27 July 2023

Emirates Islamic's net profit rises to AED 1.2 billion for the first half of 2023

Emirates Islamic delivered its highest ever half-year net profit, with an exceptional jump of 73% to AED 1.2 billion during the first half of 2023. This record profit was driven by higher funded and non-funded income reflecting improved business sentiment.

Total Income AED 2.340 billion ⬆71% y-o-y	**Expenses** AED 968 million ⬆63% y-o-y	**Provisions** AED 160 million ⬆113% y-o-y	**Net Profit** AED 1.212 billion ⬆73% y-o-y
Net Profit Margin 4.74 %	**Cost: Income Ratio** 41.4%	**NPF Ratio** 7.2%	**CET-1 Ratio** 19.0%

Key Highlights – First Half 2023

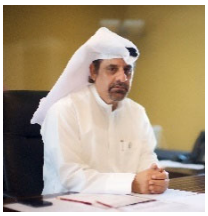
- **Strong operating performance on higher funded income and higher non-funded income**
  - **Total income** up 71% y-o-y driven by higher funded and non-funded income
  - **Expenses** increased 63% y-o-y as the bank invests for future growth
  - **Impairment Allowances** benefit from strong recoveries, delivering a healthy 60 basis point cost of risk
  - **Operating profit** improved 77% y-o-y
  - **Net profit** sharply increased to AED 1.212 billion on the back of higher funded income and higher non-funded income
  - **Net profit margin** at 4.74% following stable profit rates in the first half of 2023

- **Strong capital and liquidity combined with a healthy deposit mix enabling the Bank to provide improved products to customers**
  - **Total assets** at AED 79 billion, increased 6% from end 2022
  - **Customer financing** at AED 51 billion, increased 5% from end 2022
  - **Customer deposits** at AED 58 billion, increased 3% from end 2022 with Current and Saving Account balances at 77% of deposits
  - **Credit Quality:** Non-performing financing ratio at 7.2% with Coverage ratio strong at 120%
  - **Capital:** Common Equity Tier 1 ratio at 19.0% and Capital adequacy ratio at 20.1% reflect the strong capital position of the Bank
  - **Headline Financing to Deposit ratio** at 88% remained within the management's target range



Hesham Abdulla Al Qassim, Chairman said:

- "Emirates Islamic delivered a record set of financial results, with a net profit of AED 1.2 billion for the first six months of 2023
- Total income was up 71% driven by higher funded and non-funded income, leading to operating profit growing strongly by 77% over the comparable period in 2022
- Emirates Islamic has always played an integral part in the UAE's development and we are committed to contributing substantially to the economy's growth by providing innovative Shariah-compliant banking solutions to our customers
- Demonstrating Emirates Islamic's commitment to deepening the liquidity of the local currency sukuk market, Emirates Islamic issued the first dirham sukuk from a UAE bank, with a hugely successful AED 1 billion dirham-denominated sukuk. The sukuk issue sets an important precedent, expanding financing options for UAE corporations with Shariah-compliant needs while enhancing the development of the medium-term dirham yield curve.
- In recognition of Emirates Islamic's strong performance and market-leading product offering, we are honoured to be awarded the 'Most Innovative Sukuk' award at The Banker Islamic Banking Awards for our AED 1 billion dirham-denominated sukuk and 'Best Islamic Real Estate Deal' at the prestigious Euromoney Islamic Finance Awards 2023 for facilitating a real estate financing deal for a leading Dubai-based conglomerate."



Salah Mohammed Amin, Chief Executive Officer said:

- "Emirates Islamic's balance sheet grew by 6% to AED 79 billion during the first half of 2023, maintaining a trend of successful asset growth.
- Strong capital and liquidity combined with a healthy deposit mix enable the Bank to support customers in fulfilling their banking requirements.
- We have witnessed strong growth across the Retail, SME and Corporate segments as the Nation's economy continues to be buoyant.
- In line with the Bank's commitment to drive innovation in the Islamic banking sector, Emirates Islamic partnered with the Arab payment system, Buna, to enhance and facilitate cross-border transactions throughout the Arab region.
- Emirates Islamic launched the new Emarati Absher Business Account, designed exclusively to provide a comprehensive suite of premium banking solutions for Emarati start-ups. This innovative account supports small and medium-sized businesses, owned by UAE citizens, through special support programmes and initiatives, and aligns with the UAE's strategy to develop this important sector.
- In our efforts to expand the footprint of Islamic banking in the UAE, and to promote a savings culture, we recently enhanced our flagship Kunooz Savings Account, offering customers an opportunity to win AED 1 million every quarter or a Mercedes EQS car every month or AED 10,000 every week."

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About Emirates Islamic:
Emirates Islamic (DFM: EIB), part of Emirates NBD Group, is a leading Islamic financial institution 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 214 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. In 2023, Emirates Islamic was awarded the 'Most Innovative Sukuk' award at The Banker Islamic Banking Awards for its AED 1 billion dirham-denominated sukuk, the first such dirham sukuk issuance by a UAE bank. The bank also won 'Best Islamic Real Estate Deal' at the prestigious Euromoney Islamic Finance Awards 2023 for facilitating a real estate financing deal for a leading Dubai-based conglomerate.

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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