



Investor Presentation

Q1 2020

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EMIRATES ISLAMIC

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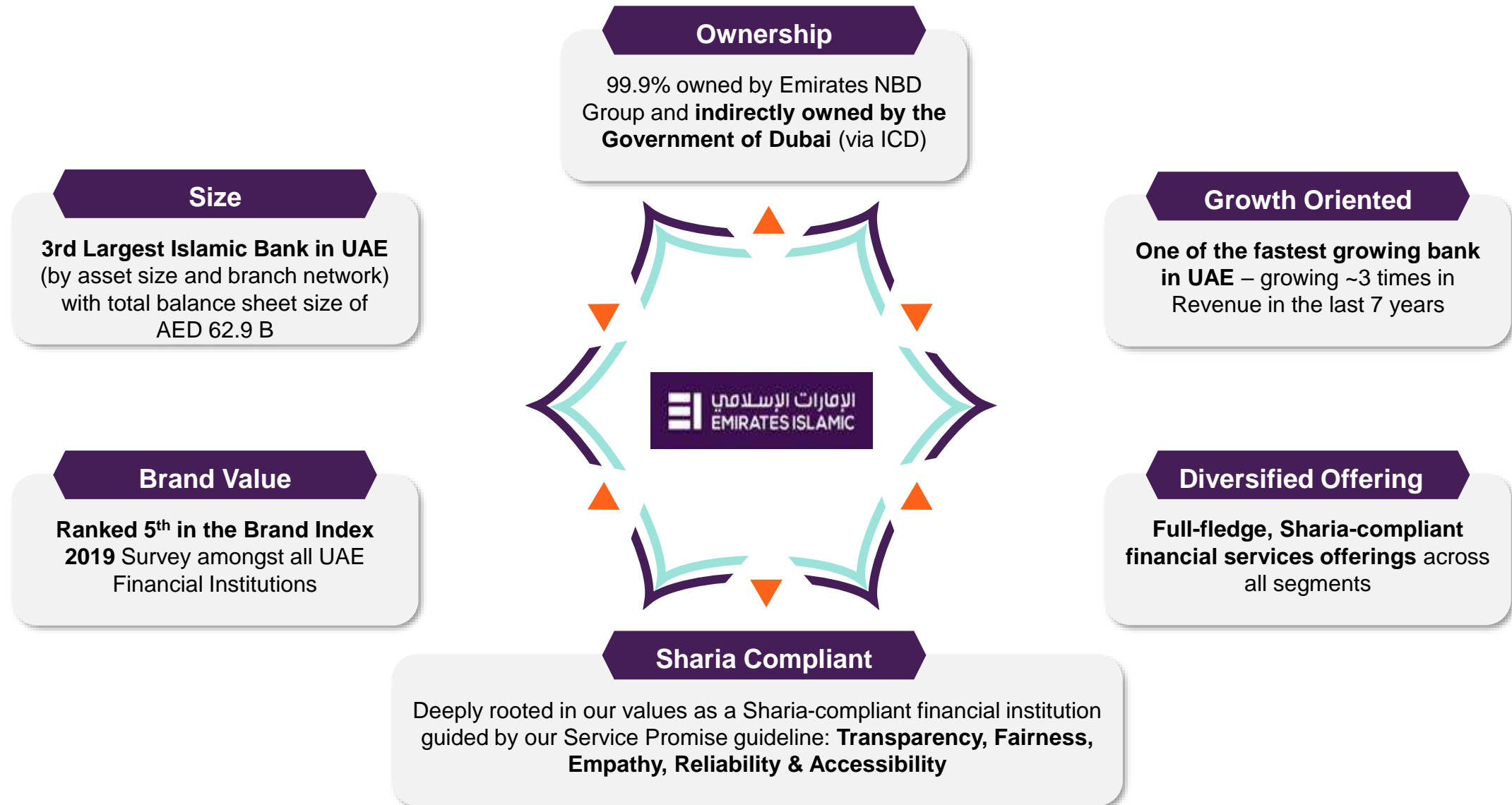
Emirates Islamic Profile

Operating Environment

Financial and Operating Performance

Divisional Performance

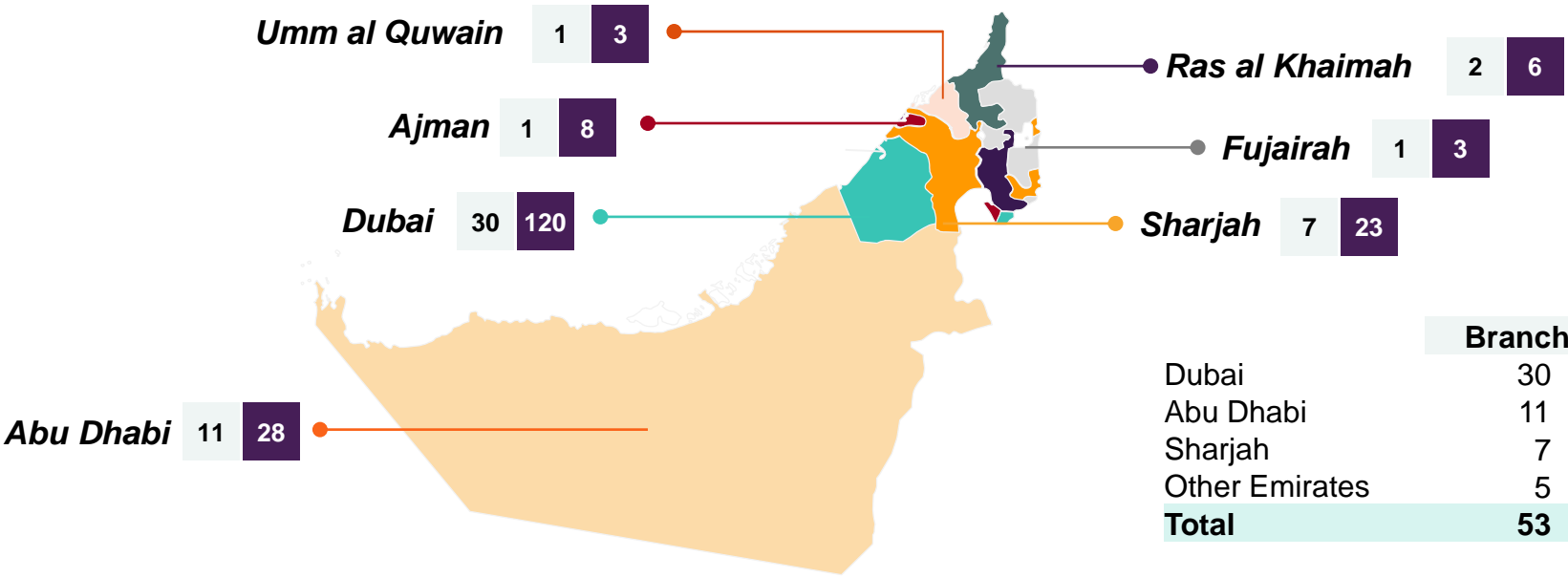
El, a young growing Islamic Bank



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

Optimised Branch and Alternative Channel Footprint across UAE

Branches ATM / CDM



	Branches	ATM / CDM
Dubai	30	120
Abu Dhabi	11	28
Sharjah	7	23
Other Emirates	5	20
Total	53	191

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

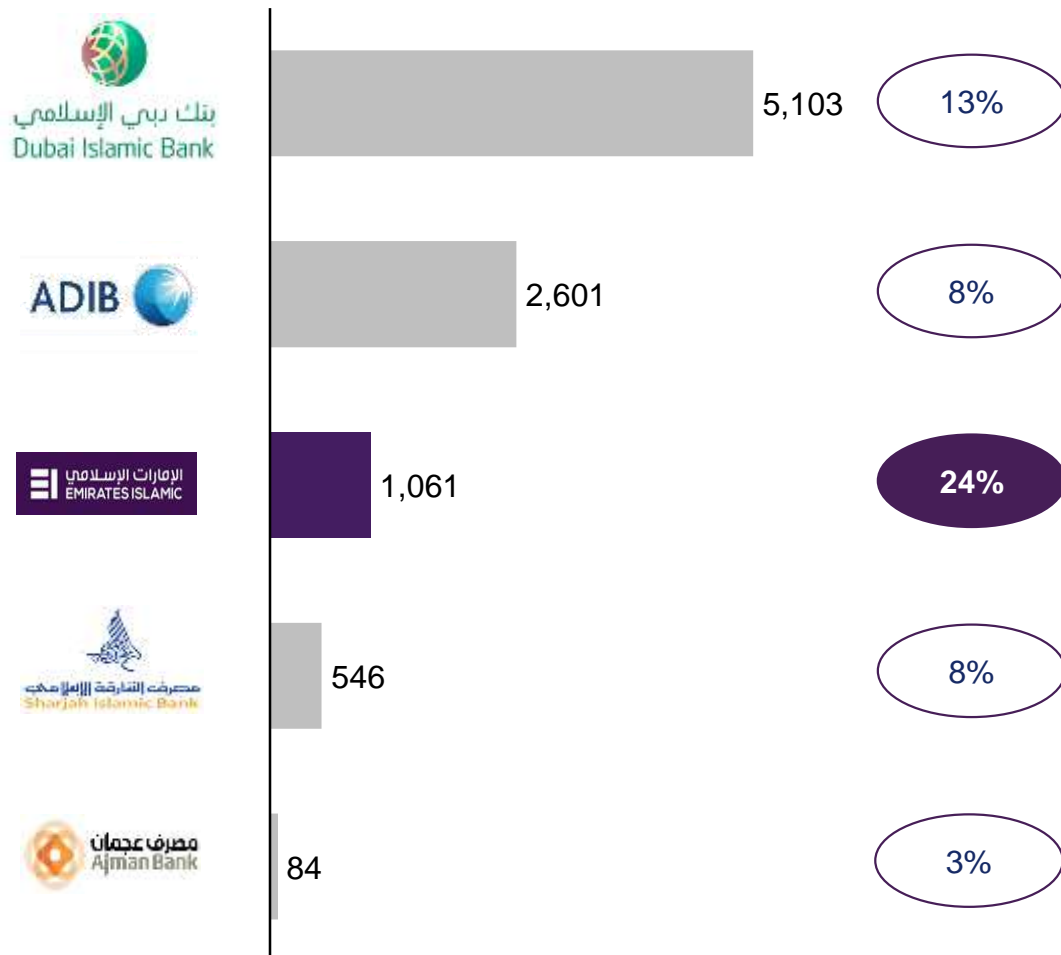
As at July 2019 (Affirmed)

	Long Term	Short Term	Outlook
FitchRatings	A+	F1	Stable

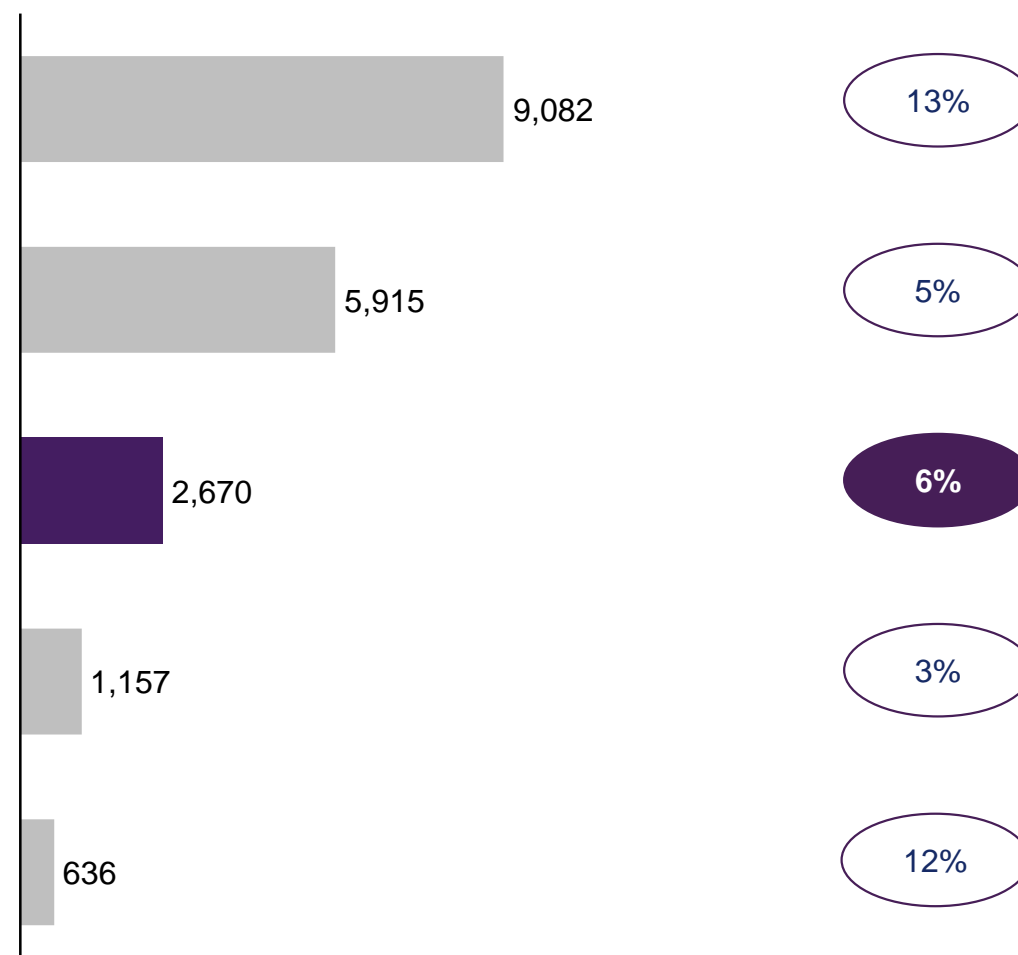
EI, leads in profitability growth and is one of the fastest growing banks in UAE

CAGR %,
FY'14 over FY'19

Net Profit, 2019, AED M



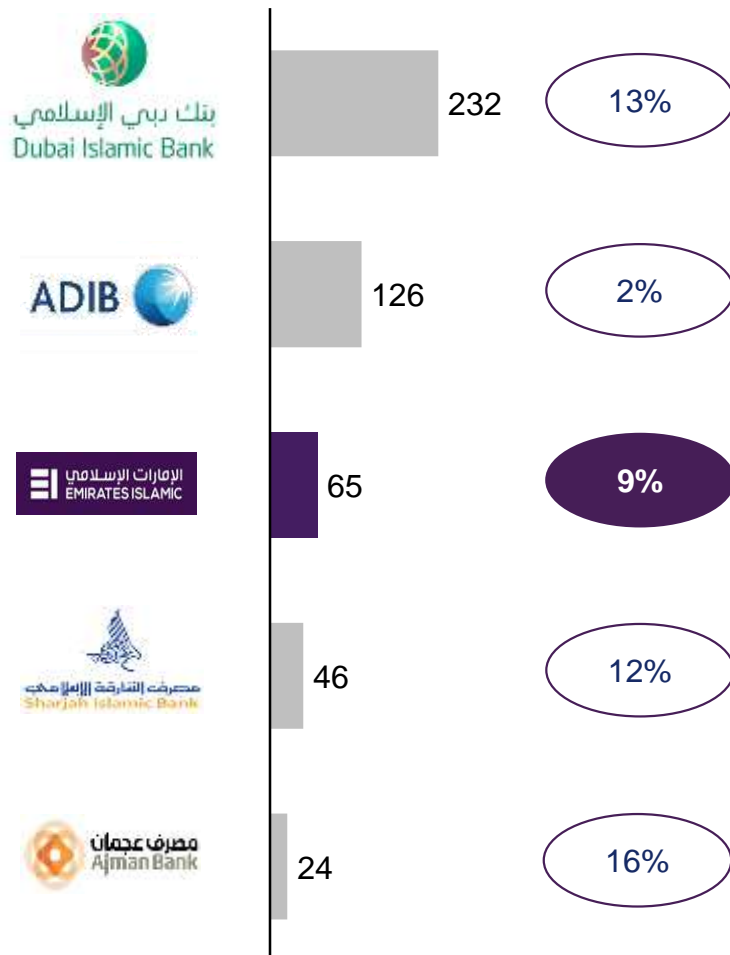
Total Income, 2019, AED M



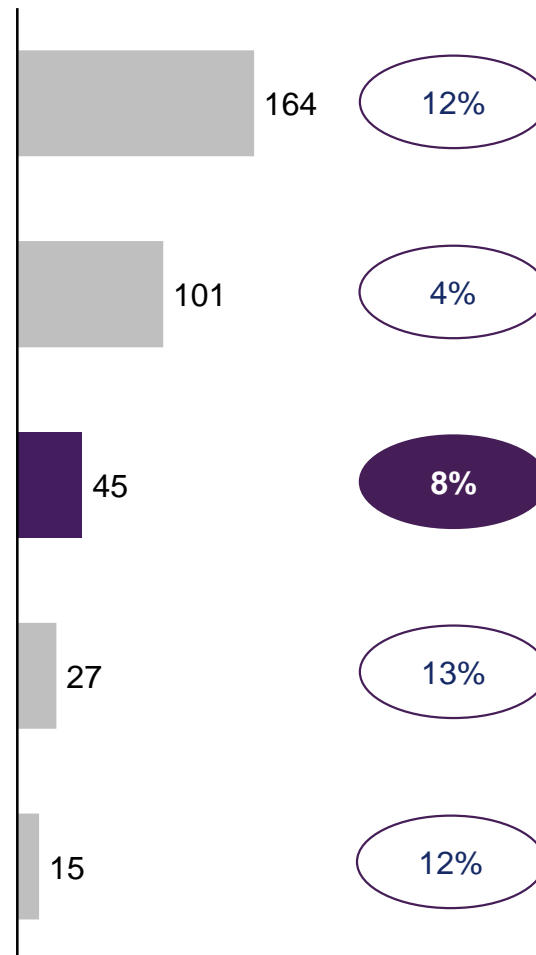
EI is the 3rd largest Islamic bank in UAE, and maintains a healthy financing to deposit ratio

CAGR %,
 FY'14 over FY'19

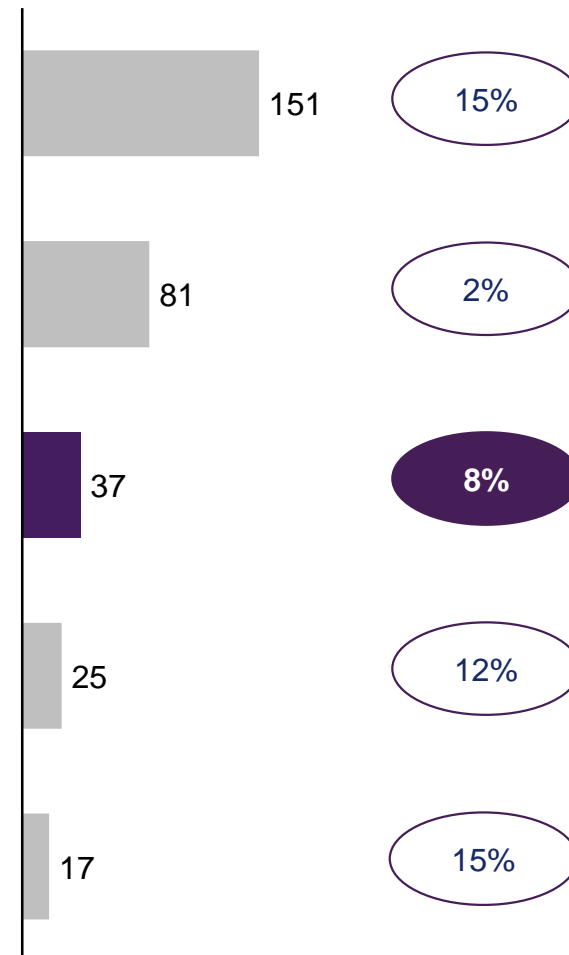
Total Assets, 2019, AED B



Total Deposits, 2019, AED B

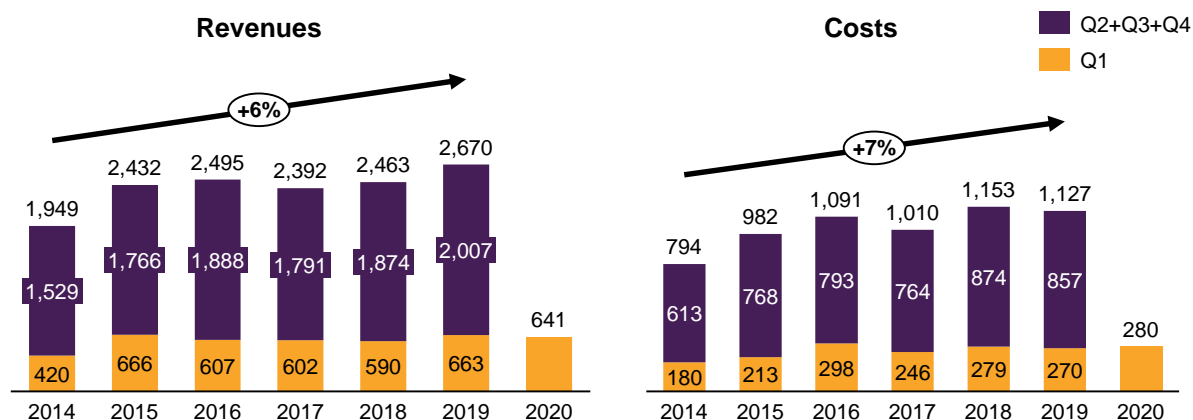


Total Financing, 2019, AED B

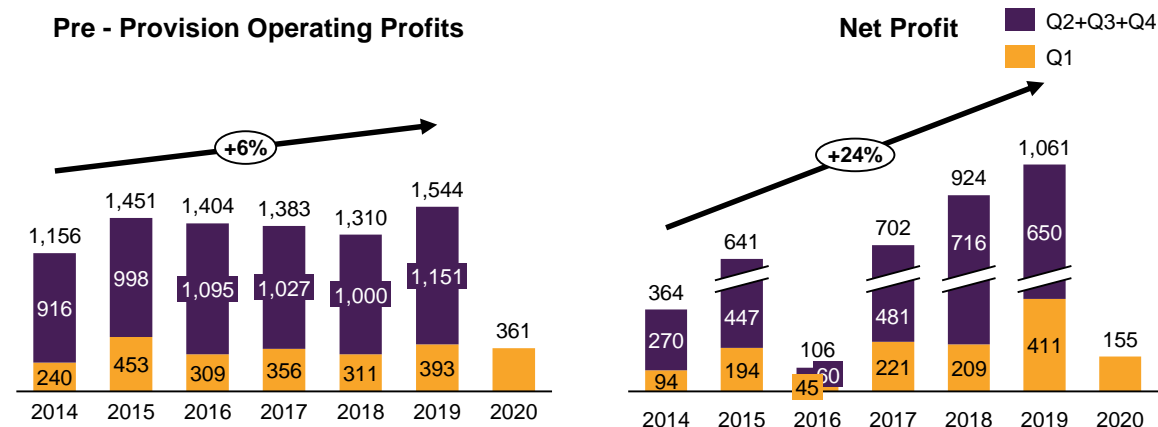


Profit and balance sheet growth in recent years

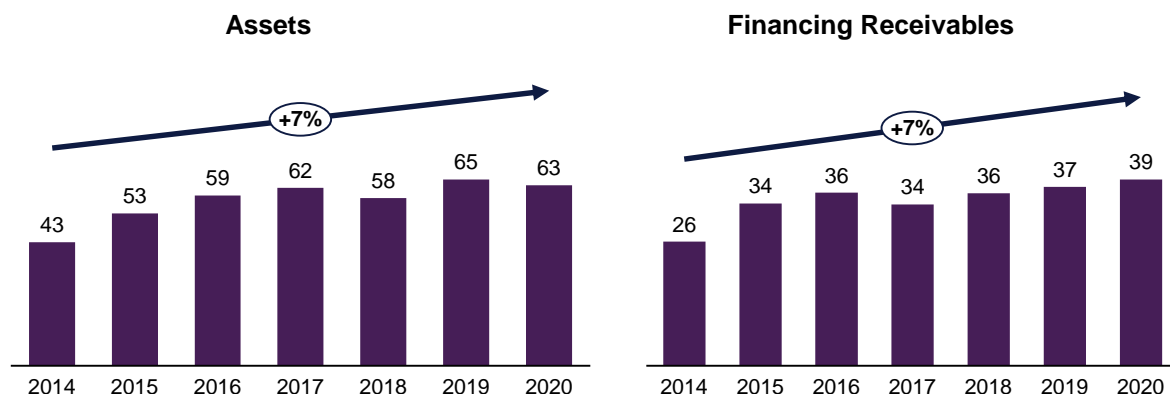
Revenues and Costs (AED M)



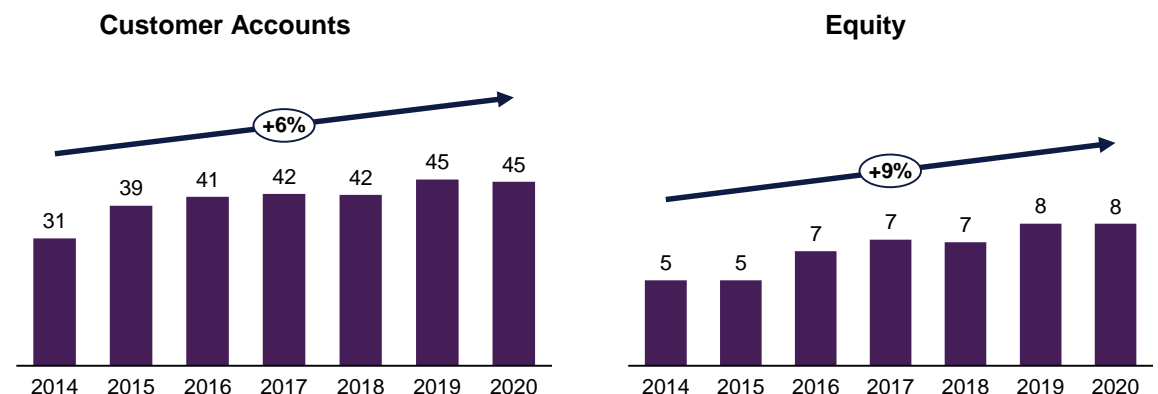
Profits (AED M)



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

Q1 – 2020 financial results highlights

Highlights

- Net Profit at AED 155 M, decreased 62% compared to same period last year
- Net Funded income improved by 5% compared to same period last year mainly due to higher financing & Investments partially offset by lower profit margin (10 Bps)
- Non-Funded income reduced 21% compared to same period last year mainly due to revaluation loss on securities; lower commission from Trade finance; higher third party commission expenses; and higher card related expenses
- Costs increased 4% compared to same period last year
- Net impairments of AED 206 M, increased significantly due to higher ECL provisions on account of COVID19
- Financing Receivables at AED 39 B, increased 4% compared to end 2019
- Total Assets at AED 62.9 B, decreased 3% compared to end 2019 due to lower Central Banks CDs partially offset by increase in Customer Financing

Key Performance Indicators, AED M

	Q1- 20	Q1-19	Better / (Worse)	Q4-19	Better / (Worse)
Net Funded Income	468	444	5%	495	-5%
Non Funded Income	173	220	-21%	125	39%
Total Income	641	663	-3%	620	3%
Operating Expenses	(280)	(270)	-4%	(310)	10%
Pre-impairment Operating Profit	361	393	-8%	310	17%
Impairment Allowances	(206)	18	-1265%	(186)	-11%
Net Profit for the Period	155	411	-62%	124	25%

Cost income ratio (%)	43.6%	40.7%	-	50.0%	-
Net Funded Income Margin (%)	3.0%	3.1%	-	3.3%	-

AED Billion	31-Mar-20	31-Mar-19	%	31-Dec-19	%
Total Assets	62.9	60.6	3.8%	64.8	-2.9%
Financing & Investing Receivables, net	39.0	36.4	7.2%	37.5	4.1%
Customers' Accounts	44.8	43.4	3.1%	45.3	-1.2%
Headline Ratio (%)	87%	84%	-	83%	-
NPF Ratio (%)	7.3%	8.6%	-	7.6%	-

Net Funded Income

Highlights

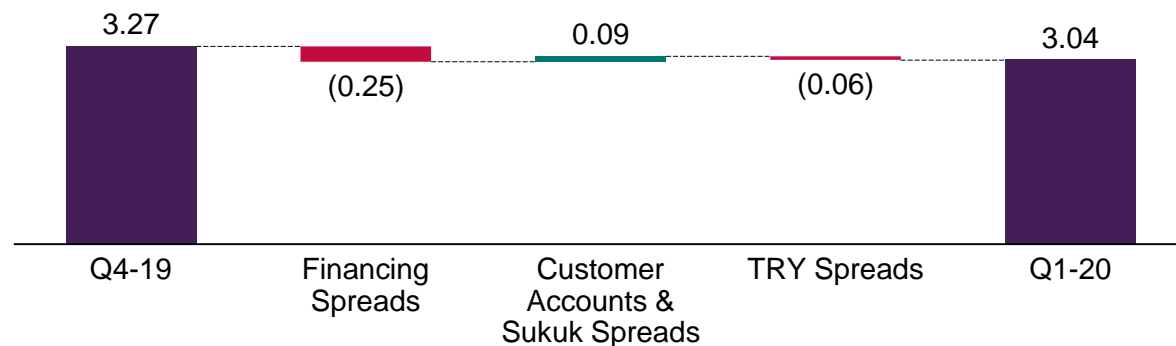
Q1-20 vs Q4-19

- Net funded income margin at 3.04%, reduced 23 bps q-o-q, mainly due to:-
 - Lower yield on Customer financing and Central Bank CDs*offset by*
 - Lower profit rate on Wakala deposits

Q1-20 vs Q1-19

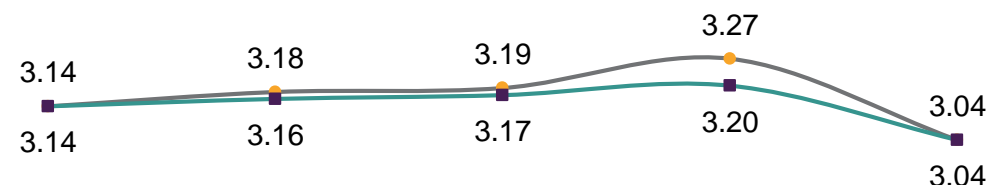
- Net Funded Income Margin at 3.04%, reduced 10 Bps y-o-y, mainly due to:-
 - Lower yield on Customer financing and Central Bank CDs*offset by*
 - Lower profit rate on Wakala deposits

Net Profit Margin Drivers (%) (Q1-20 Vs Q4-19)

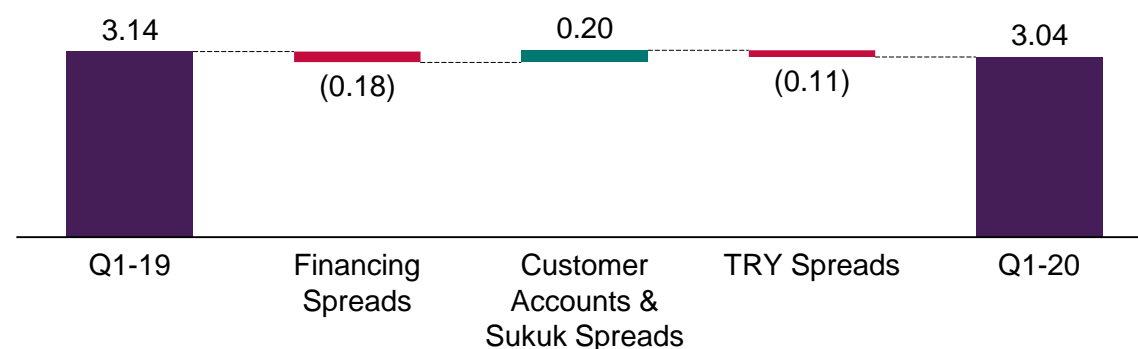


Net Funded Income Margin (%)

— Net Funded Income Margin — Net Funded Income Margin - YTD

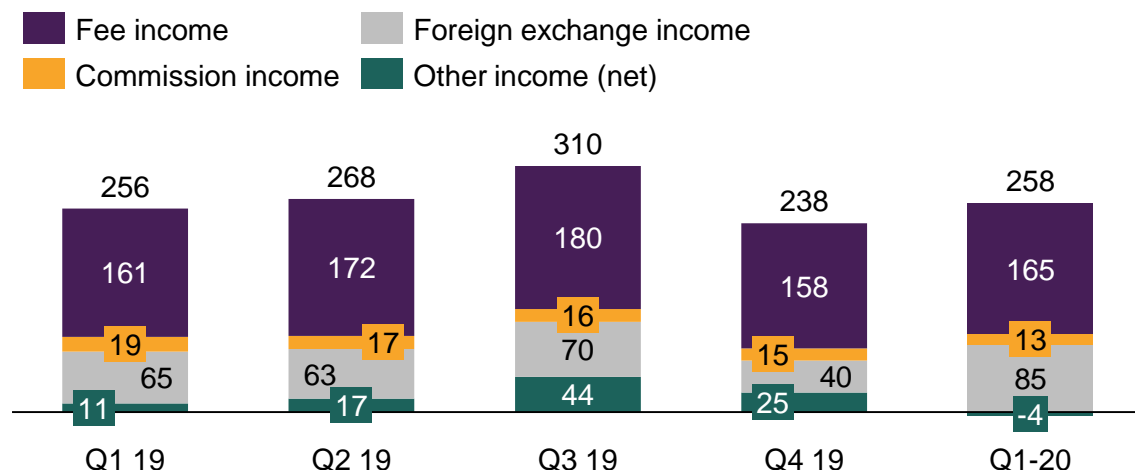


Net Profit Margin Drivers (%) (Q1-20 Vs Q1-19)



Non Funded Income

Trend in Gross Fee Income (AED M)



Composition of Non Funded Income (AED M)

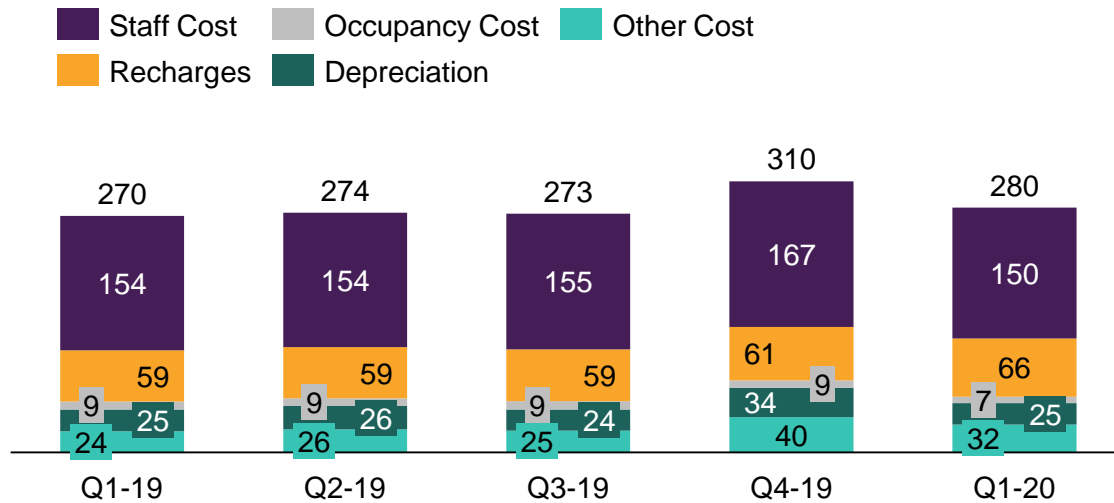
	Q1 20	Q1 19	Better / (Worse)	Q4 19	Better / (Worse)
Gross fee income	258	256	1%	238	9%
Fees & commission expense	(71)	(56)	-26%	(75)	6%
Core fee income	188	200	-6%	163	15%
Property Related Income	1	1	-27%	1	-15%
Investment securities & other income / (loss)	(16)	18	-189%	(39)	60%
Total Non Funded Income	173	220	-21%	125	39%

Highlights

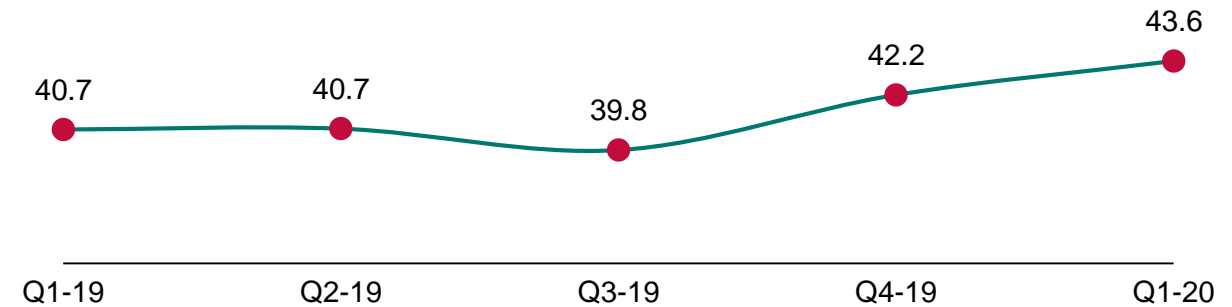
- Total Non Funded Income decreased by 21% y-o-y and increased by 39% q-o-q
- Core Fee Income decreased by 6% y-o-y on account of higher card related expenses
- Loss from Investment securities of AED 16 M booked in Q1-20 mainly due to revaluation on account of lower market value of the securities

Operating Costs and Efficiency

Cost Composition (AED M)



Cost to Income Ratio (%)



Highlights

Cost to Income ratio at 43.6% at the end of Mar'20, increased 2.9% compared to same period last year as a result of:-

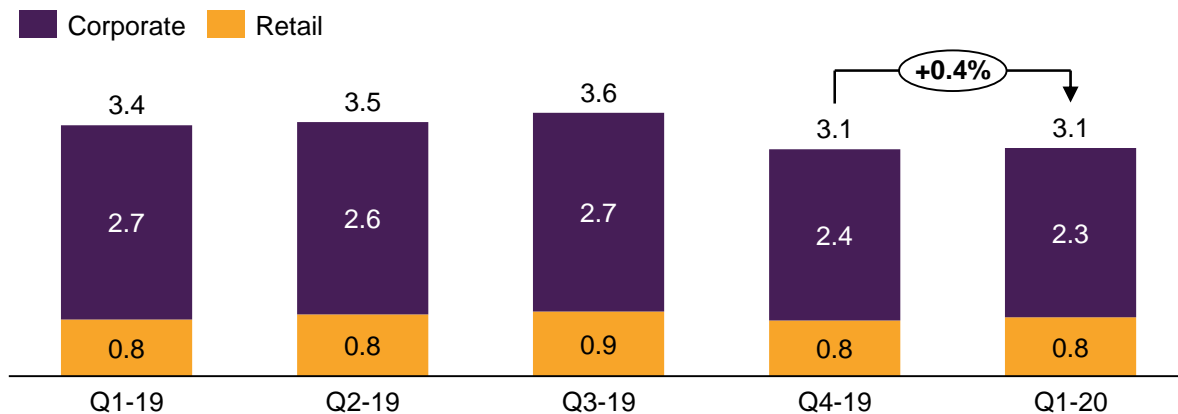
- Decrease in total income by 3%
- Increase in total cost by 4%

Credit Quality

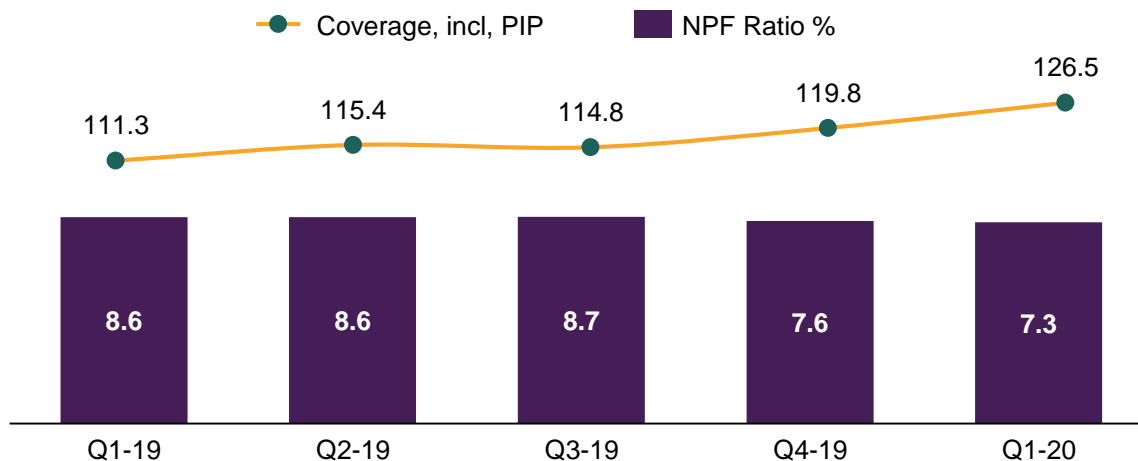
Highlights

- Non Performing Financing (NPF) ratio improved from 7.6% To 7.3% compared to Dec-19, mainly due to 7% growth in customer financing
- Coverage ratio At 126.5% increased from 119.8% at Dec-19 mainly due to higher ECL provisions in Q1- 20
- The impairment allowance of AED 4.0 B includes AED 2.8 B (70%) of specific provisions and AED 1.2 B (30%) of ECL provisions
- Expected Credit Loss (ECL) represents 3.0% of total Credit Risk Weighted Assets (CRWA) at the end of Mar'20 (Dec'19 – 2.6%)

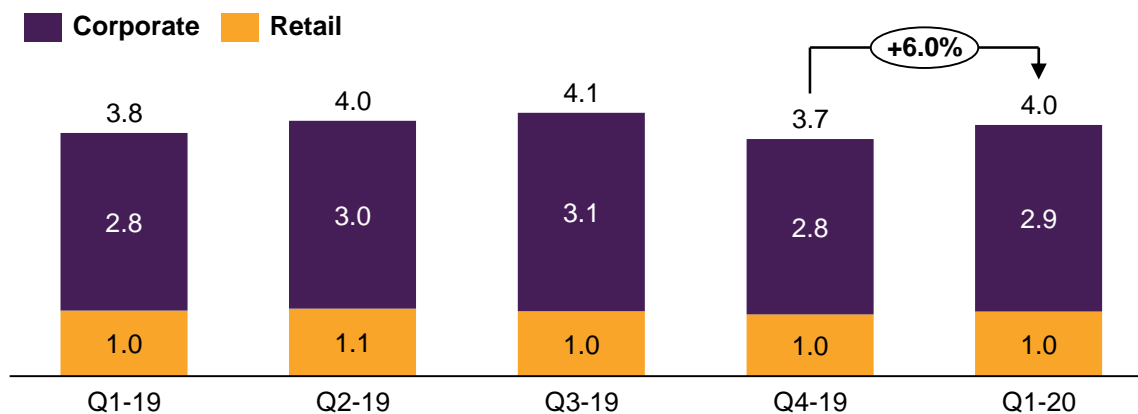
Impaired Financing (AED B)



Impaired Financing & Coverage Ratios (%)



Impaired Allowances (AED B)



Capital Adequacy

Highlights

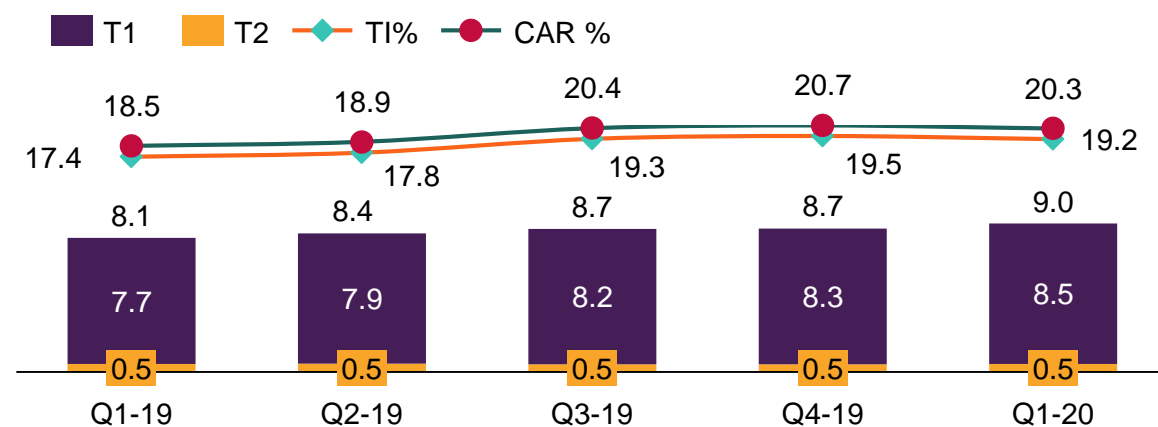
- CAR at the end of Q1-20 is at 20.3% decreased from 20.7% at the end of 2019 mainly due to growth of RWA as below:-
 - AED 1.4 B on customer financing
 - AED 0.4 B on banks receivables due to higher financing & placements
 - AED 0.4 B on Customer Acceptances
- Tier 1 ratio decreased to 18.7% (2019 – 19.5%)

Note - CAR calculation is as per revised CB guidelines issued on 23rd April 2020

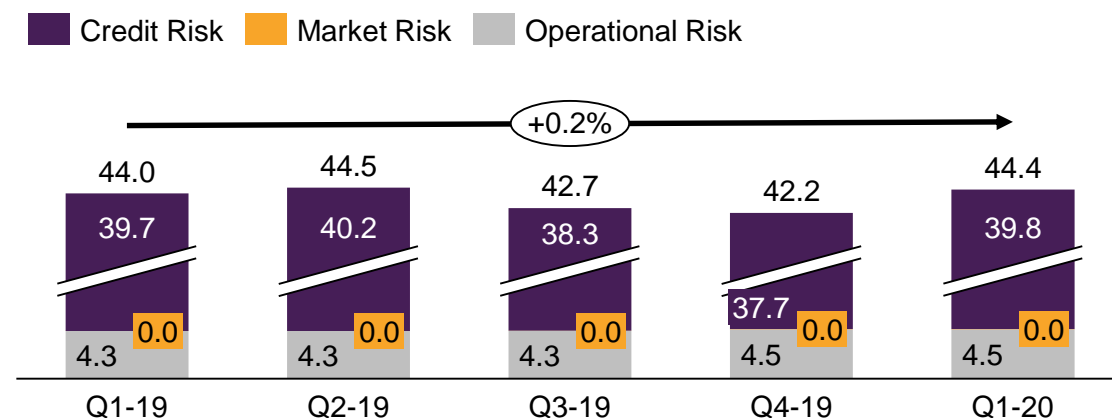
Capital Movements as per Basel III (AED M)

	Tier-1	Tier-2	Total
Capital as at 31 December 2019	8,255	471	8,727
Net Profits generated	155	0	155
Other	(114)	26	(88)
	8,296	498	8,794

Capitalisation (AED B)



Risk Weighted Assets – Basel II (AED B)

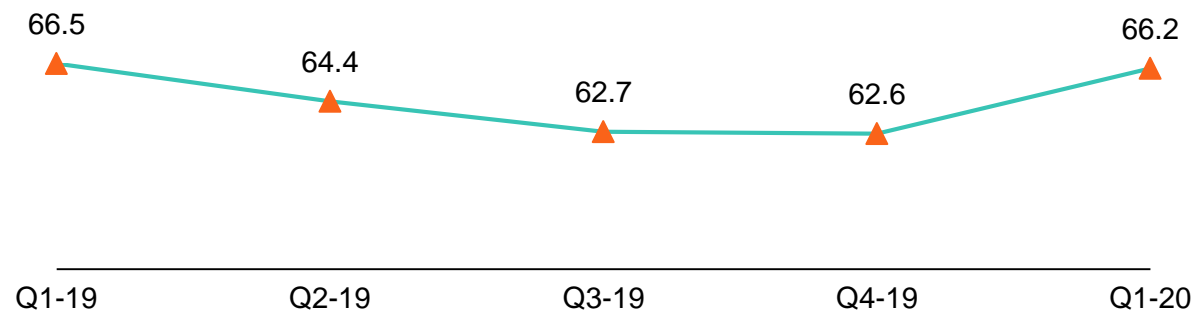


Funding and Liquidity

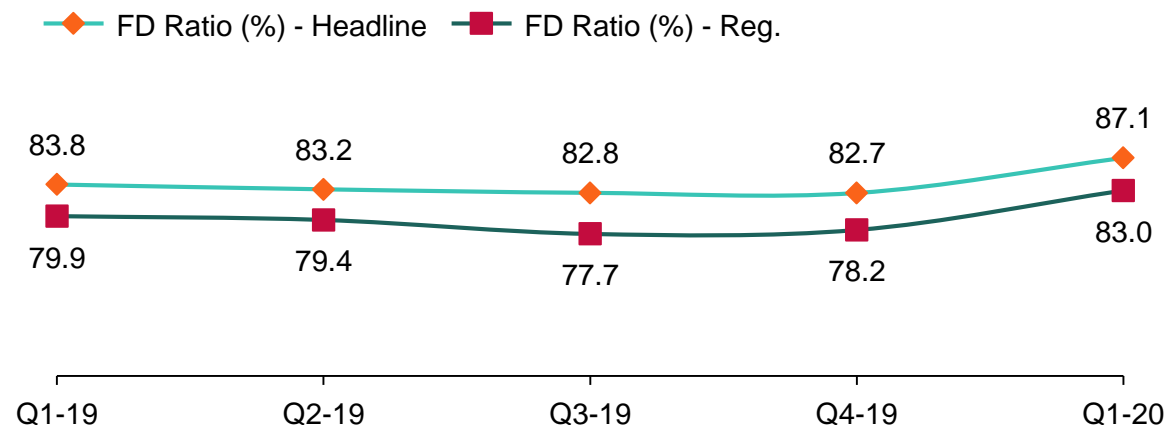
Highlights

- Financing to deposits ratio at 87% increased 4.4% compared to end of 2019 mainly due to growth in customer financing
- Long term funding (Sukuk) represent 7.1% of total borrowings
- The CASA to Total Customer Deposits ratio at the end of Mar'20 is at 66.2% (Dec'19 – 62.6%)

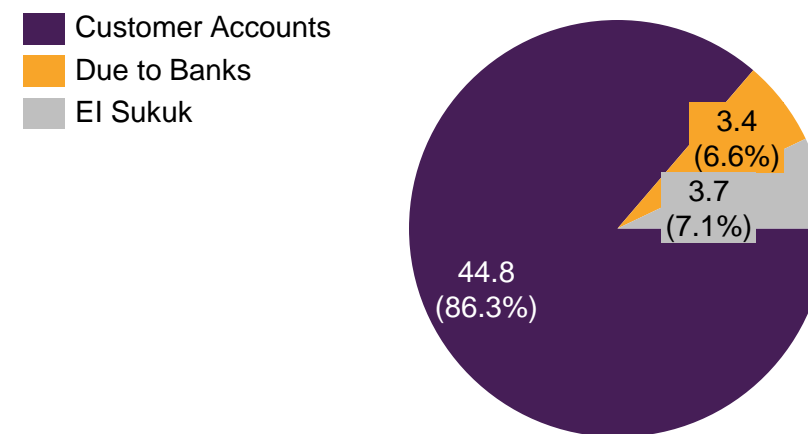
CASA to Deposit Ratio



Headline Ratio (%)



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

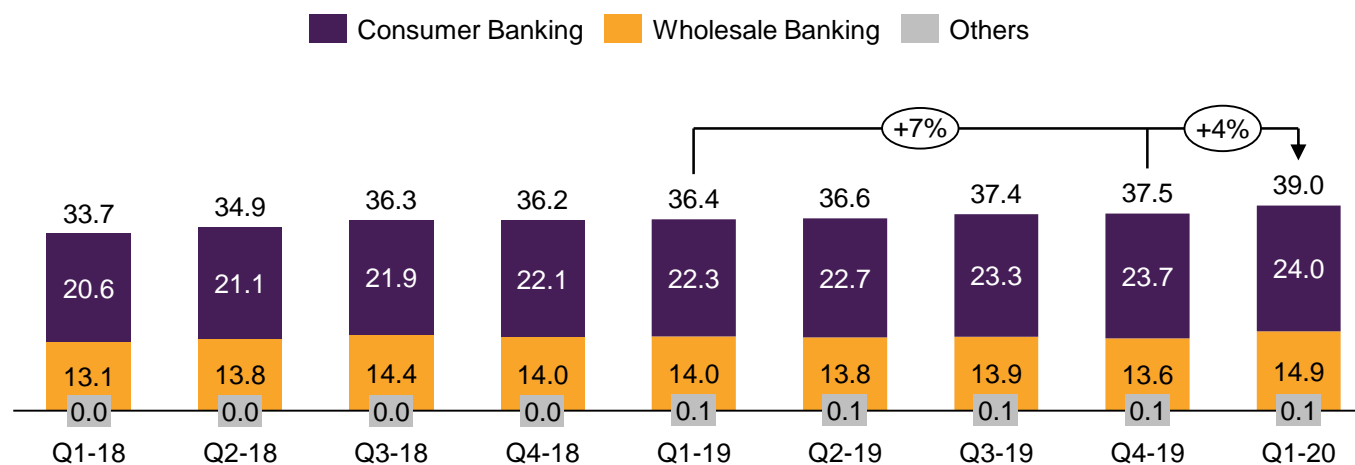


Financing and customer accounts trends

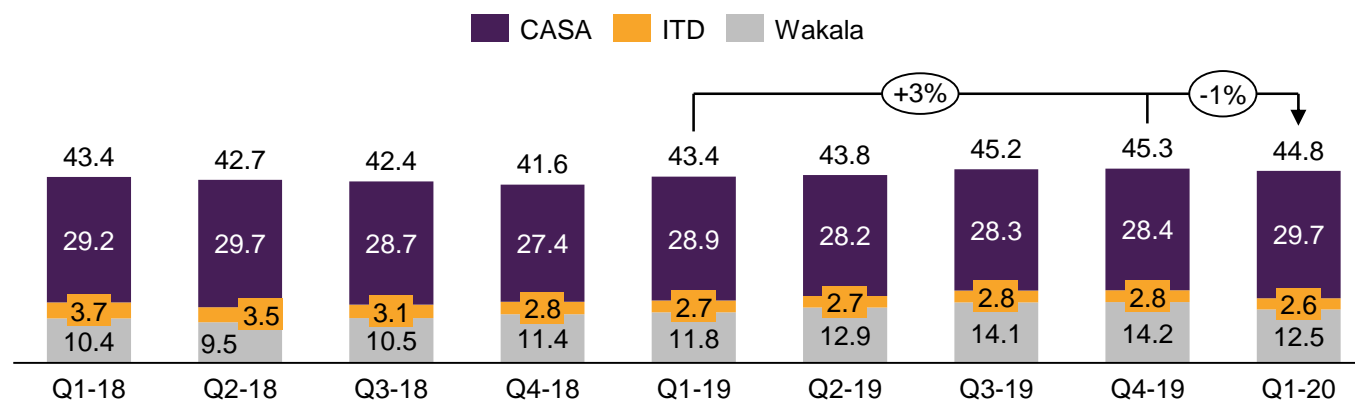
Highlights

- Financing receivables increased by 7% y-o-y and increased by 4% q-o-q
 - Consumer Banking financing receivable increased by 7 % y-o-y and increased by 1% q-o-q
 - Wholesale Banking financing receivables increased by 7% y-o-y and increased by 10% q-o-q
- Customer accounts increased by 3% y-o-y and decreased by 1% q-o-q
 - CASA increased by 3% y-o-y and increased by 5% q-o-q
 - ITD decreased by 4% y-o-y and decreased 6% q-o-q
 - Wakala increased by 6% y-o-y and decreased by 12% q-o-q

Trend in Net Financing by Type (AED B)



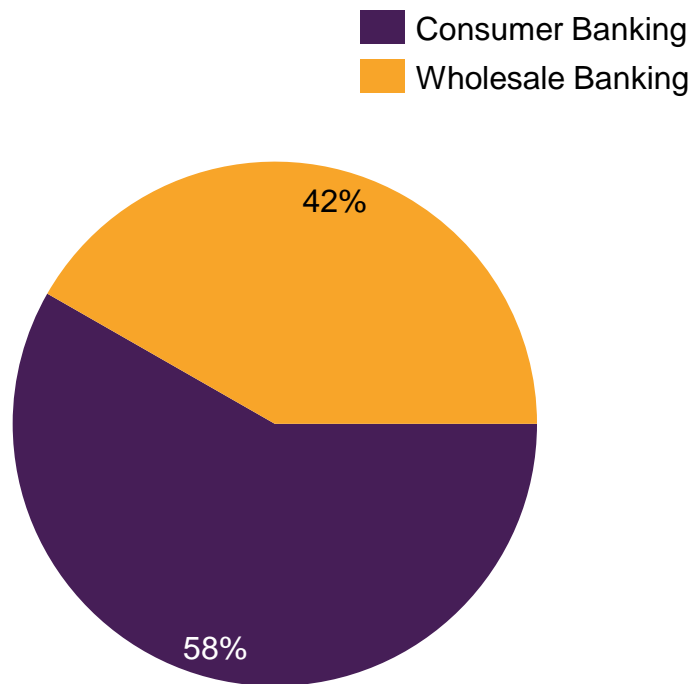
Trend in Customer Accounts by Type (AED B)



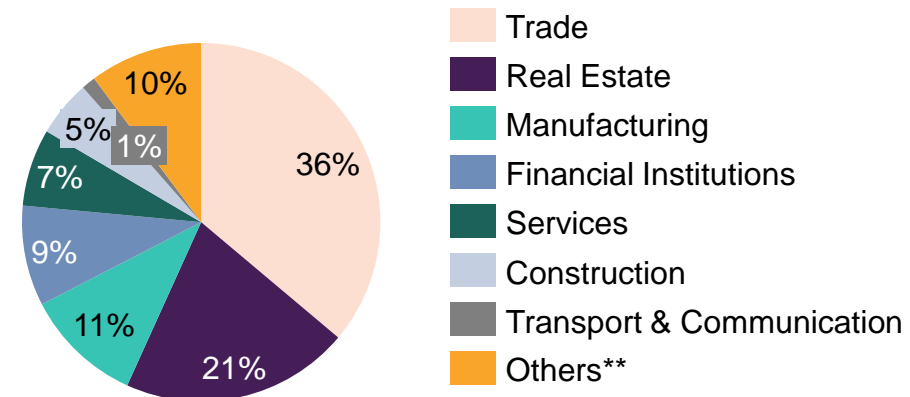
* Financing is Net of Deferred Income and impairment provisions

Financing composition

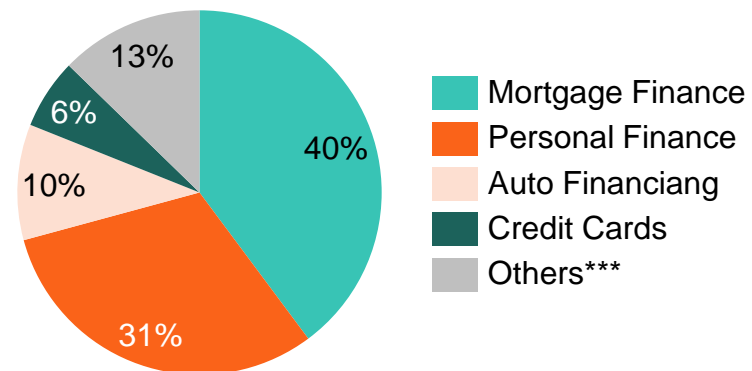
Total Gross Financing* (AED 43 B)



Wholesale Banking Financing (AED 18 B)



Consumer Financing (AED 25 B)



* Gross Financing net off deferred portion

** Others under Sector wise breakup includes Agriculture and Sovereign

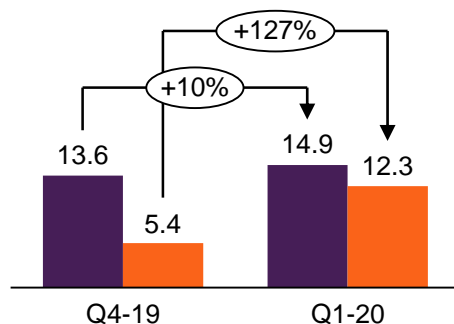
***Others include SME products held by retail customers

Divisional performance

Wholesale Banking

Balance Sheet Trends (AED B)

- Financing Receivable
- Customer Deposits

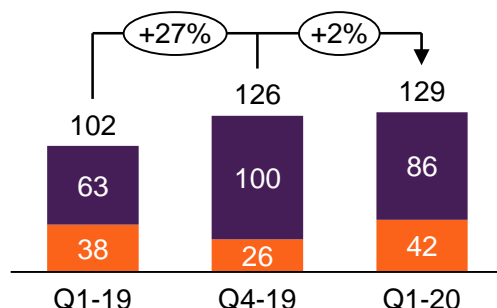


- Financing receivable increased by 10% q-o-q. Customer deposits increased by 127% q-o-q mainly due to segment realignment.

- Revenue increased by 27% y-o-y. Funded Income increased on account of higher financing and higher fund transfer pricing income on deposits due to segment realignment. Non funded income increased on account of higher foreign exchange and derivatives income.

Revenue Trends (AED M)

- FI
- NFI

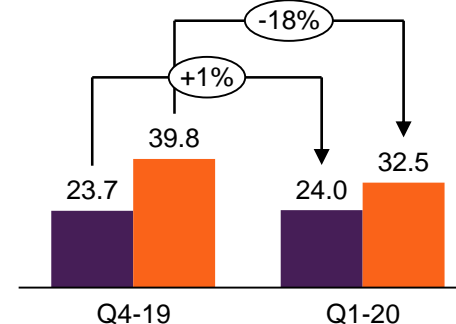


- Revenue increased by 2% q-o-q. Funded income decreased due to lower margins and one off income in previous quarter partially offset by higher financing and higher customer deposits. Non Funded Income increased due to higher foreign exchange, processing fees and derivative income.

Consumer Banking

Balance Sheet Trends (AED B)

- Financing Receivable
- Customer Deposits

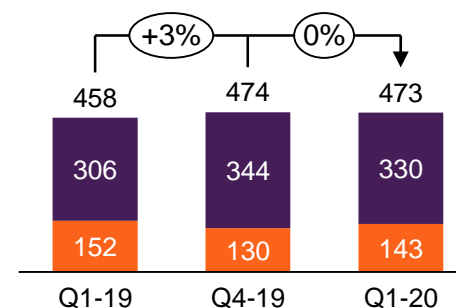


- Financing receivable increased by 1% q-o-q. Customer deposits decreased by 18% q-o-q mainly due to segment realignment.

- Revenue increased by 3% y-o-y. Funded income increased mainly due to higher financing partially offset by lower fund transfer pricing income on deposits due to segment realignment. Non funded income decreased due to lower fees & commission income.

Revenue Trends (AED M)

- FI
- NFI



- Revenue remained flat q-o-q. Funded income decreased mainly due to lower fund transfer pricing income on deposits due to segment realignment partially offset by increase in Non funded income.

Note: All Balance Sheet numbers are at end of period

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