to the UAE community, the Emirates Islamic Charity Fund provides financial aid to those in need, with a focus on food, shelter, health, education and social welfare contributions.

For further information please visit www.emiratesislamic.ae

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