Press Release

Emirates Islamic announces First Half 2020 Financial results

Dubai, 20 July, 2020: Emirates Islamic, one of the leading Islamic financial institutions in the UAE, announced its financial results for the half year ending 30 June, 2020. The Bank reported a net profit of AED 12 million for the first half of 2020. The drop in net profit is largely attributable to the prudent actions taken by the Bank to create higher impairment on its financing and investment book to cater to the future impact of Covid-19.

Emirates Islamic H1 2020 Financial Highlights:

- Total Income of AED 1.1 billion, lower by 15% year-on-year.
- Funded Income margins lower by 25 bps year-over-year due to lower profit rate environment.
- Total assets at AED 64.2 billion, decreased by 1% from end 2019.
- Financing and Investing Receivables at AED 40.4 billion, increased by 8% from end 2019.
- Customer accounts at AED 45 billion, broadly flat from end 2019.
- Current and Savings accounts balances up 10% from end 2019.
- Impaired Financing Ratio is at 8.2% with strong coverage ratio of 103.2%.
- Headline financing to deposit ratio at 90% demonstrates healthy liquidity position.
- Solid Tier 1 capital ratio of 18.9% and Capital adequacy ratio at 20%.

Hesham Abdulla Al Qassim, Chairman of Emirates Islamic, Vice Chairman and Managing Director of Emirates NBD commented: “While Covid-19 has had an impact on our business, we remain resilient and confident as the UAE economy responds to a phased re-opening. The country’s leadership has demonstrated exceptional strength and foresight in creating the necessary regulation and frameworks to address immediate challenges and support the long term recovery and growth of the

economy. True to our core Shari'a principles and reflecting our commitment to society, we were among the first Islamic banks to offer relief measures to our customers facing financial difficulties as a result of Covid-19. In 2020, we have assisted over 35,400 customers to the tune of AED 2.09 billion in instalment deferments.
As the UAE's leading Islamic financial institution, we will continue to take decisive and proactive steps to ensure we continue to support our customers during these challenging times. We remain committed to the health and safety of our people, our customers and the wider community."

Salah Mohammed Amin, Chief Executive Officer of Emirates Islamic commented: "Our financial results for H1 2020 reflect our measured and cautious approach as the UAE eases lockdown restrictions and begins a phased plan towards economic recovery. Our strong balance sheet and healthy market share enable the Bank to continue to support our loyal customer base so that we all can emerge even stronger from these unprecedented times. Our strong focus on digitization and innovation has been critical to offering customers an uninterrupted banking service. We are pleased that an increased number of customers are now more digitally active on our secure platform. Going forward, we will keep enhancing our digital banking solutions to address our customers' needs in this new environment and maintain our market-leading position."

Emirates Islamic continued to play its role in supporting the less fortunate and under-privileged sections of the society. Through the Emirates Islamic Charity Fund, the Bank distributed AED 22 million in the first half of 2020 to a number of charitable institutions and deserving causes.

Emirates Islamic received 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 'Islamic Bank of the Year – UAE 2020' by the Financial Times' monthly publication, The Banker. Emirates Islamic was also recognized as the '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 named 2019's 'Best Islamic Bank' and the 'Most Innovative Islamic Bank' at the World Finance Magazine's global Islamic Finance Awards. The Bank was also awarded the 'Most Innovative Islamic Bank' by Islamic Finance News.

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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 38 branches and 179 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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