

**For immediate release**

## Emirates Islamic profit rises 71% in 2023 to a record AED 2.12 billion

**Dubai, 25 January 2024**

Emirates Islamic achieved a significant milestone in 2023, with an impressive 71% increase in net profit, reaching an unprecedented high to AED 2.12 billion. This remarkable growth can be attributed to the upward trajectory of both funded and non-funded income, indicating enhanced business sentiment. In the fourth quarter of 2023, the Bank's total income reached AED 1.2 billion, marking a noteworthy 24% year-on-year growth. Total income increased by a significant 50% to AED 4.77 billion. These exceptional results reflect the strength of the regional economy and the Bank's profound expertise in identifying and addressing the market demand for Islamic banking. This expertise has enabled Emirates Islamic to offer a broader range of innovative services, resulting in a robust 82% growth in operating profit.

<b>Total Income</b> AED 4.77 billion ↑ 50% y-o-y	<b>Expenses</b> AED 1.77 billion ↑ 15% y-o-y	<b>Provisions</b> AED 873 million ↑ 117% y-o-y	<b>Net Profit</b> AED 2.12 billion ↑ 71% y-o-y
<b>NFIM</b> 4.7 %	<b>Cost: Income Ratio</b> 37.2 %	<b>NPF Ratio</b> 6.3%	<b>CET-1 Ratio</b> 18.9%

### **Key Highlights – FY 2023**

- **Strong operating performance on higher funded and non-funded income**
  - **Total income** up 50% y-o-y driven by financing growth, low cost funding base and increased transaction volumes
  - **Operating expenses increased** 15% y-o-y as the Bank invests for future growth
  - **Impairment Allowances** increased 117% y-o-y due to financing growth
  - **Operating profit** improved 82% y-o-y
  - **Net profit** increased to a record AED 2.12 billion, up by 71%
  - **Net profit margin** improved to 4.69%
  
- **Strong capital and liquidity combined with a healthy deposit mix enables the Bank to continue supporting customers**
  - **Total assets** increased by 18% to AED 88 billion in 2023
  - **Customer financing** increased by 11% to AED 53.7 billion in 2023
  - **Customer deposits** increased by 9% to AED 61.3 billion in 2023 with Current Account and Savings Account balances at 76% of total deposits
  - **Credit Quality:** Non-performing financing ratio improved to 6.3% with strong coverage ratio at 132%
  - **Capital:** Tier 1 ratio of 18.9% and 20% Capital adequacy ratio reflects Bank's strong capital position
  - **Headline Financing to Deposit ratio** at 88%, reflects continued healthy liquidity in the UAE



**Hesham Abdulla Al Qassim, Chairman, Emirates Islamic and Vice Chairman and Managing Director of Emirates NBD:**

- Emirates Islamic delivered the most impressive financial performance in our history in 2023.
- The strong balance sheet, low cost funding base and digital architecture form a strong platform for even greater achievements in the future.
- Emirates Islamic delivered its highest ever net profit of AED 2.12 billion in 2023, marking a substantial 71% increase compared to 2022.
- The Bank reported a Total Income growth of 50% over 2022 with customer deposits growing by 9% over the same period.
- Our deep expertise and awareness of the demand for Islamic banking provided the opportunity to develop existing products and introduce new services, making Shariah-compliant banking more beneficial for institutional clients and more accessible for individual customers.
- We are proud of our partnerships with the Mohammed Bin Rashid Housing Establishment and Sharjah Housing Programme to offer Shariah-compliant home finance – enabling more UAE Nationals to access finance to buy or build their own homes.
- Our investments in technology and strategic partnerships have played a major role in our success, as we attract numerous large corporate clients and individual customers.
- Our commitment to environmental causes is more intense than ever before and we will continue to be a major player in sustainability in the regional banking industry.
- In 2023, the UAE marked the ‘Year of Sustainability’ and hosted the most significant global climate conference and gatherings of the year. Underscoring our dedication to the cause, Emirates NBD Group, including Emirates Islamic, DenizBank and Liv, supported COP28, the 28th edition of the United Nations Climate Change Conference as the Principal Banking Partner.
- We are committed to our core Islamic principles and contributed over AED 50 million to a range of charitable initiatives in 2023 through the Emirates Islamic Charity Fund. The Emirates Islamic Charity Fund provides financial aid to those in need, with a focus on food, shelter, health, education and social welfare contributions.
- Going forward, we will continue to drive the growth of Islamic banking in the UAE and support the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai, to make Dubai the global capital of the Islamic economy.



**Farid Al Mulla, Chief Executive Officer of Emirates Islamic:**

- As the flagship Islamic banking arm of the Emirates NBD Group, we exceeded all expectations in 2023, including our highest-ever profit. Emirates Islamic’s gross financing increased in 2023, including improved productivity and return on assets.
- In 2023, we celebrated a first in UAE banking history, reinforcing our commitment to deepening and promoting liquidity in the local currency Sukuk market, by issuing an AED 1 billion public Sukuk. This unique three-year offering was oversubscribed 2.5 times, highlighting

the strength of the dirham Sukuk market, and emphasising confidence in the local currency market from global Shariah-compliant investors.

- Emirates Islamic has further strengthened its position as a leading Islamic financial institution in the UAE, with total assets increasing by 18% to AED 88 billion in 2023 and customer financing growing by 11% to AED 53.7 billion in 2023.
- In line with our ongoing digital transformation journey, we made further strategic investments in technological solutions that enhance our banking operations. In 2023, online and mobile banking transactions increased by 6% over the previous year.
- As a stalwart of environmental protection, Emirates Islamic commits not only to national and regional development ambitions, but also international targets, such as the United Nations Sustainable Development Goals and reducing our environmental impact in line with the UAE Net Zero 2050 strategy.
- We are deeply committed to developing Emirati talent across our Bank. In 2023, we undertook a number of initiatives to increase Emirati participation in critical roles within the organisation, supporting the Central Bank of the UAE's Emiratisation policy. The Bank has one of the highest Emiratisation levels in the UAE banking sector, with 36% of the total number of employees. In addition, women in leadership positions increased to 25% and we signed the UAE Gender Balance Pledge to accelerate gender balance in the UAE private sector.
- Fitch Ratings affirmed our Long-Term Issuer Default Rating of 'A+' with a Stable Outlook, Short-Term IDR (ST IDR) of 'F1', with an upgrade of Viability Rating to 'bb+'.

## **KEY AWARDS**

- **ISLAMIC FINANCE NEWS AWARDS**
  - *Best Retail Bank in the UAE*
  - *Most Innovative Bank in the UAE*
  - *Best Digital Offering*
- **INTERNATIONAL FINANCE MAGAZINE AWARDS**
  - *Most Innovative Shariah-Compliant Bank*
  - *Best Islamic SME Bank*
- **THE BANKER ISLAMIC BANKING AWARDS**
  - *Most Innovative Sukuk*
- **Euromoney Islamic Finance Awards 2023**
  - *Best Islamic Real Estate Deal*
- **World Finance Islamic Finance Awards 2023**
  - Best Islamic Bank in UAE
  - Best Retail Bank in UAE
  - Best SME Bank in UAE
  - Best Cash Management Bank
  - Best Treasury Management Bank

**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 Shariah-compliant products and services across the Personal, Business and Corporate banking spectrum with a network of 40 branches and 216 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](http://www.emiratesislamic.ae)

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