**For immediate release**

# Emirates Islamic reports record net profit of AED 601 million for Q1 2023

**Dubai, 27 April 2023**

Emirates Islamic delivered a record net profit of AED 601 million for the first three months of 2023 as total income grew 74%.

| Total Income | Expenses | Provisions | Net Profit |
|---|---|---|---|
| AED 1.133 billion<br>⬆ 74% y-o-y | AED 377 million<br>⬆ 34% y-o-y | AED 155 million<br>⬆ 424% y-o-y | AED 601 million<br>⬆ 76% y-o-y |

| NFIM | Cost: Income Ratio | NPF Ratio | CET-1 Ratio |
|---|---|---|---|
| 4.72% | 33.3% | 6.8% | 18.5% |

## Key Highlights – Q1 2023

➢ **Strong operating performance on higher funded income and non-funded income**

- **Total income** up 74% y-o-y driven by rising core revenues as a result of improved financing and deposit mix with higher profit rates coupled with higher non funded income
- **Operating expenses** increased by 34% y-o-y as the Bank invests for future growth. Cost to income ratio at 33.3%, lower by 10% y-o-y
- **Impairment Allowances** increased by 424% y-o-y due to financing growth and increased overlays resulting in higher coverage ratio
- **Operating profit** showed an impressive growth of 103% y-o-y
- **Net profit** increased to a record AED 601 million, up by 76% y-o-y
- **Net profit margin** improved to 4.72%

➢ **Strong capital and liquidity combined with a healthy deposit mix enabled the Bank to continue supporting customers**

- **Total assets** at AED 77.9 billion, increased 4% from end 2022
- **Customer financing** at AED 49.6 billion, increased 3% from end 2022
- **Customer deposits** at AED 57.3 billion, increased 2% from end 2022 with Current Account and Savings Account balances at 75% of total deposits
- **Credit Quality:** Non-performing financing ratio improved to 6.8% with strong coverage ratio at 133%
- **Capital:** Tier 1 ratio of 18.5% and 19.7% Capital adequacy ratio reflects Bank's strong capital position
- **Headline Financing to Deposit ratio** at 87%, reflects continued healthy liquidity in the UAE

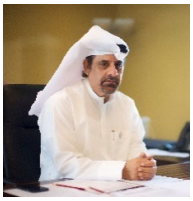


**Hesham Abdulla Al Qassim, Chairman, Emirates Islamic** said:

• We are very pleased to announce a strong performance by Emirates Islamic in the first quarter of 2023. The bank's net profit grew by 76% year-on-year to a record AED 601 million, driven by a 74% growth in total income.

• As the UAE steadily delivers higher economic growth, customer confidence is at a high. This was reflected in increased appetite for retail products, growth in card spending and higher customer deposits.

- The Bank announced the successful pricing of its inaugural AED 1 billion dirham-denominated sukuk, the first such sukuk by a UAE bank. The Sukuk sale will expand financing options for UAE corporations with Shariah-compliant needs while enhancing the development of the Ministry of Finance's dirham yield curve. The three-year issue attracted a strong orderbook and was 2.5 times oversubscribed which allowed the Bank to tighten the profit rate to 5.05%, at a spread of 67 basis points over UAE Government Treasuries.
- At Emirates Islamic, we believe in Emirati talent and have exceeded the Emiratization target set by the Central Bank of the UAE. We are proud to have one of the highest Emiratization rates in the UAE banking sector, at 38% of total employees at the Bank.
- Emirates Islamic supported those in need by contributing AED 108 million in 2022 through the Emirates Islamic Charity Fund. The bank will continue to support a number of charitable institutions and deserving causes in 2023, especially during the holy month of Ramadan.



**Salah Mohammed Amin, Chief Executive Officer, Emirates Islamic said:**

• Emirates Islamic's balance sheet remains strong with total assets growing by 4% in the first quarter of 2023 to reach AED 77.9 billion, demonstrating the strength of our operating capabilities and prudent risk management.

- Our strong results are a reflection of our focus on providing innovative financial solutions to our customers while enhancing the overall customer experience.
- As Emirates Islamic continues to drive innovation in the Islamic banking sector, the Bank launched a global FinTech accelerator campaign in collaboration with the world's leading innovation platform, Plug and Play Abu Dhabi. The campaign is a call to action for leading Islamic FinTechs and financial startups with propositions that can enhance customer journeys across SME financing, trade finance and financial wellbeing.
- Further reinforcing our commitment to SMEs, the Bank launched its "Trade More, Earn More" campaign to incentivise small and medium-sized businesses to use our trade solutions suite for optimal import and export business transactions.
- As the bank of choice for UAE nationals, the Bank launched the "Emarati Week" initiative, giving existing Emarati customers 7-day-access to exclusive rates, special offers, and the chance to win grand prizes.

- We are pleased to be recognised for our market-leading proposition, customer-centricity and innovative banking propositions. The Bank won three prestigious awards at the Islamic Finance News Awards 2022 and was named 'Best Retail Bank in the UAE' for excellence in consumer-focused banking propositions, 'Most Innovative Bank in the UAE' in recognition of its commitment to digital, customer-centric banking experiences and 'Best Digital Offering in the UAE' for its transformative digital banking proposition and integration of industry-leading technology. In addition, the bank was also named 'Most Innovative Shariah-Compliant Bank' by International Finance Magazine.

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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 42 branches and 211 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. Emirates Islamic won recognition in 2022 for its financial performance, innovative products and customer experience. The bank won three awards at the World Finance Islamic Finance Awards - namely "Best Islamic Bank in UAE"; "Best Islamic Bank in Customer Experience, UAE" and "Best Credit Card in UAE" for its Etihad Guest Credit Cards - a range of exclusive, co-branded credit cards with Etihad Airways. The bank was also named 'Best Islamic Bank for SMEs' at the MEA Finance Awards, recognised for its innovative proposition for small and medium enterprises (SMEs) and its status as a preferred bank for entrepreneurs seeking Shari'a -compliant products and services for their businesses.

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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