



Investor Presentation

FY 2022

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الإمارات الإسلامية
EMIRATES ISLAMIC

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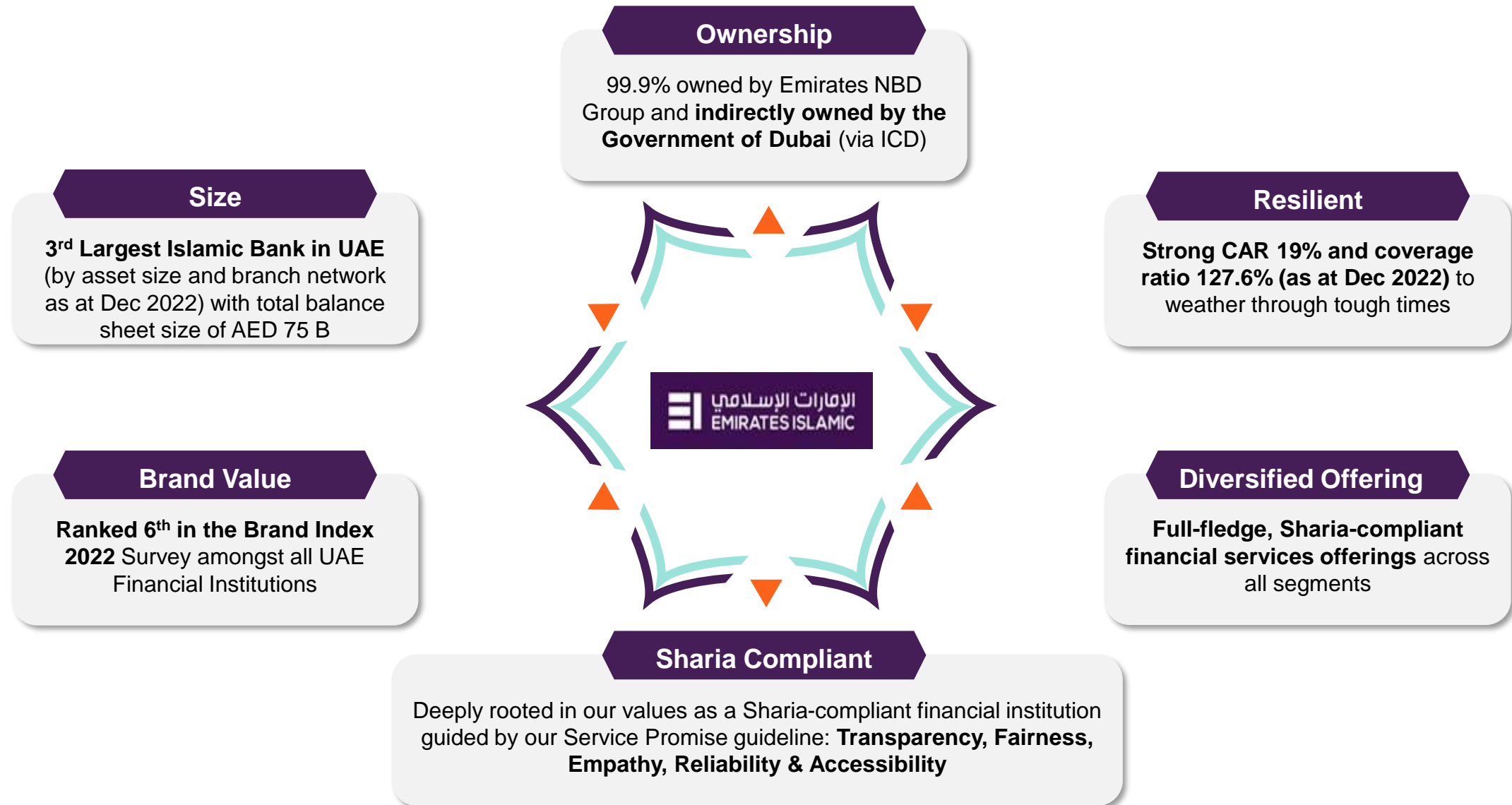
Emirates Islamic Profile

Operating Environment

Financial and Operating Performance

Divisional Performance

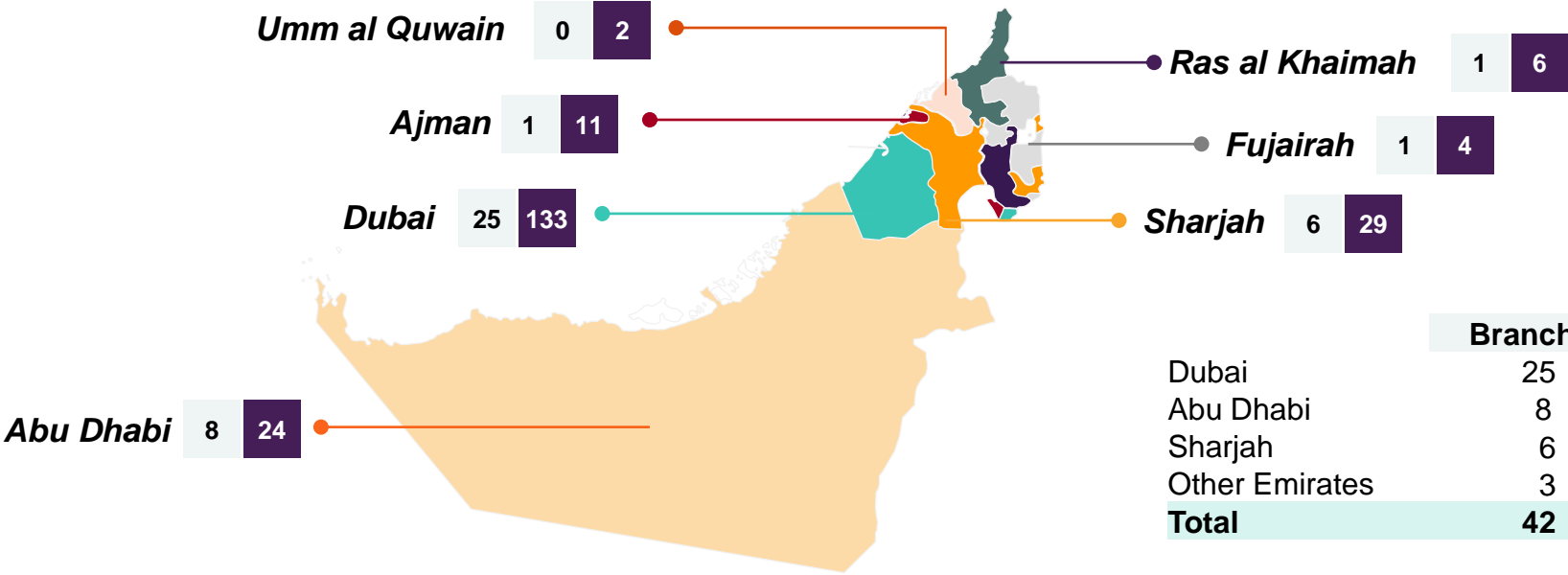
El, a young growing Islamic Bank



El is strategically positioned across UAE to support its clients. Strong credit rating since 2015

Optimised Branch and Alternative Channel Footprint across UAE

Branches ATM / CDM



	Branches	ATM / CDM
Dubai	25	133
Abu Dhabi	8	24
Sharjah	6	29
Other Emirates	3	23
Total	42	209

Superior Long Term and Short Term Credit Rating affirmed by Fitch since 2015

As at Dec 2022 (Affirmed)

	Long Term	Short Term	Outlook
FitchRatings	A+	F1	Stable

EI is one of the largest Islamic banks in UAE

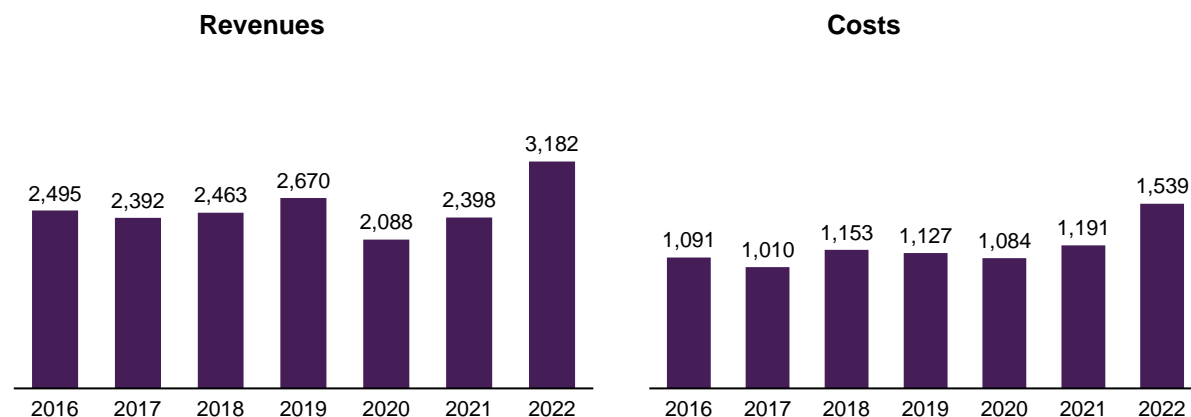
Q3 2022



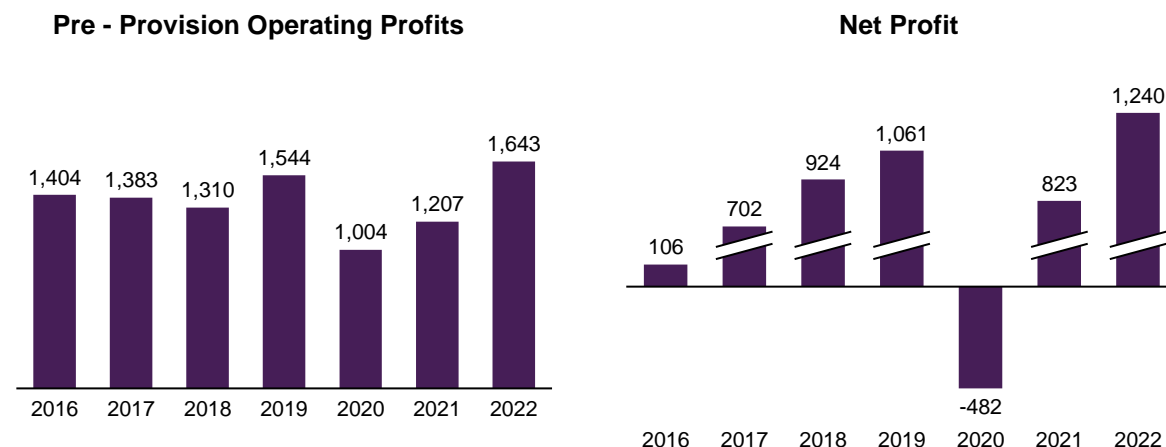
Note: Balance sheet numbers are at end of period

Profit and balance sheet growth in recent years

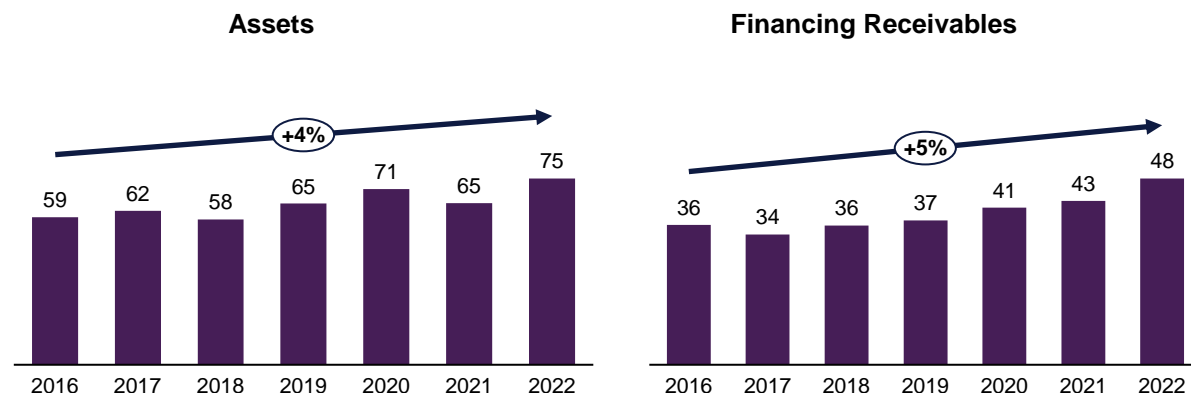
Revenues and Costs (AED M)



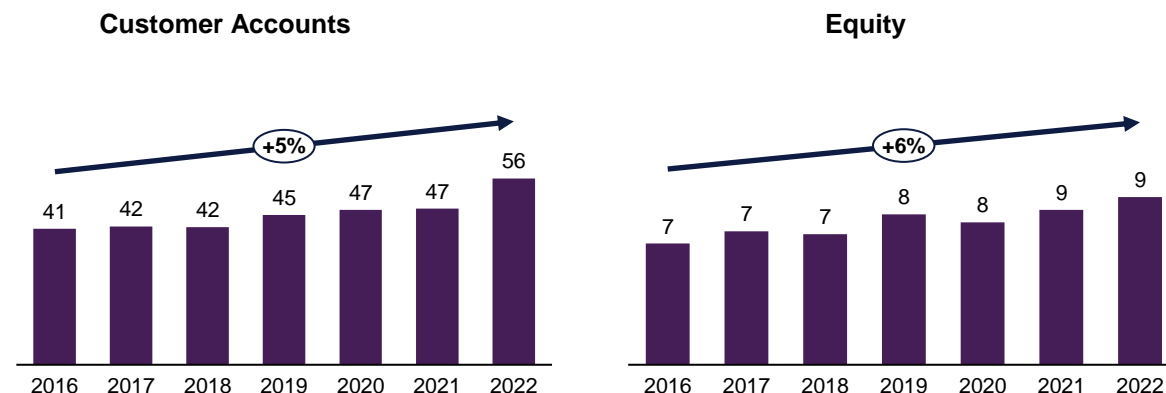
Profits (AED M)



Assets and Financing (AED B)



Customer Accounts and Equity (AED B)



Notes:

1. Equity is Tangible Shareholder's Equity; All Balance Sheet numbers are at end of period
2. Source: Financial Statements

2022 Financial Results Highlights

Highlights

- Net Profit at AED 1.24 B higher by 51% compared to same period last year reflecting strong operating performance
- Total income up 33% compared to same period last year
 - Funded income higher by 36%, driven by financing growth, and higher profit rate
 - Non-Funded Income increased 23%, driven by higher Trade income, Fx and derivatives income
- Expenses up 29% y-o-y due to higher investment for future growth. CI ratio improved in 2022 supported by positive income momentum
- Impairment Allowance at AED 403 M higher by 5% y-o-y
 - Cost of risk improved to 76 bps
 - NPF ratio improved to 7.0%
 - Coverage ratio at 127.6%, highest amongst peers
- Financing Receivables at AED 48.4 B, increased 14% from end 2021 demonstration strong growth
- Customer deposits at AED 56.3 B, increased 19% from end 2021 with CASA balances at 74% of total deposits

Key Performance Indicators, AED M

	FY 2022	FY 2021	Better / (Worse)
Net Funded Income	2,335	1,711	36%
Non Funded Income	847	687	23%
Total Income	3,182	2,398	33%
Operating Expenses	(1,539)	(1,191)	-29%
Pre-impairment Operating Profit	1,643	1,207	36%
Impairment Allowances	(403)	(384)	-5%
Net Profit for the Period	1,240	823	51%

Cost income ratio (%)	48.4%	49.7%	-
Net Funded Income Margin (%)	3.4%	2.6%	-

AED Billion	31-Dec-22	31-Dec-21	%
Total Assets	74.8	64.9	15.2%
Financing Receivables, net	48.4	42.6	13.5%
Customers' Accounts	56.3	47.3	19.2%
Headline Ratio (%)	86%	90%	-
NPF Ratio (%)	7.0%	8.2%	-

Q-o-Q Financial Results Highlights

Highlights

- Net Profit for Q4-22 at AED 186 M, higher by 885% compared to same period last year
- Total income up 66% compared to same period last year
 - Funded income higher by 71%, driven by financing growth and increased profit rate
 - Non-Funded Income increased 53%, driven by higher Fx & derivatives income and higher trade income
- Expenses up 44% compared to same period last year as business recovers and investment for future growth.
- Impairment Allowance at AED 259 M

Key Performance Indicators, AED M

	Q4-22	Q4-21	Better / (Worse)	Q3-22	Better / (Worse)
Net Funded Income	756	443	71%	613	23%
Non Funded Income	241	157	53%	203	19%
Total Income	997	600	66%	815	22%
Operating Expenses	(552)	(383)	-44%	(393)	-40%
Pre-impairment Operating Profit	445	217	105%	422	5%
Impairment Allowances	(259)	(198)	-31%	(69)	-277%
Net Profit for the Period	186	19	885%	353	-47%

Cost income ratio (%)	55.4%	63.9%	-	48.2%	-
Net Funded Income Margin (%)	4.2%	2.7%	-	3.4%	-

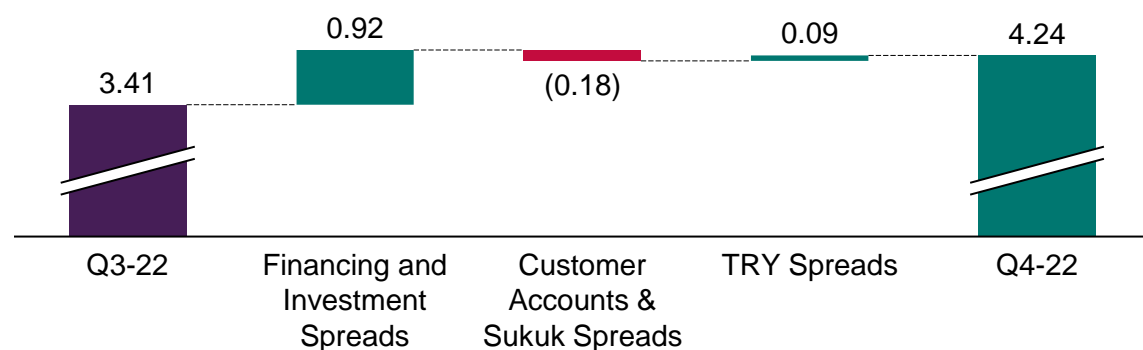
AED Billion	31-Dec-22	31-Dec-21	%	30-Sep-22	%
Total Assets	74.8	64.9	15.2%	73.1	2.3%
Financing Receivables, net	48.4	42.6	13.5%	47.8	1.2%
Customers' Accounts	56.3	47.3	19.2%	54.7	3.1%
Headline Ratio (%)	86%	90%	-	87%	-
NPF Ratio (%)	7.0%	8.2%	-	6.9%	-

Net Funded Income Margin

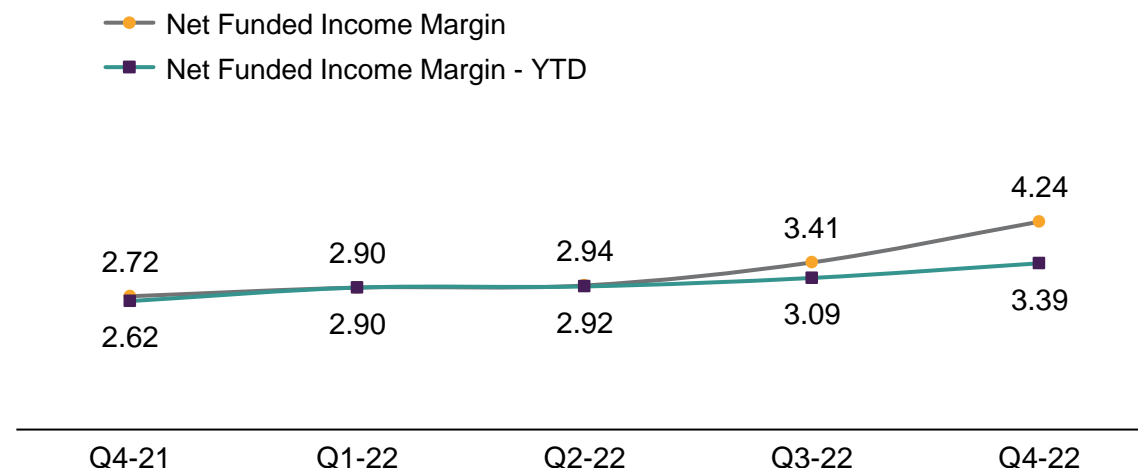
Highlights

- Net funded income margin for FY 2022 at 3.39%, increased 77 bps compared to same period last year. The increase is primarily on account of
 - Higher spread on Financing and Investment book due to increase in EIBOR
 - Lower cost of EMTN Sukuk due to maturity of high yield portfolio
 - Higher yield on Due from banks and CDs due to increase in EIBOR
 Partially offset by:
 - Higher cost of deposits due to increase in EIBOR
- Q4'22 net funded income margin at 4.24%, increased 83 bps q-o-q primarily on account of higher yield on Financing and Investment book partially offset by higher cost of deposits due to increase in EIBOR

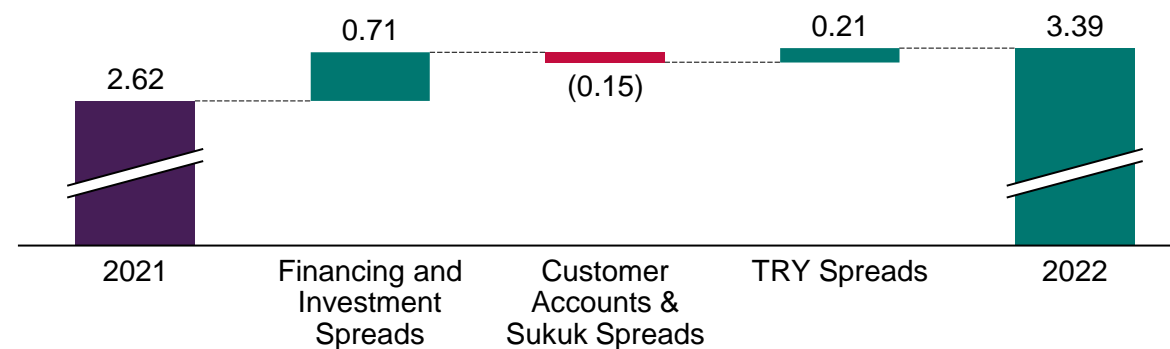
Net Profit Margin Drivers (%) (Q4-22 Vs Q3-22)



Net Funded Income Margin (%)

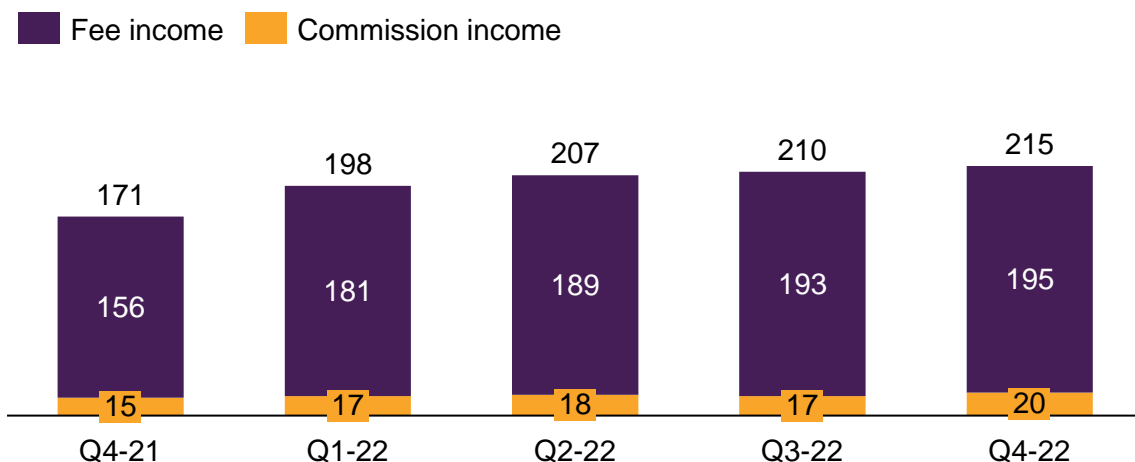


Net Profit Margin Drivers (%) (2022 Vs 2021)

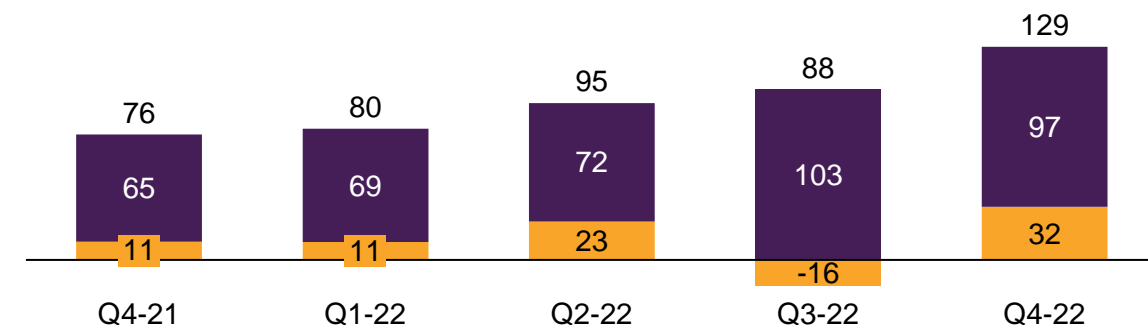


Non Funded Income

Trend in Gross Fee and Commission Income (AED M)



Trend in Other Operating Income (AED M)



Composition of Non Funded Income (AED M)

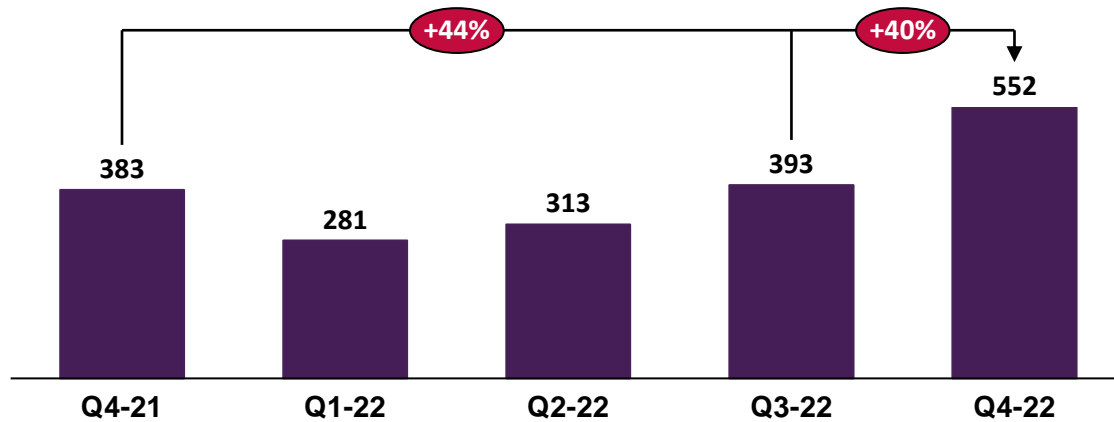
	2022	2021	Better/ (Worse)
Fee and Commission income	830	726	14%
Fee and Commission expense	(374)	(357)	-5%
Net Fee and Commission Income	455	369	23%
Other operating income	392	318	23%
Total Non Funded Income	847	687	23%

Highlights

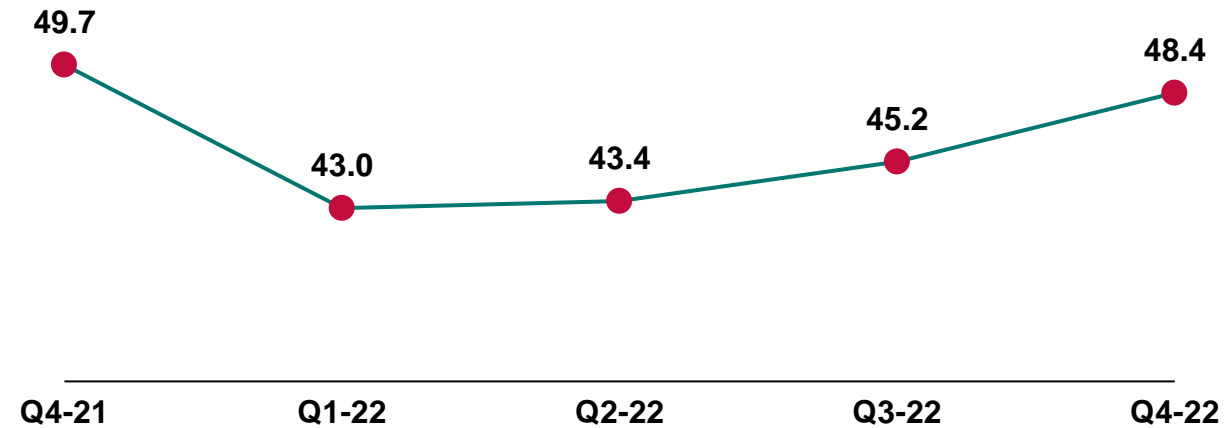
- Non-Funded Income increased 23% y-o-y
 - Net Fee and Commission income increased by 23% y-o-y
 - Other operating income increased primarily due to higher other banking income and FX & derivative income

Operating Costs and Efficiency

Total Cost (AED M)



Cost to Income Ratio (%), YTD



Highlights

Cost to Income ratio at 48.4% for FY 2022, decreased 1.3% compared to same period last year as a result of:-

- Increase in total income by 33%

Partially offset by

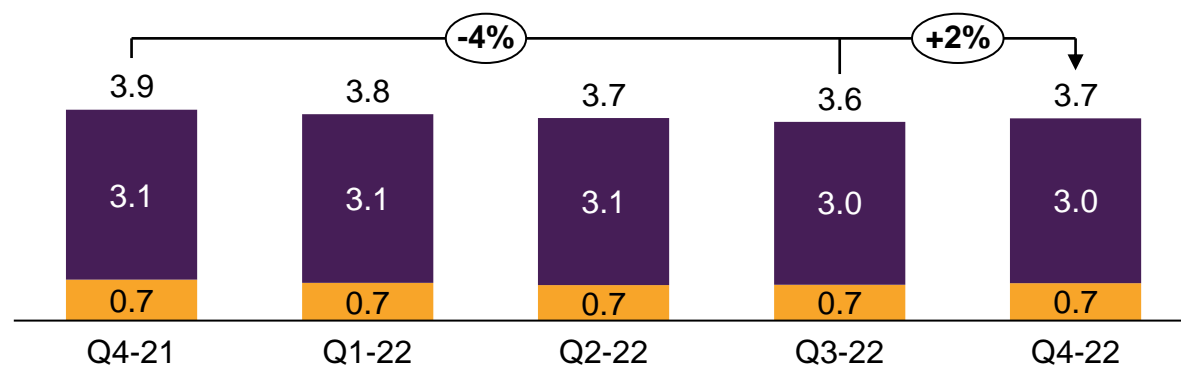
- Increase in total cost by 29%

Credit Quality

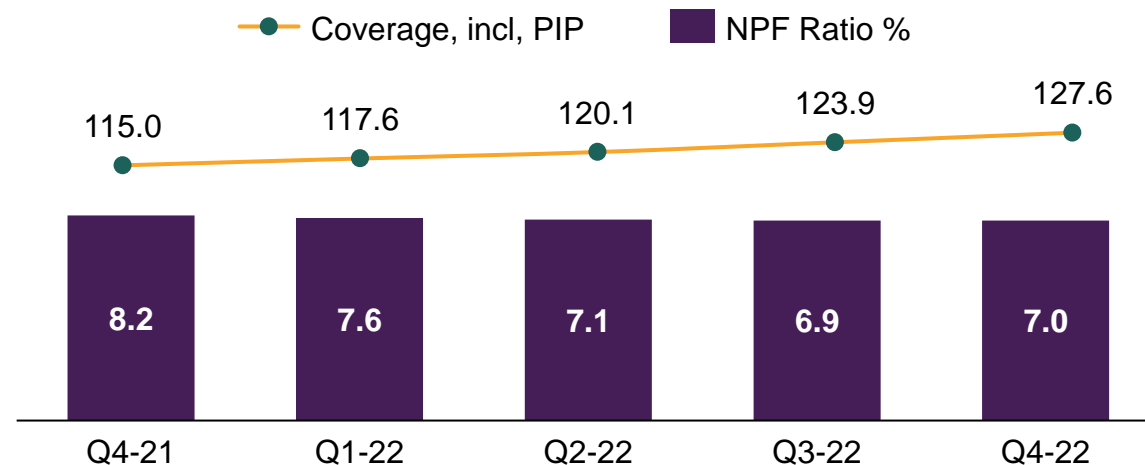
Highlights

- Non Performing Financing (NPF) ratio decreased to 7.0% from 8.2% at end of 2021
- Coverage ratio at 127.6% strengthened by 12.6% in FY 2022
- The Impairment allowance of AED 4.7 B includes AED 3.5 B (74%) of specific provisions and AED 1.2 B (26%) of ECL provisions
- Stage 1 and Stage 2 Expected Credit Loss (ECL) represents 2.5% of total Credit Risk Weighted Assets (CRWA) at the end of Q4'22 (Dec-21 : 2.4%)

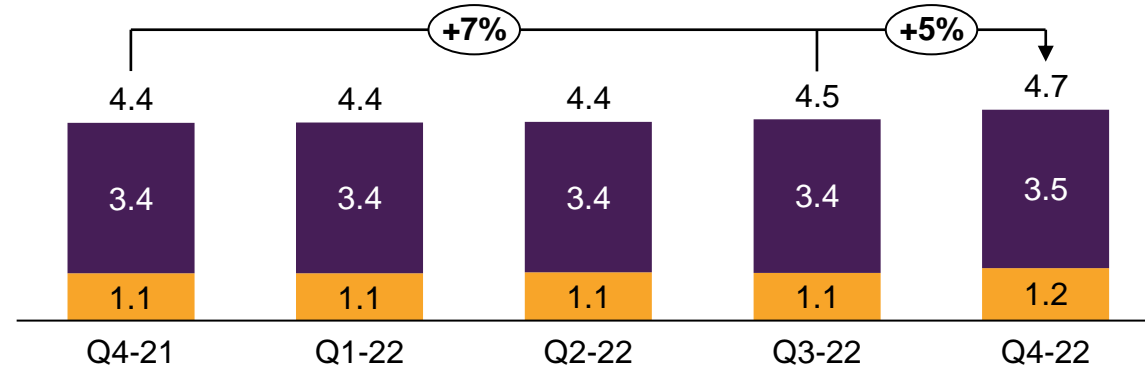
Impaired Financing (AED B)



Impaired Financing & Coverage Ratios (%)



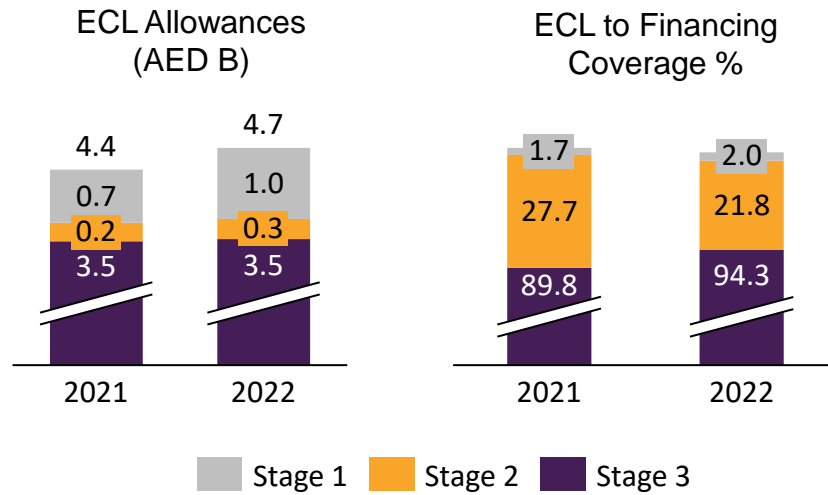
Impairment Allowances (AED B)



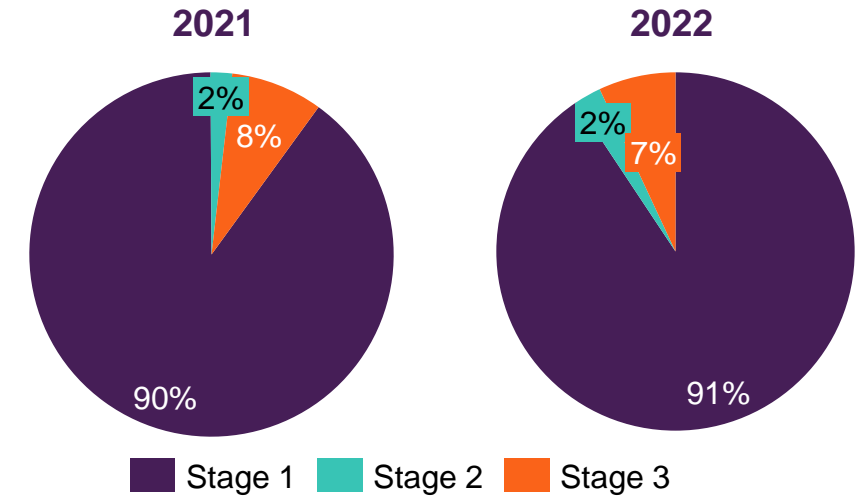
■ Corporate ■ Retail

Impairment allowances and Stage 1, 2 and 3 Coverage

Impairment Allowances and Coverage %



Total Gross Financing



Highlights

- Stage 1 coverage ratio reduced to 2.0% at end of FY 2022 compared to 1.7% at end of FY 2021.
- Stage 2 coverage ratio is 21.8% at end of FY 2022 compared to 27.7% at end of FY 2021
- Stage 3 coverage ratio further improved to 94.3% as NPF ratio improved by 1.2% to 7.0%

Capital Adequacy

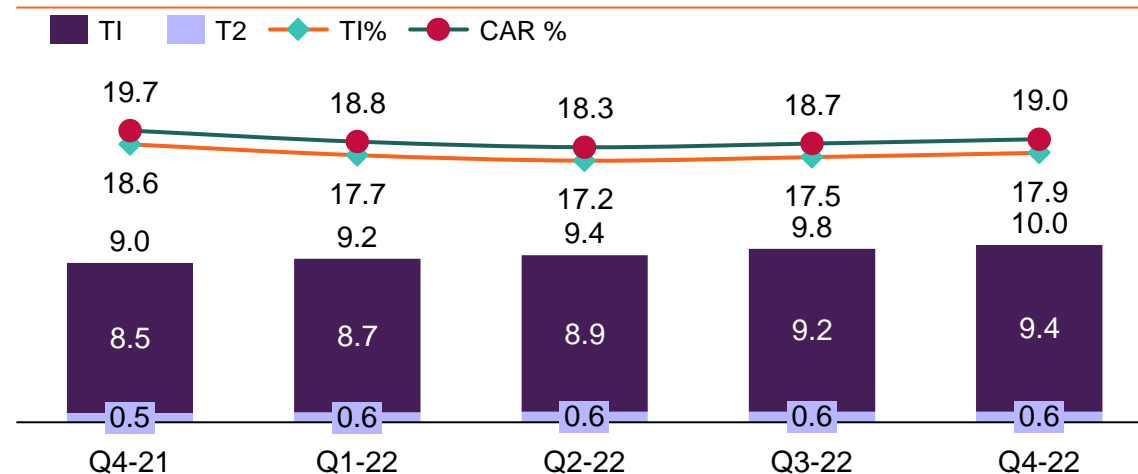
Highlights

- CAR at 19.0% decreased from 19.7% at the end of 2021, mainly due to –
 - Higher capital charge due to growth in Financing receivables
 Offset by
 - Lower capital charge on Off-balance sheet exposure
 - Increase in capital base on account of profit for the year
- Tier I ratio at 17.9% decreased from 18.6% at end of 2021

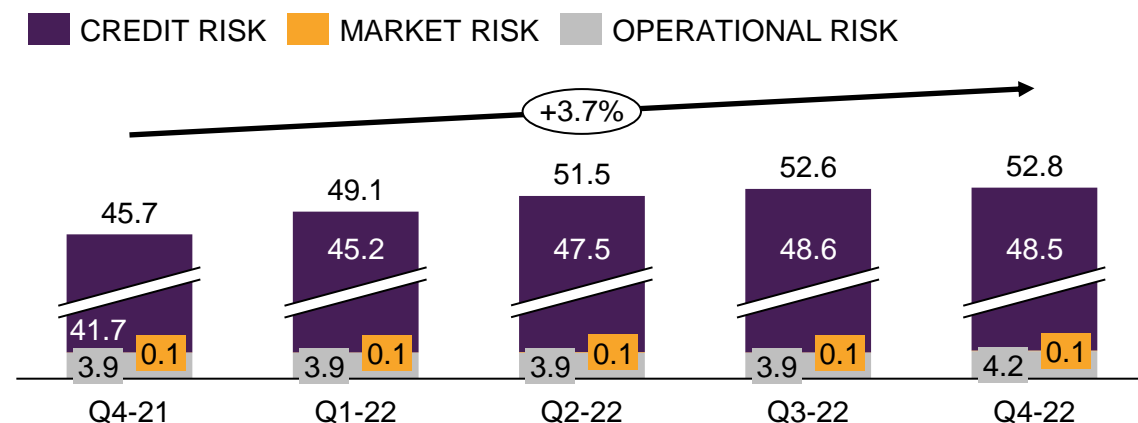
Capital Movements as per Basel III (AED M)

	Tier-1	Tier-2	Total
Capital as at 31 December 2021	8,489	521	9,010
Net Profits generated	1,240	-	1,240
ECL add-back	210	-	210
Other	(511)	85	(426)
Capital as at 31 December 2022	9,428	606	10,034

Capitalisation (AED B)



Risk Weighted Assets – Basel II (AED B)

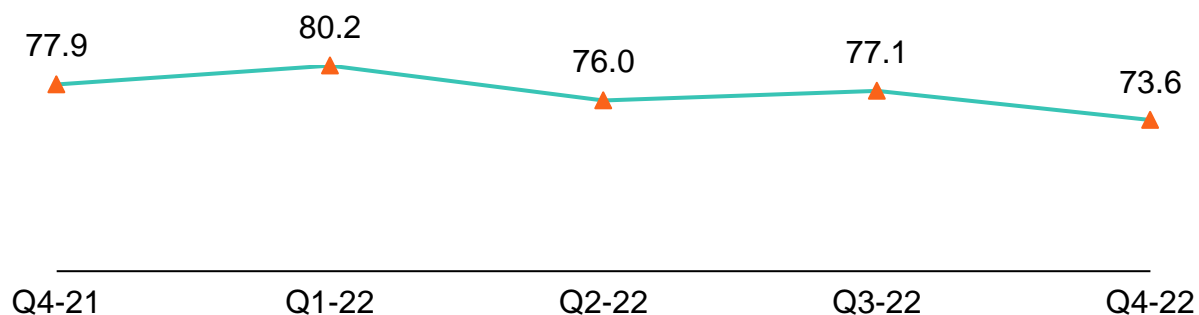


Funding and Liquidity

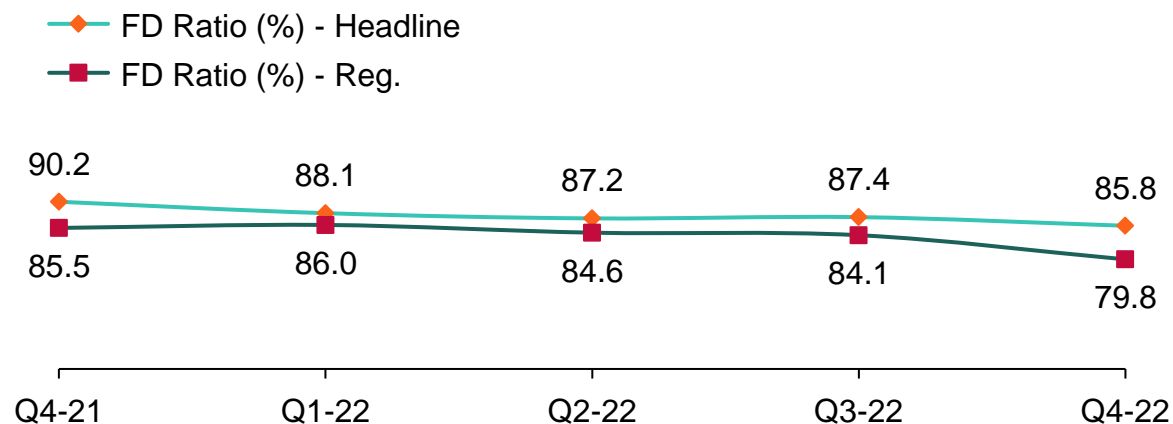
Highlights

- Financing to Deposits ratio remains healthy at 85.8%
- Long term funding (Sukuk) represent 5.9% of total borrowings
- CASA to Total Customer Deposits ratio at end FY 2022 is 73.6% (Dec'21 – 77.9%)

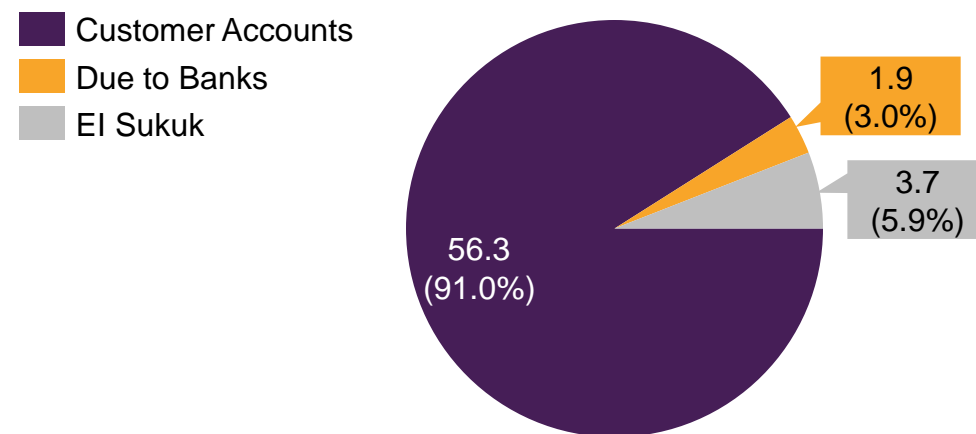
CASA to Deposit Ratio



Headline Ratio (%)



Composition of Liabilities / Sukuk Issued (AED B, %)



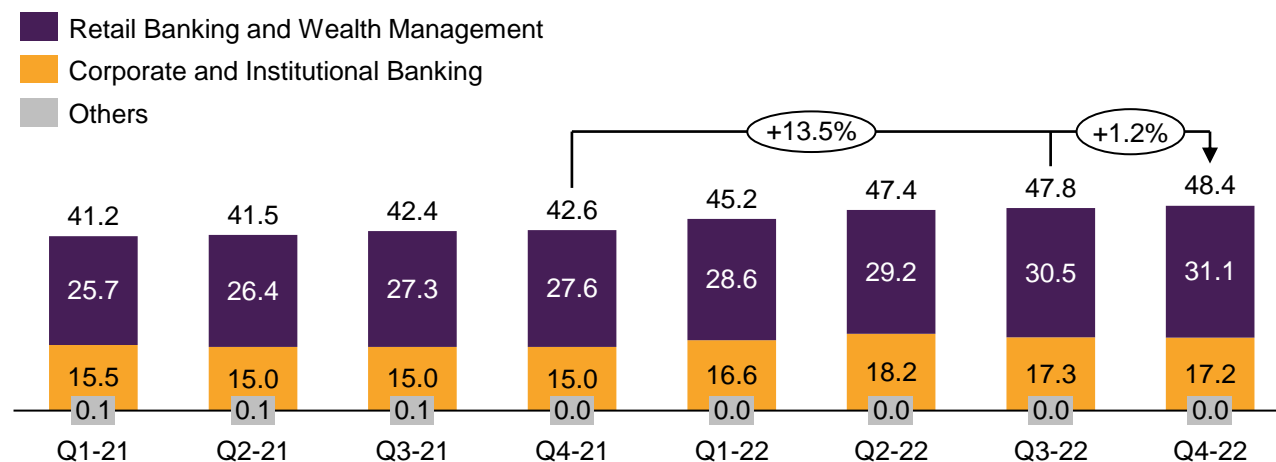
Financing and Customer Deposits trends

Highlights

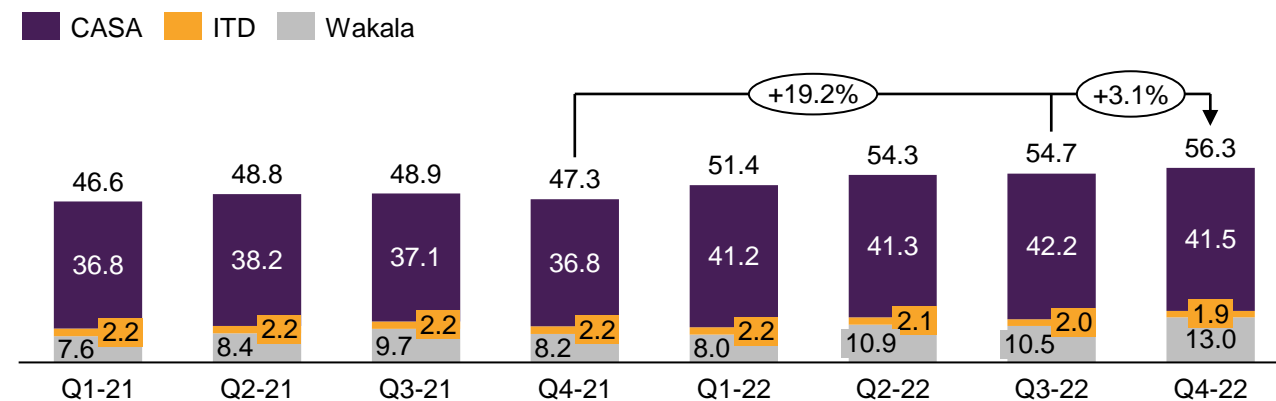
- Financing receivables increased 14% y-o-y and 1% q-o-q
 - 'Retail Banking and Wealth Management' financing receivable increased 13% y-o-y and 2% q-o-q
 - 'Corporate and Institutional Banking' financing receivables increased 15% y-o-y and decreased 0.5% q-o-q
- Customer deposits increased 19% y-o-y and increased 3% q-o-q
 - CASA increased 13% y-o-y and decreased 2% q-o-q
 - ITD decreased 16% y-o-y and 5% q-o-q
 - Wakala increased 58% y-o-y and 24% q-o-q

* Financing is Net of Deferred Income and impairment provisions

Trend in Net Financing by Type (AED B)



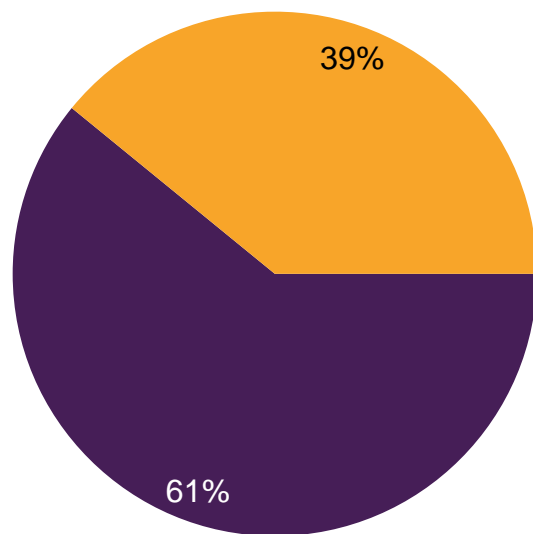
Trend in Customer Deposits by Type (AED B)



Financing composition

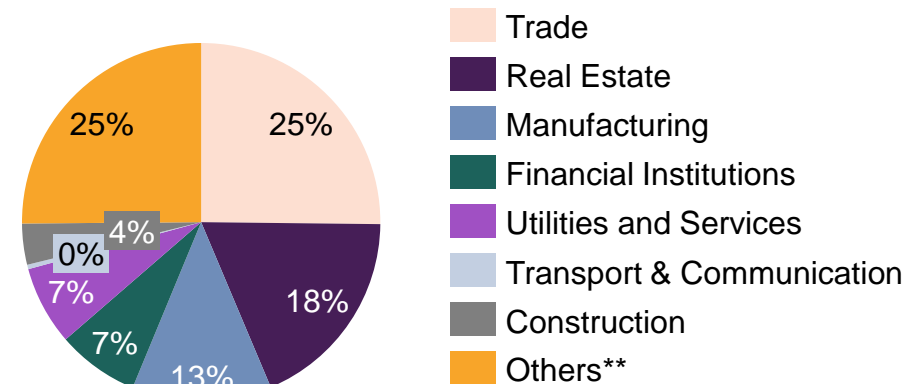
Total Gross Financing* (AED 53.1 B)

- Retail Banking and Wealth Management
- Corporate and Institutional Banking



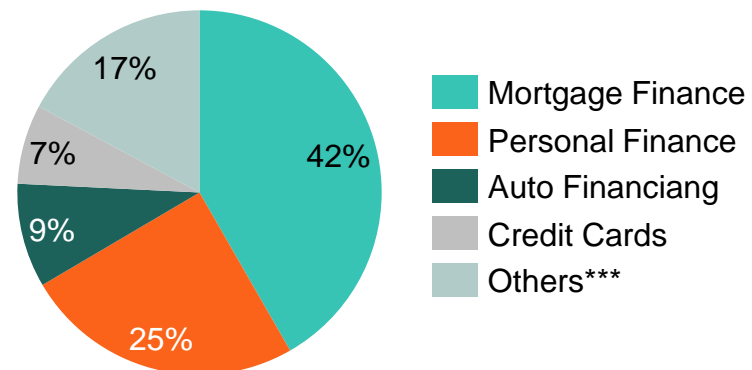
Corporate and Institutional Banking

Financing (AED 20.7 B)



Retail Banking and Wealth Management

Financing (AED 32.3 B)



* Gross Financing net off deferred portion

** Others under 'Corporate and Institutional Banking' includes Management of companies and enterprises and Sovereign

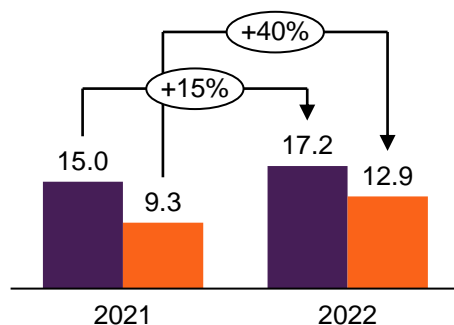
***Others under 'Retail Banking and Wealth Management' includes SME products held by retail customers

Divisional performance

Corporate and Institutional Banking

Balance Sheet Trends (AED B)

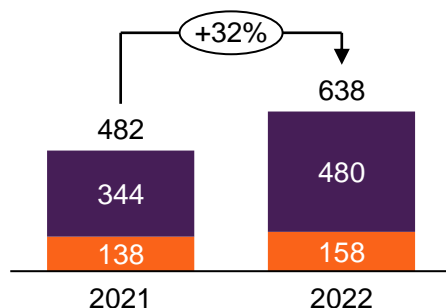
- Financing Receivable
- Customer Deposits



- Financing receivable increased 15% from end of 2021
- Customer deposits increased 40% from end of 2021

Revenue Trends (AED M)

- FI
- NFI

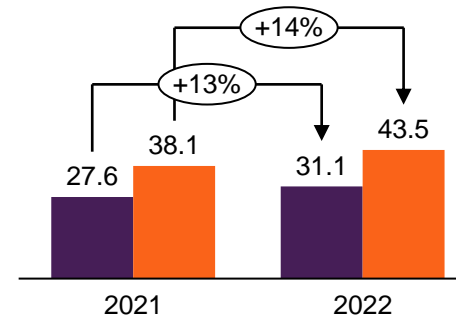


- Total Revenue increased by 32% y-o-y driven by improved economic activity.
- Funded Income increased primarily on account of portfolio growth and increased profit rates.
- Non Funded Income increased mainly due to higher Fee income, Trade income, and Fx income.

Retail Banking and Wealth Management

Balance Sheet Trends (AED B)

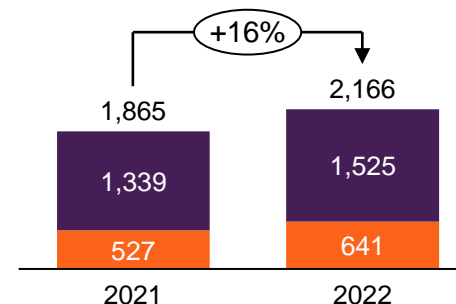
- Financing Receivable
- Customer Deposits



- Financing receivable increased 13% from end of 2021
- Customer deposits increased 14% from end of 2021

Revenue Trends (AED M)

- FI
- NFI



- Total Revenue increased 16% y-o-y driven by improved economic activity.
- Funded Income increased on account of higher financing and increased profit rates.
- Non Funded Income increased mainly due to Fx & derivatives income, higher Trade and fee income

Note: All Balance Sheet numbers are at end of period

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