For immediate release

Emirates Islamic's profit sharply increases to AED 569 million for the first half of 2021

Dubai, 28 July 2021

- Emirates Islamic's net profit jumped to AED 569 million for the first half of 2021 on higher non-funded income, effective cost management and a significant reduction in the cost of risk reflecting improved business sentiment.

Total Income	Expenses	Provisions	Net Profit
AED 1,180 million	AED 526 million	AED 85 million	AED 569 million
↑ 5% q-o-q	↑ 6% q-o-q	↓ 120% q-o-q	↑ 69% q-o-q
↑ 3% y-o-y	↓ 2% y-o-y	↓ 86% y-o-y	↑ 4701% y-o-y

NFIM	Cost: Income Ratio	NPF Ratio	CET-1 Ratio
2.49 %	44.6 %	8.7 %	18.4%

Key Highlights – First Half 2021

➢ **Strong operating performance on higher non-funded income coupled with disciplined cost management action**

- **Total income** up 3% y-o-y and 5% q-o-q due to the marked recovery in non-funded income
- **Expenses** declined 2% y-o-y and increased 6% q-o-q
- **Impairment Allowances** reduced 86% y-o-y and 120% q-o-q with a lower cost of risk of 59 bps following proactive provisioning in previous quarters
- **Operating profit** improved 9% y-o-y and 5% q-o-q
- **Net profit** sharply increased to AED 569 million on the back of higher non-funded income, lower costs and lower impairment allowances
- **Net profit margin** at 2.49% following stable profit rates in the first half of 2021

➢ **Strong capital and liquidity combined with a healthy deposit mix enable the Bank to support customers**

- **Total assets** remained robust at AED 68 billion maintaining a strong asset base
- **Customer financing** at AED 41.5 billion, increased 2% from 2020
- **Customer deposits** at AED 48.8 billion, increased 4% from 2020 with CASA growing to 78% of deposits
- **Credit Quality:** Non-performing financing ratio improved to 8.7%. Coverage ratio strong at 105%
- **Capital:** Tier 1 ratio at 18.4% and Capital adequacy ratio at 19.5% reflect the strong capital position of the Bank
- **Headline Financing to Deposit ratio** at 85% remained within the management's target range



Hesham Abdulla Al Qassim, Chairman said:

- "As the UAE economy continues to recover, we are pleased to report a strong first-half profit, highlighting Emirates Islamic's key role in the growth of Islamic banking in the UAE.
- On the digital front, we will to continue to innovate by launching new products, channels and services that enhance our customers' lifestyles and demonstrate our leadership in digital banking.
- As we prepare to welcome millions of international visitors at Expo 2020 Dubai, we look forward to showcasing the modern face of Sharia compliant banking to the world."



Salah Mohammed Amin, Chief Executive Officer said:

- "We have delivered a strong set of results in the first half, with a net profit of AED 569 million. We continued to see an improvement in performance across business lines with a 3% y-o-y increase in total income on the back of higher non-funded income reflecting improved business conditions.
- As the UAE economy continues to recover, we remain confident in our position as the UAE's leading Islamic bank.
- Emirates Islamic has always played an integral part in the UAE's growth and development. In our role as the official Islamic Banking Partner of Expo 2020 Dubai, we are committed to contributing substantially to the economy's growth and expanding the importance of Islamic banking in the UAE. We look forward to showcasing and providing convenient banking solutions to residents and visitors, building on our product innovations and exceptional customer service."

Key Highlights

- Launch of Instant account opening for UAE national customers (Individuals and Non-Individual customers)
- Trade Guarantee campaign launched offering preferential pricing for Government entities and reduced fees for trade customers resulting in increased trade transactions since Jan 2021
- The Bank was proud to win the following local and international awards:
    - **'Best Digital Innovation in Islamic Banking'** award from MEA Finance in May 2021.
    - **'Best Credit Card'** award for Emarati Visa Signature credit card at the 2021 International Finance Awards

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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 41 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 won international acclaim as the 'Most Innovative Islamic Bank' at the Islamic Finance Awards 2020 by World Finance, in addition to being named the 'Best Islamic Bank, UAE'. The Bank was also awarded the title of 'Most Innovative Islamic Bank' by Islamic Finance News and 'Islamic Bank of the Year – UAE 2020' by The Banker. Additionally, New York-based Global Finance magazine recognised Emirates Islamic as the 'Best Islamic Financial Institution, UAE' for a second year in a row on its list of the 'World's Best Islamic Financial Institutions'.

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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