



Investor Presentation

Q3 2022

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EMIRATES ISLAMIC

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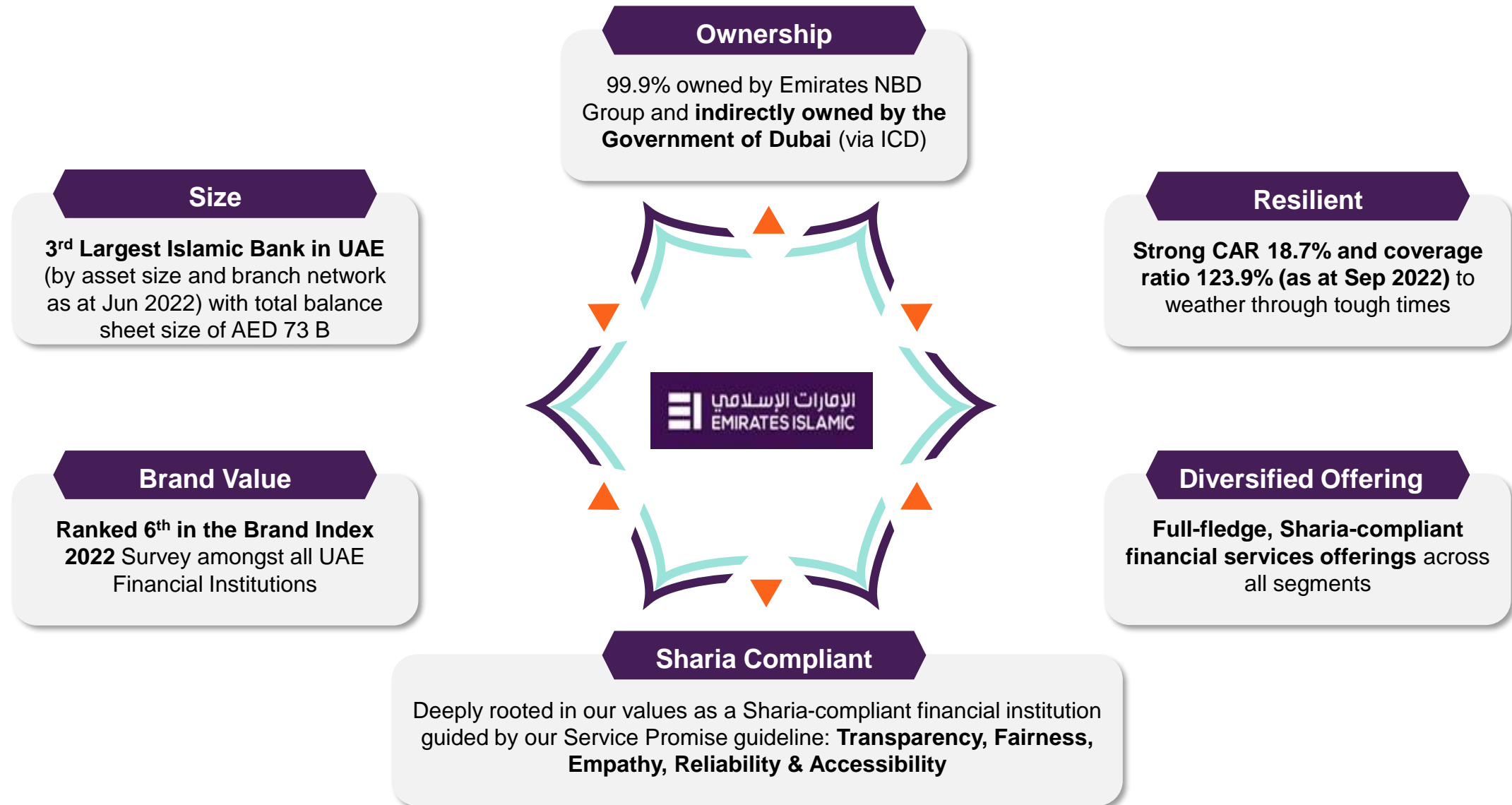
Emirates Islamic Profile

Operating Environment

Financial and Operating Performance

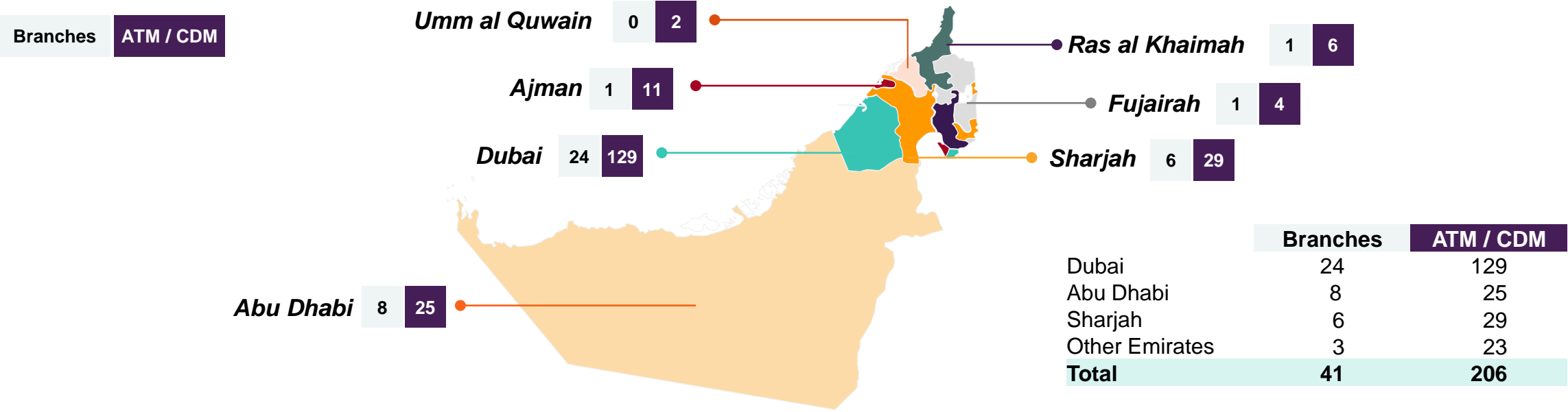
Divisional Performance

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



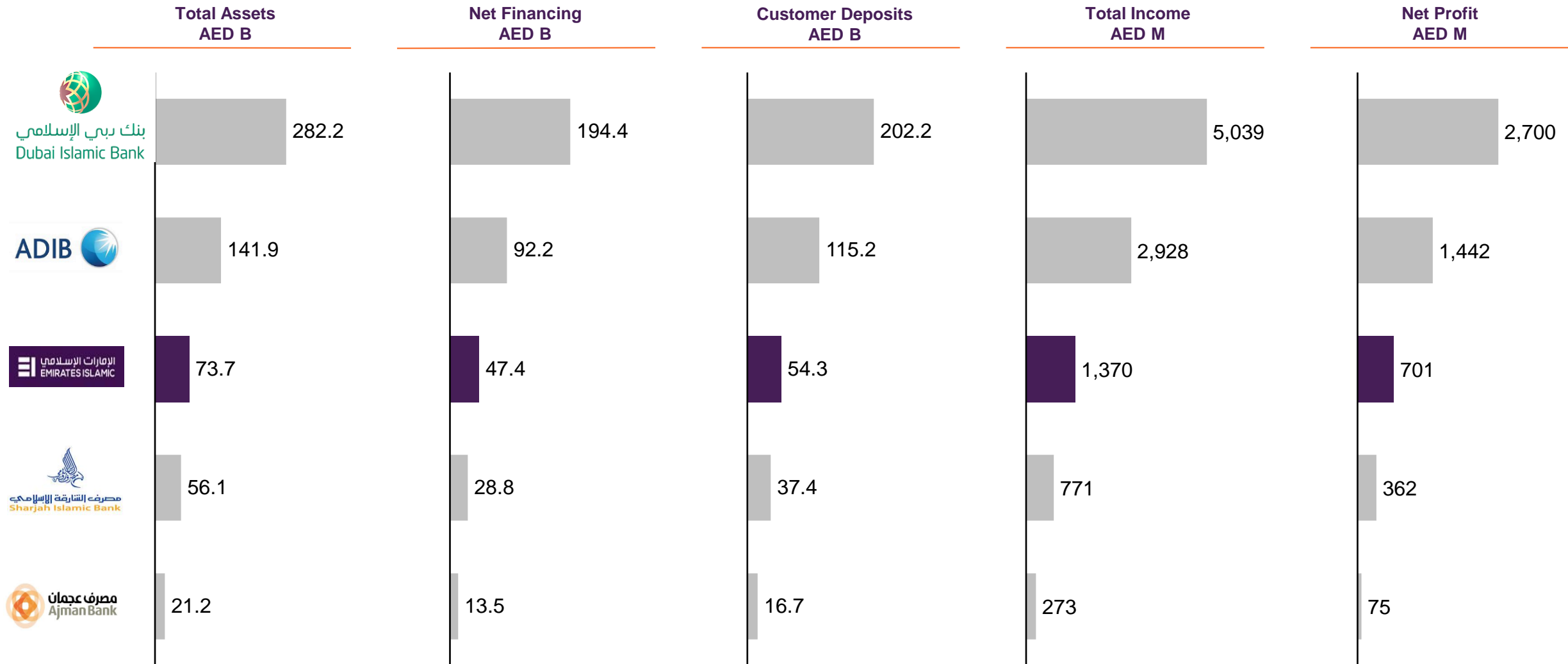
Superior Long Term and Short Term Credit Rating affirmed by Fitch since 2015

As at Apr 2022 (Affirmed)

	Long Term	Short Term	Outlook
FitchRatings	A+	F1	Stable

EI is one of the largest Islamic banks in UAE

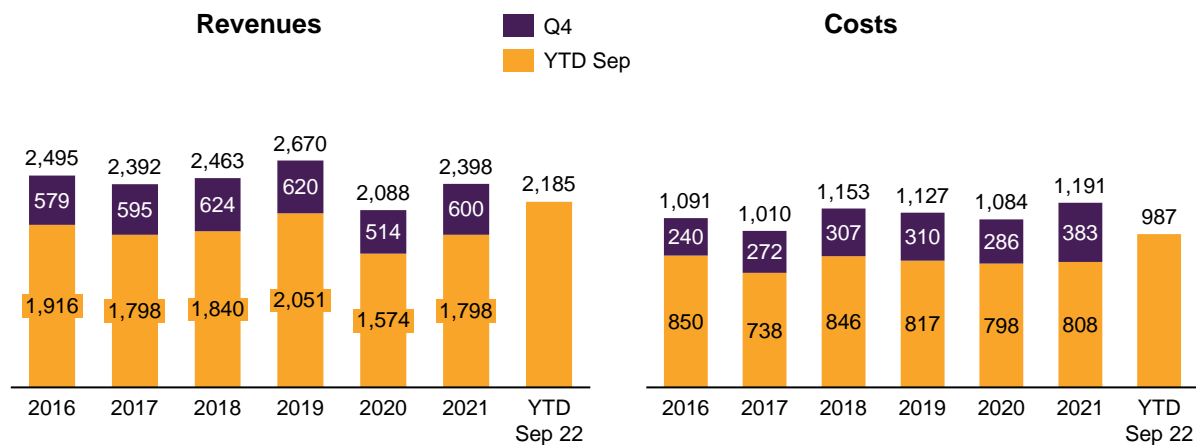
Q2 2022



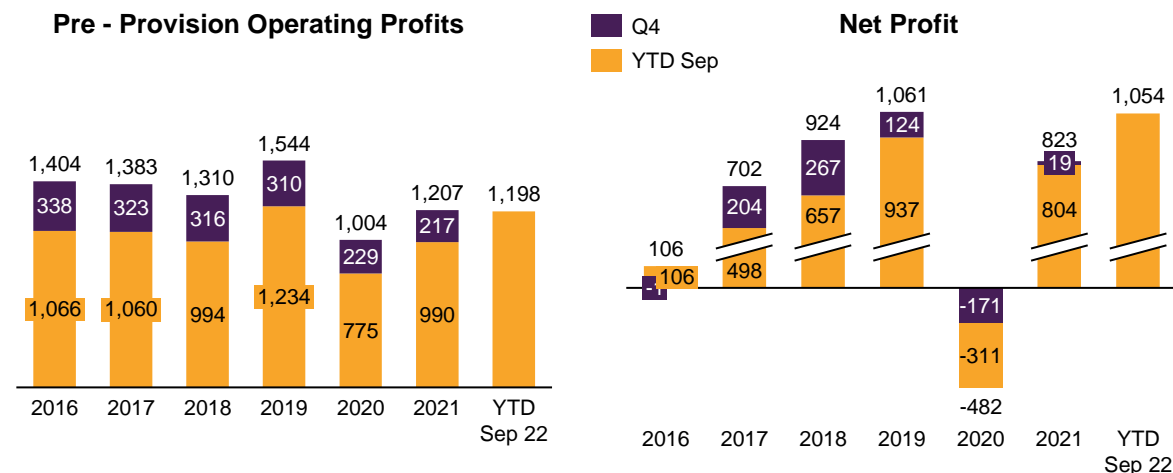
Note: Balance sheet numbers are at end of period

Profit and balance sheet growth in recent years

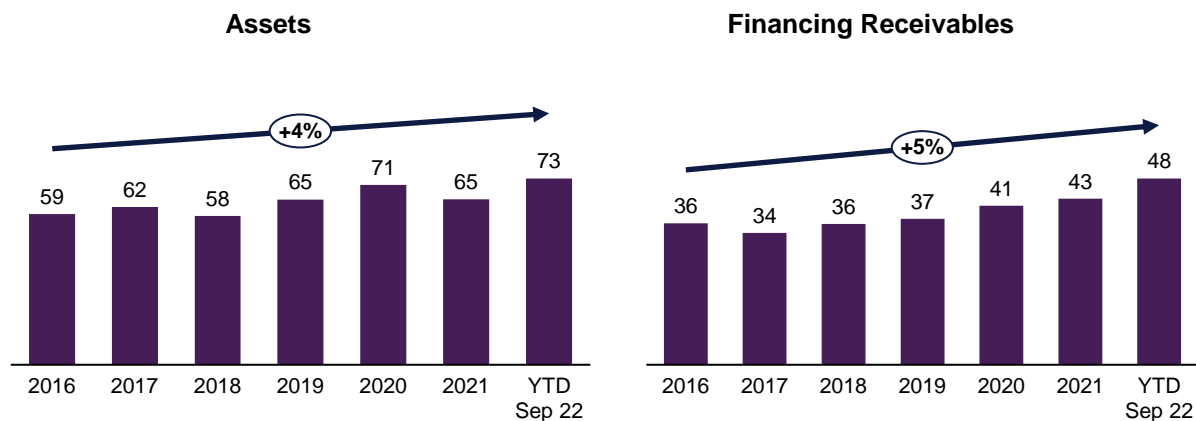
Revenues and Costs (AED M)



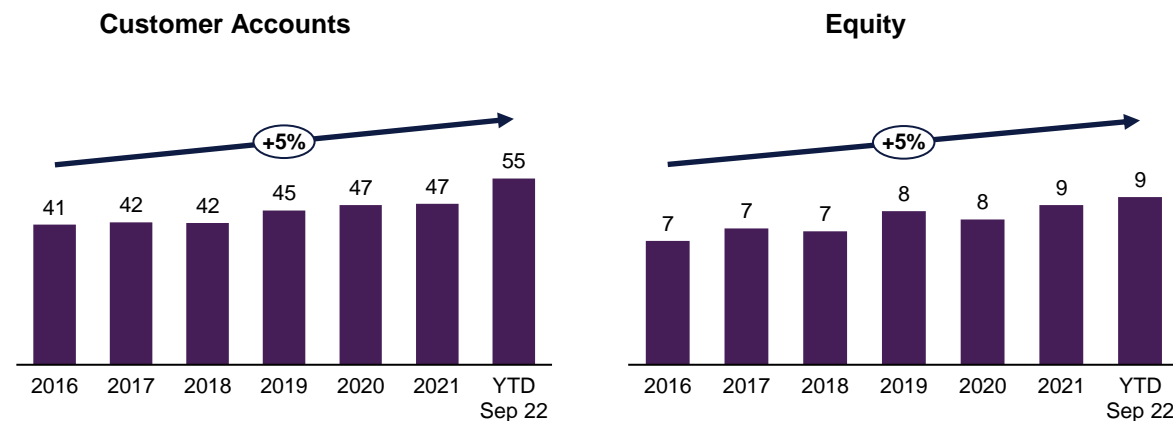
Profits (AED M)



Assets and Financing (AED B)



Customer Accounts and Equity (AED B)



Notes:

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

Q3-2022 Financial Results Highlights

Highlights

- Net Profit at AED 1,054 M higher by 31% compared to same period last year
- Total income up 22% compared to same period last year
 - Funded income higher by 25%, driven by financing growth and higher profit rate
 - Non-Funded Income increased 15%, driven by higher commission income and FX & derivatives income
- Expenses up 22% y-o-y due to higher investment for future growth
- Impairment Allowance at AED 144 M lower by 23% y-o-y reflecting improving operating environment
- Financing Receivables at AED 47.8 B, increased 12% from end 2021 demonstrating strong growth
- Customer deposits at AED 54.7 B, increased 16% from end 2021 with CASA balances at 77% of total deposits

Key Performance Indicators, AED M

	YTD Sep-22	YTD Sep-21	Better / (Worse)
Net Funded Income	1,579	1,268	25%
Non Funded Income	606	529	15%
Total Income	2,185	1,798	22%
Operating Expenses	(987)	(808)	-22%
Pre-impairment Operating Profit	1,198	990	21%
Impairment Allowances	(144)	(186)	23%
Net Profit for the Period	1,054	804	31%

Cost income ratio (%)	45.2%	44.9%	-
Net Funded Income Margin (%)	3.1%	2.6%	-

AED Billion	30-Sep-22	31-Dec-21	%
Total Assets	73.1	64.9	12.6%
Financing Receivables, net	47.8	42.6	12.1%
Customers' Accounts	54.7	47.3	15.7%
Headline Ratio (%)	87%	90%	-
NPF Ratio (%)	6.9%	8.2%	-

Q-o-Q Financial Results Highlights

Highlights

- Net Profit for Q3-22 at AED 353 M, higher by 50% compared to same period last year
- Total income up 32% compared to same period last year
 - Funded income higher by 36%, driven by financing growth and increased profit rate
 - Non-Funded Income increased 21%, driven by higher commission income, fees income and FX & derivatives income
- Expenses up 39% y-o-y compared to same period last year, mainly due to higher investment for future growth
- Impairment Allowance at AED 69 M lower by 32%
- Financing Receivables at AED 47.8 B, increased 13% y-o-y
- Customer deposits at AED 54.7 B, increased 12% y-o-y

Key Performance Indicators, AED M

	Q3-22	Q3-21	Better / (Worse)	Q2-22	Better / (Worse)
Net Funded Income	613	451	36%	505	21%
Non Funded Income	203	167	21%	213	-5%
Total Income	815	618	32%	718	14%
Operating Expenses	(393)	(282)	-39%	(313)	-25%
Pre-impairment Operating Profit	422	336	26%	405	4%
Impairment Allowances	(69)	(100)	32%	(45)	-51%
Net Profit for the Period	353	236	50%	359	-2%

Cost income ratio (%)	48.2%	45.6%	-	43.7%	-
Net Funded Income Margin (%)	3.4%	2.8%	-	2.9%	-

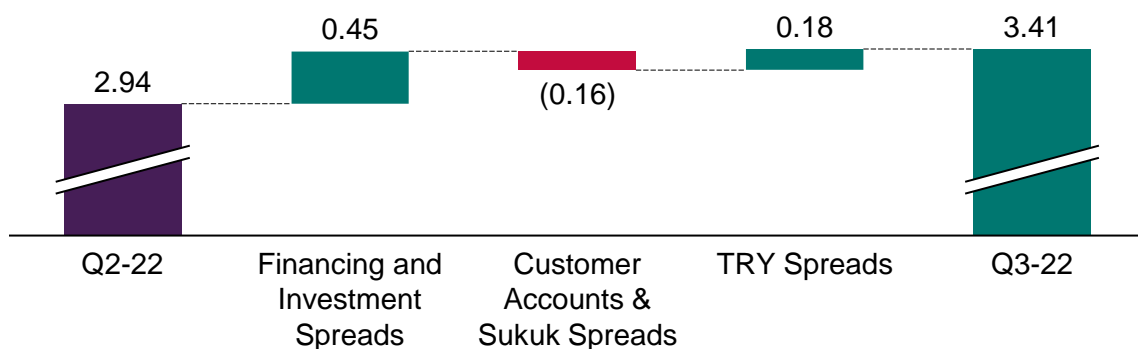
AED Billion	30-Sep-22	30-Sep-21	%	30-Jun-22	%
Total Assets	73.1	66.2	10.4%	73.7	-0.9%
Financing Receivables, net	47.8	42.4	12.8%	47.4	0.9%
Customers' Accounts	54.7	48.9	11.8%	54.3	0.6%
Headline Ratio (%)	87%	87%	-	87%	-
NPF Ratio (%)	6.9%	8.4%	-	7.1%	-

Net Funded Income Margin

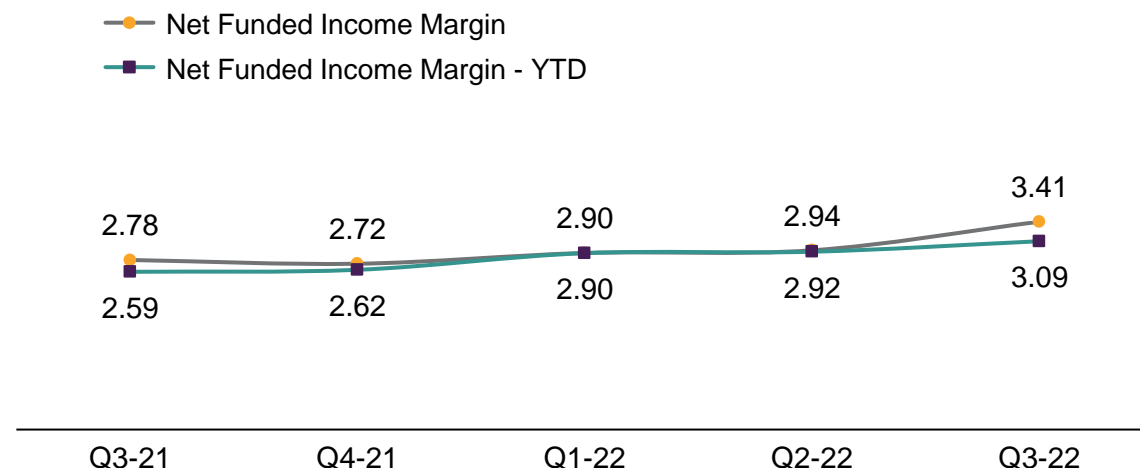
Highlights

- Net funded income margin for YTD Sep'22 at 3.09%, increased 17 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 Wakala deposits due to increase in EIBOR
- Net funded income margin for Q3'22 at 3.41%, increased 47 bps q-o-q. The increase is primarily due to higher yield on Financing and investment book partially offset by higher cost of deposits due to increase in EIBOR

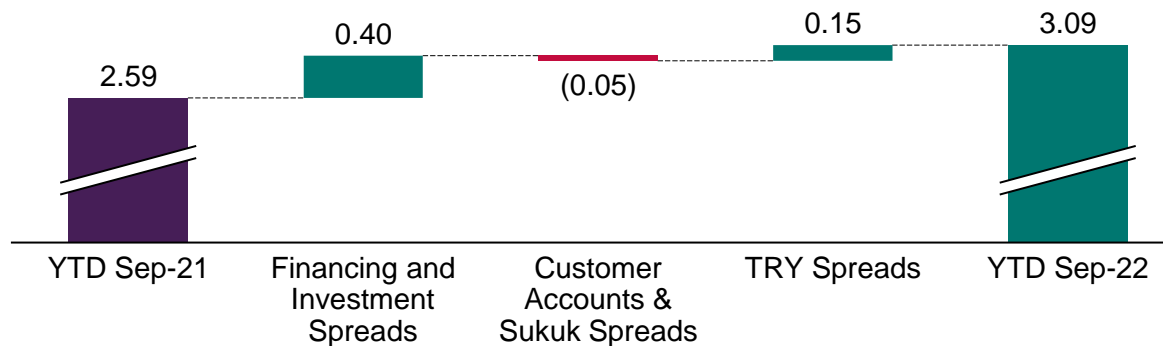
Net Profit Margin Drivers (%) (Q3-22 Vs Q2-22)



Net Funded Income Margin (%)

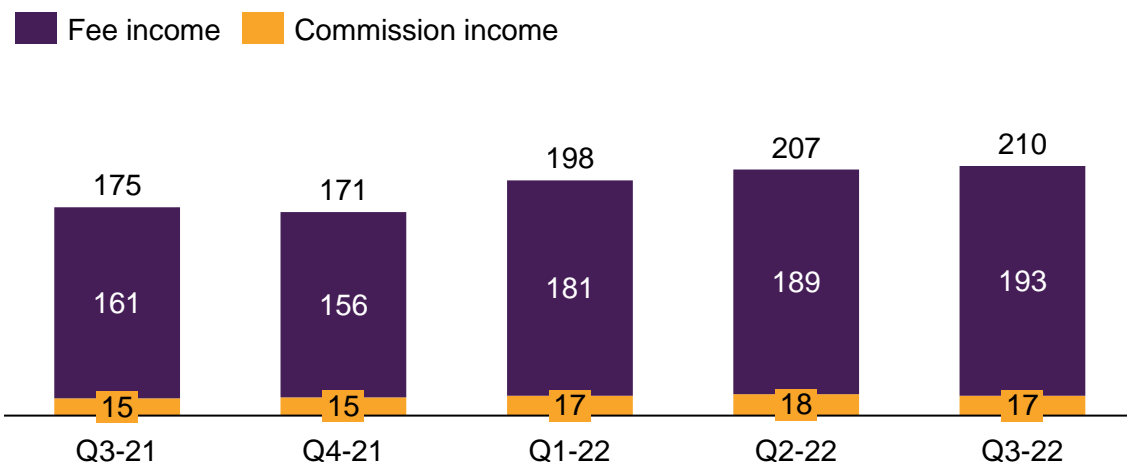


Net Profit Margin Drivers (%) (YTD Sep-22 Vs YTD Sep-21)

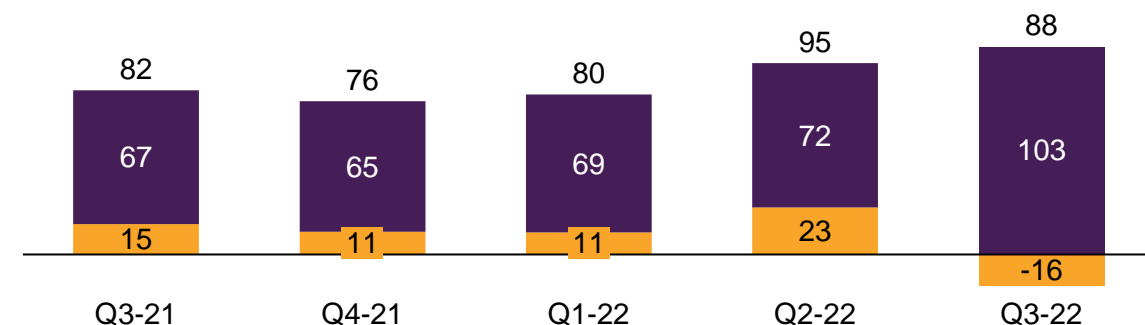


Non Funded Income

Trend in Gross Fee and Commission Income (AED M)



Trend in Other Operating Income (AED M)



Composition of Non Funded Income (AED M)

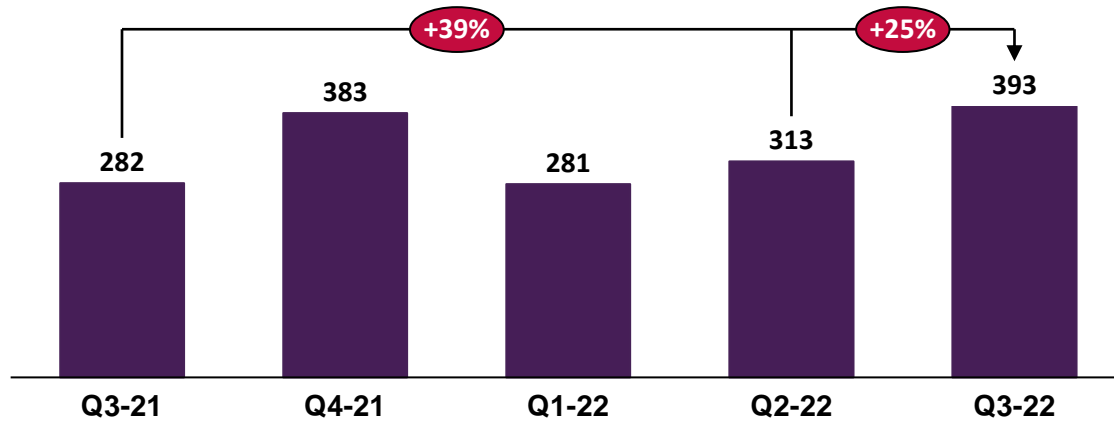
	Q3-22	Q3-21	Better/ (Worse)	Q2-22	Better/ (Worse)
Fee and Commission income	210	175	20%	207	1%
Fee and Commission expense	(95)	(90)	-6%	(89)	-7%
Net Fee and Commission Income	115	86	34%	118	-3%
Other operating income	88	82	7%	95	-8%
Total Non Funded Income	203	167	21%	213	-5%

Highlights

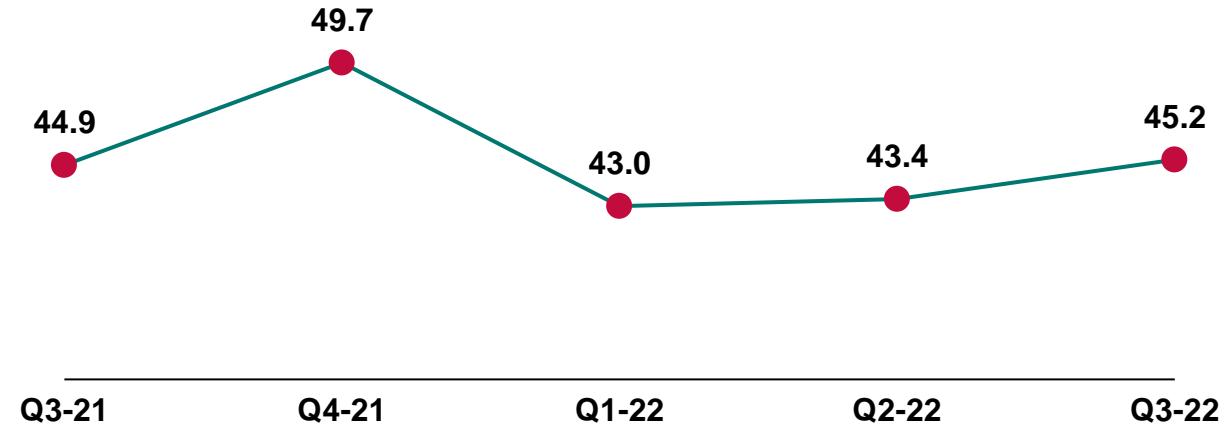
- Non-Funded Income increased 21% y-o-y and decreased 5% q-o-q
 - Net Fee and Commission income increased by 34% y-o-y and decreased by 3% q-o-q
 - Other operating income increased by 7% y-o-y

Operating Costs and Efficiency

Total Cost (AED M)



Cost to Income Ratio (%), YTD



Highlights

Cost to Income ratio at 45.2% for YTD Sep'22, increased by 0.3% compared to same period last year as a result of:-

- Increase in total cost by 22%

Partially offset by

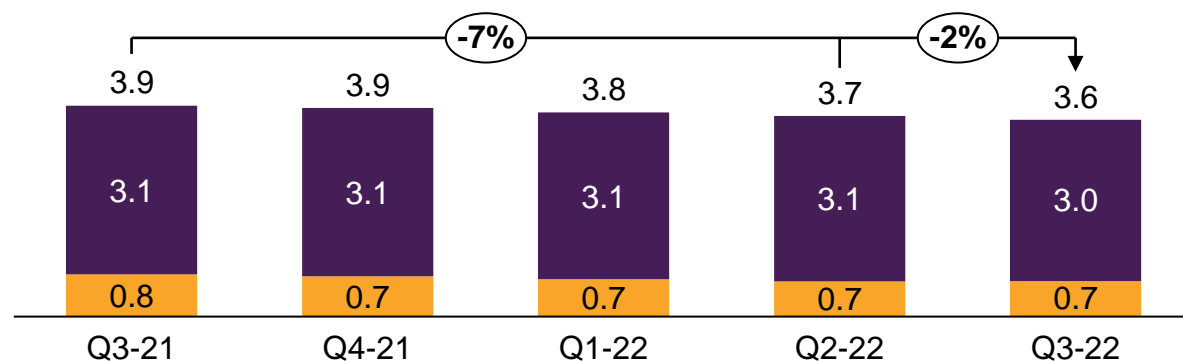
- Increase in total income by 22%

Credit Quality

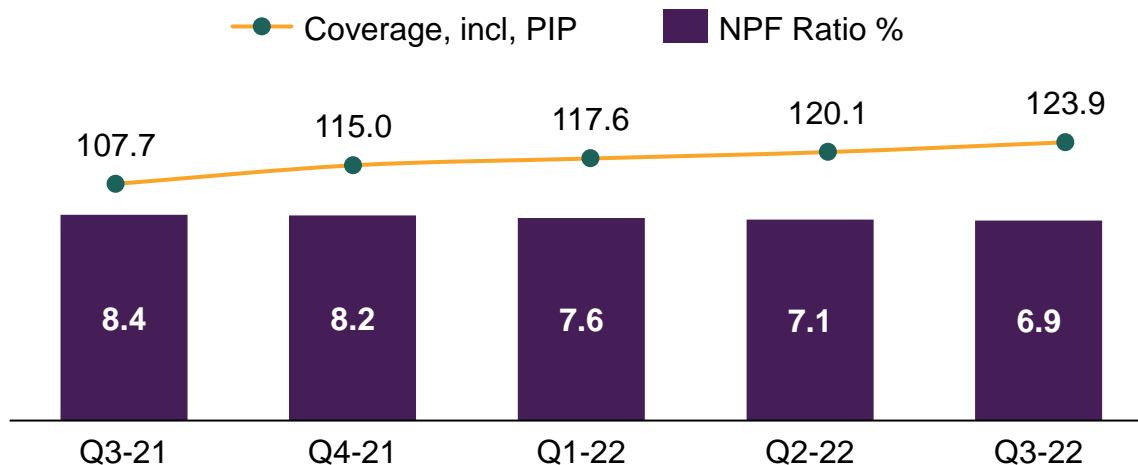
Highlights

- Non Performing Financing (NPF) ratio decreased to 6.9% from 8.2% at end of 2021
- Coverage ratio at 123.9% increased from 115.0% at end of 2021
- The Impairment allowance of AED 4.5 B includes AED 3.4 B (76%) of specific provisions and AED 1.1 B (24%) of ECL provisions
- Stage 1 and stage 2 Expected Credit Loss (ECL) represents 2.3% of total Credit Risk Weighted Assets (CRWA) at the end of Q2'22 (Dec-21 : 2.4%)

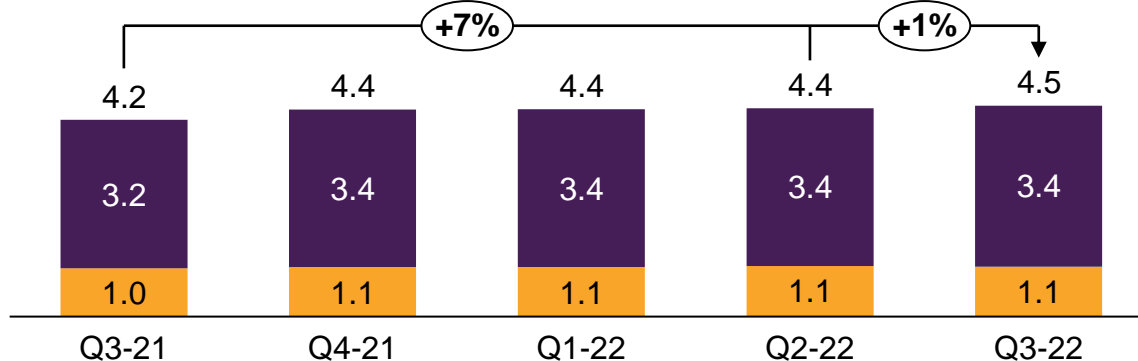
Impaired Financing (AED B)



Impaired Financing & Coverage Ratios (%)

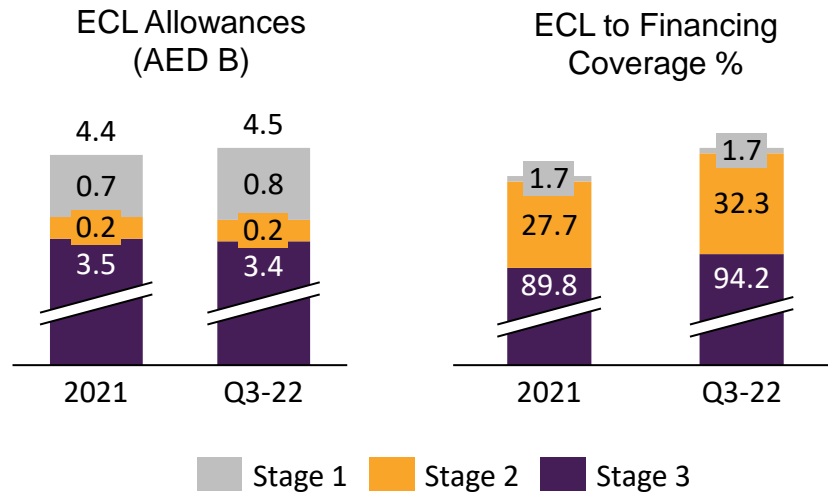


Impairment Allowances (AED B)

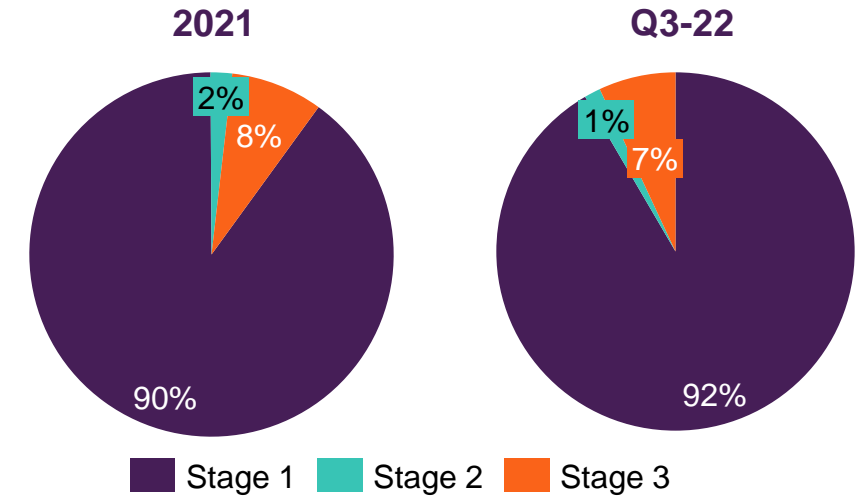


Impairment allowances and Stage 1, 2 and 3 Coverage

Impairment Allowances and Coverage %



Total Gross Financing



Highlights

- Stage 1 coverage ratio is at 1.7% at the end of Q3'22, in line with same period last year
- Stage 2 coverage ratio is 32.3% at the end of Q3'22 compared to 27.7% at end of FY 2021
- Stage 3 coverage ratio further improved to 94.2% as NPF ratio improved by 1.3% to 6.9%

Capital Adequacy

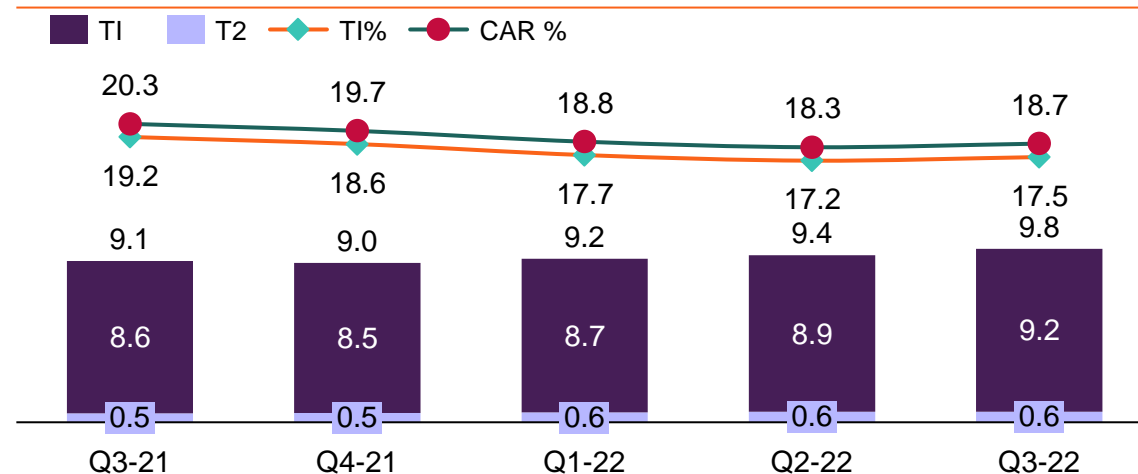
Highlights

- CAR at 18.7% increased from 18.3% at end of Q2'22, mainly due to –
 - Lower capital charge on bank placement
 - Increase in capital base due to increase in profit partly offset by decrease in fair value reserves
- Offset by
 - Higher capital charge due to increase in customer financing
- Tier I ratio at 17.5% increased from 17.2% at end of Q2'22

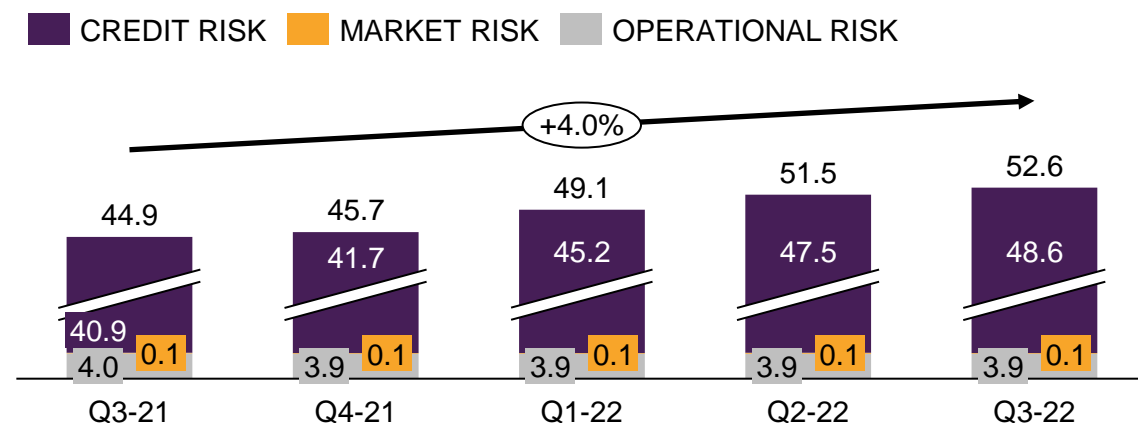
Capital Movements as per Basel III (AED M)

	Tier-1	Tier-2	Total
Capital as at 31 December 2021	8,489	521	9,010
Net Profits generated	1,054	-	1,054
ECL add-back	139	-	139
Other	(481)	86	(394)
Capital as at 30 September 2022	9,202	607	9,809

Capitalisation (AED B)



Risk Weighted Assets – Basel II (AED B)

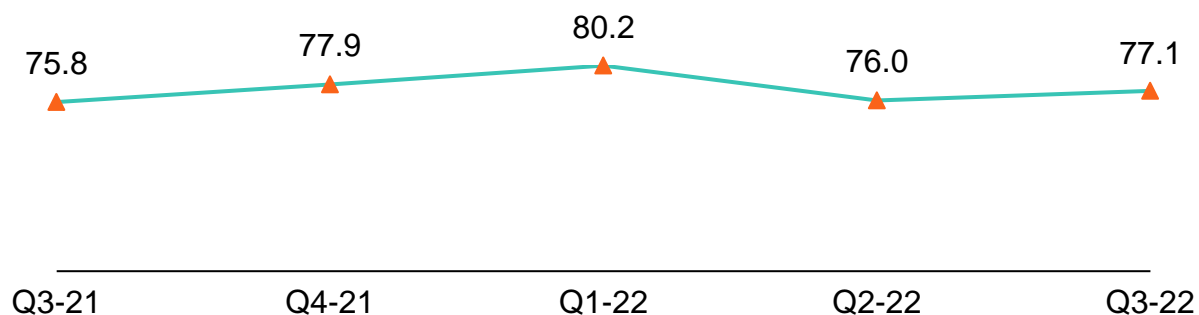


Funding and Liquidity

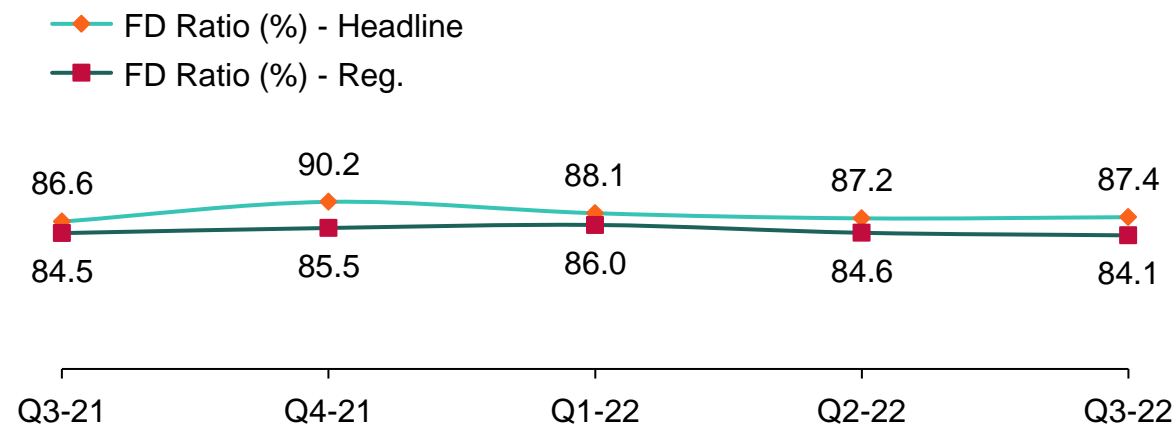
Highlights

- Financing to Deposits ratio remains healthy at 87.4%
- Long term funding (Sukuk) represent 6.1% of total borrowings
- CASA to Total Customer Deposits ratio at end Q3'22 is 77.1% (Dec'21 – 77.9%)

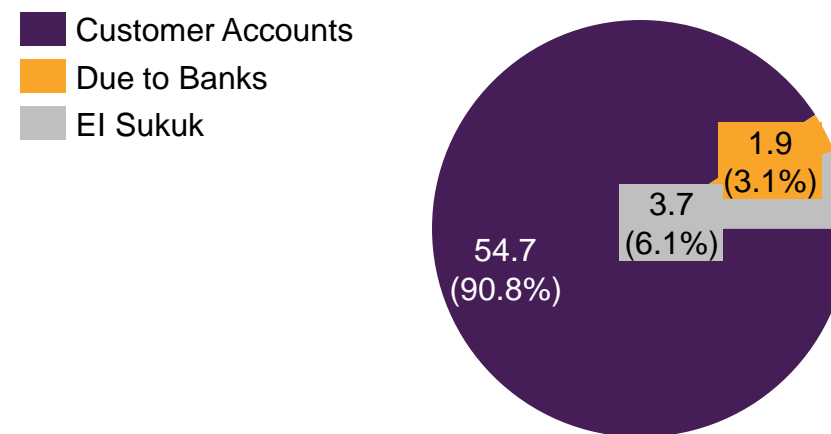
CASA to Deposit Ratio



Headline Ratio (%)



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

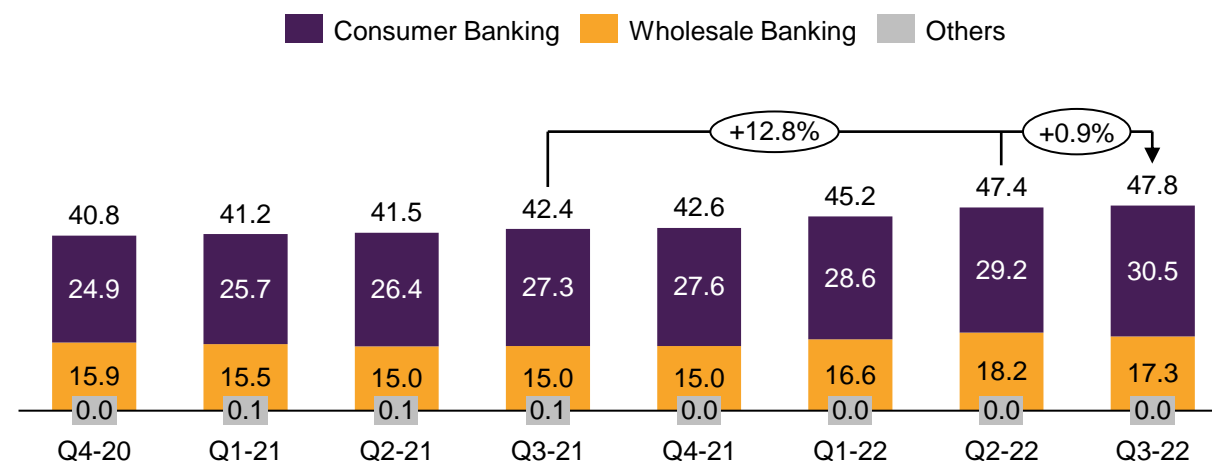


Financing and Customer Deposits trends

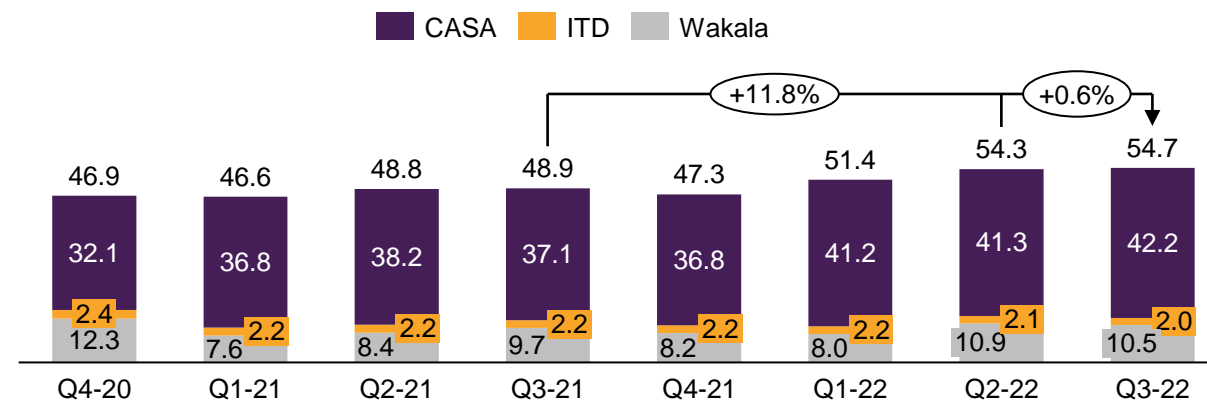
Highlights

- Financing receivables increased 13% y-o-y and 1% q-o-q
 - Consumer Banking financing receivable increased 12% y-o-y and 4% q-o-q
 - Wholesale Banking financing receivables increased 15% y-o-y and decreased by 5% q-o-q
- Customer deposits increased 12% y-o-y and increased 1% q-o-q
 - CASA increased 14% y-o-y and 2% q-o-q
 - ITD decreased 10% y-o-y and 8% q-o-q
 - Wakala increased 9% y-o-y and decreased by 4% q-o-q

Trend in Net Financing by Type (AED B)



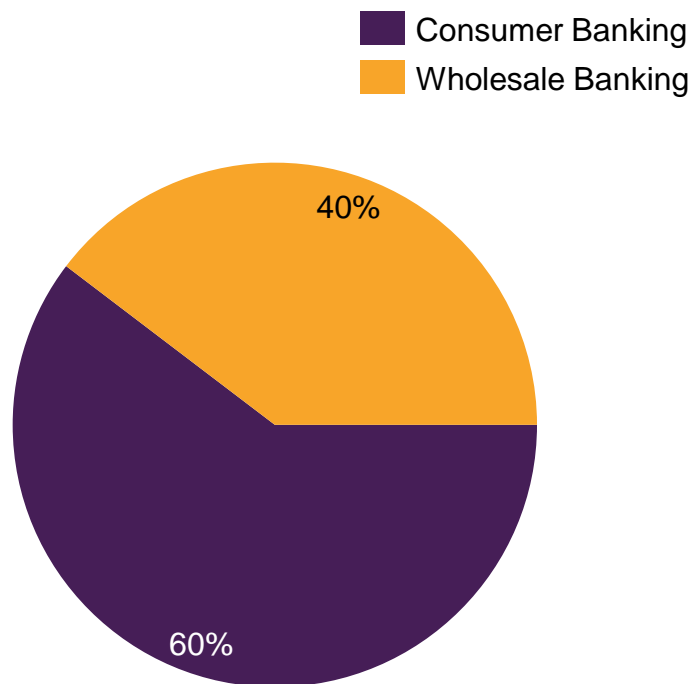
Trend in Customer Deposits by Type (AED B)



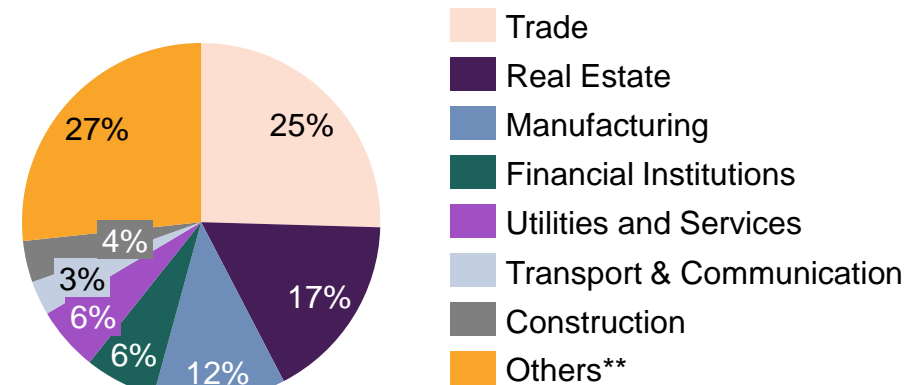
* Financing is Net of Deferred Income and impairment provisions

Financing composition

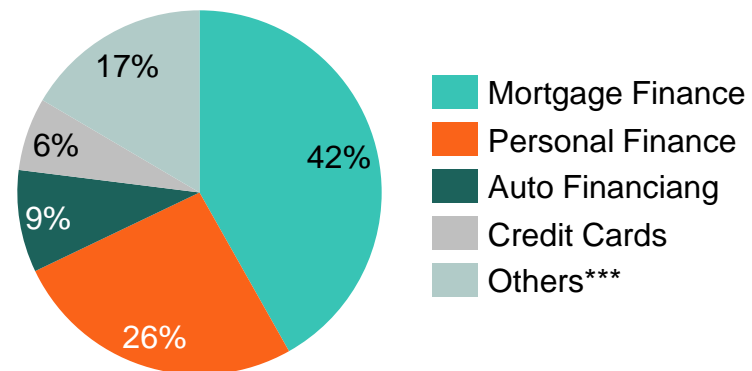
Total Gross Financing* (AED 52.3 B)



Wholesale Banking Financing (AED 20.7 B)



Consumer Financing (AED 31.5 B)



* Gross Financing net off deferred portion

** Others under Wholesale Banking includes Management of companies and enterprises and Sovereign

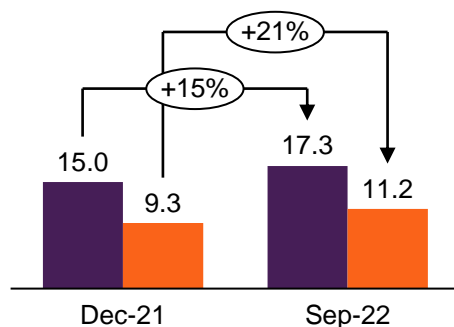
***Others under Consumer Financing include SME products held by retail customers

Divisional performance

Wholesale Banking

Balance Sheet Trends (AED B)

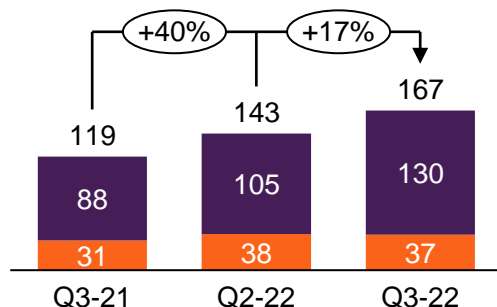
- Financing Receivable
- Customer Deposits



- Financing receivable increased 15% from end of 2021
- Customer deposits increased 21% from end of 2021

Revenue Trends (AED M)

- FI
- NFI

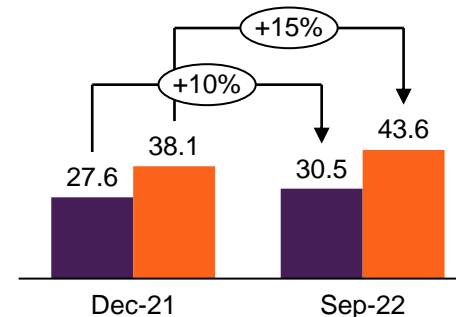


- Total Revenue increased by 40% y-o-y driven by improved economic activity.
 - Funded Income increased primarily on account of portfolio growth and increased profit rates.
 - Non Funded Income increased mainly due to higher Fx income, Fee income and Trade income.
- Total Revenue increased by 17% q-o-q primarily due to portfolio growth, increased profit rates and higher Trade income

Consumer Banking

Balance Sheet Trends (AED B)

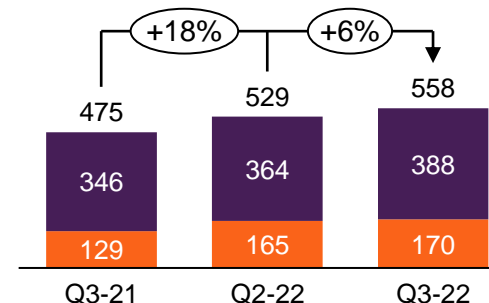
- Financing Receivable
- Customer Deposits



- Financing receivable increased 10% from end of 2021
- Customer deposits increased 15% from end of 2021

Revenue Trends (AED M)

- FI
- NFI



- Total Revenue increased 18% 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.
- Total Revenue increased by 6% q-o-q primarily due to portfolio growth, increased profit rates and higher non funded income

Note: All Balance Sheet numbers are at end of period

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