



Investor Presentation

Q3 2023

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Executive Summary Q3'23 Results

Key Highlights



Strong momentum continues with AED 1.6 bn profit up 56% in 2023, the highest ever first 9 months profit



Income 62% higher driven by improved financing & deposit mix coupled with higher profit rates and higher non-funded income



Deposits grew by AED 4.2 bn in 2023 mainly due to AED 4.2 bn growth in CASA

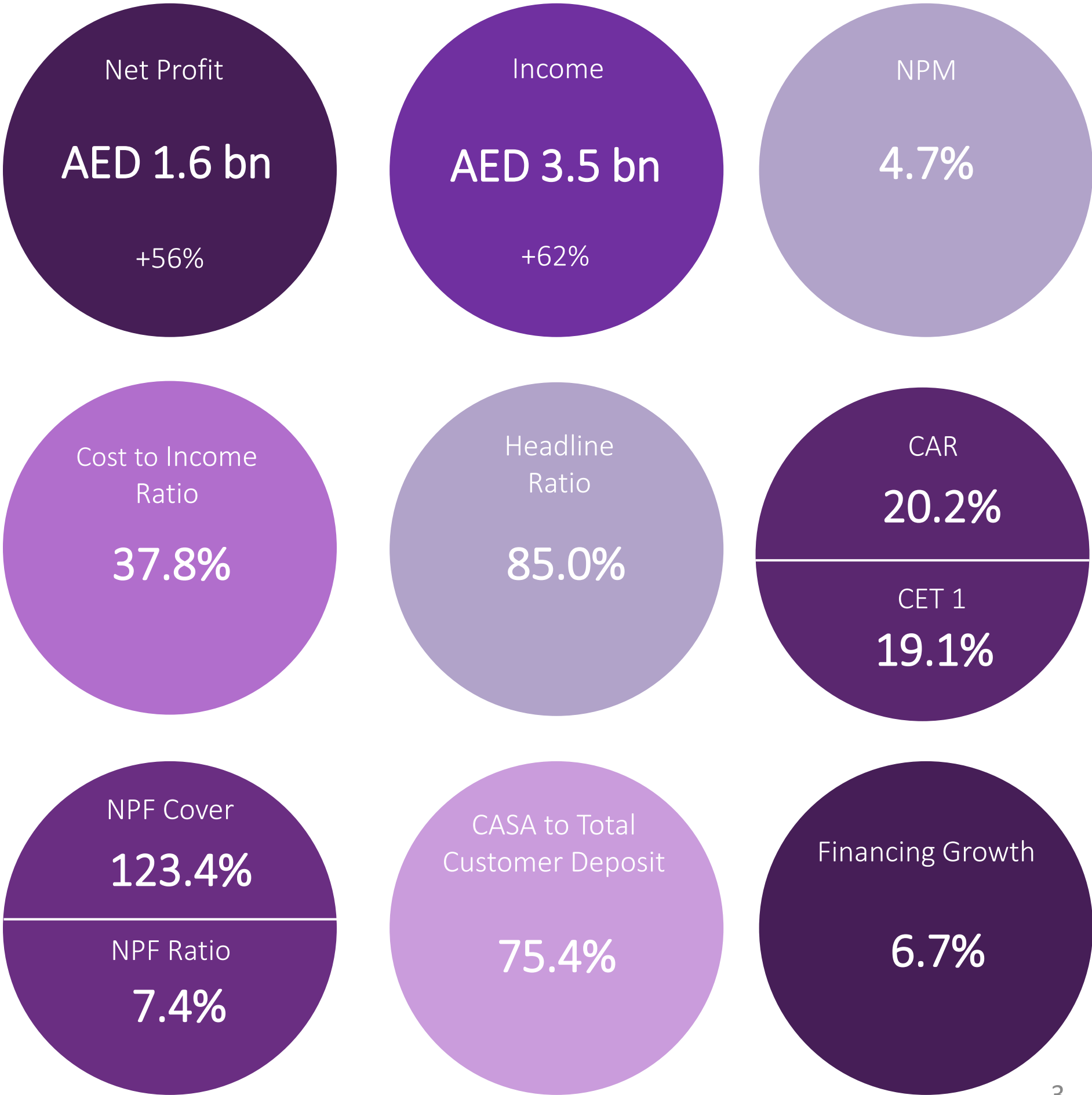


Financing increased by AED 3.2 bn in 2023 comprising of AED 2.4 bn from RBWM and AED 0.8 bn from C&IB

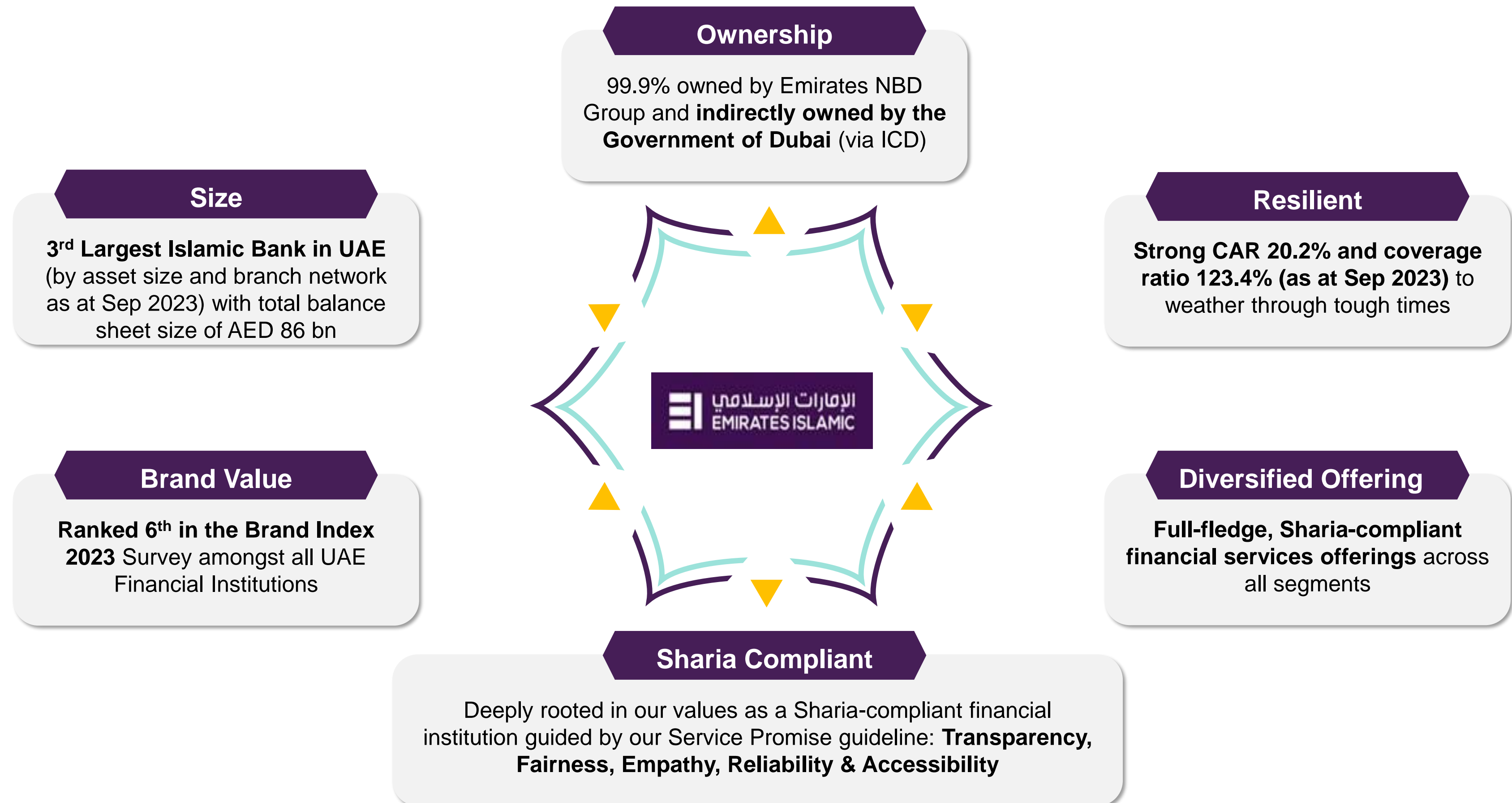


Solid balance sheet, capital and liquidity position, strong operating profit remains our core strengths

Key Metrics

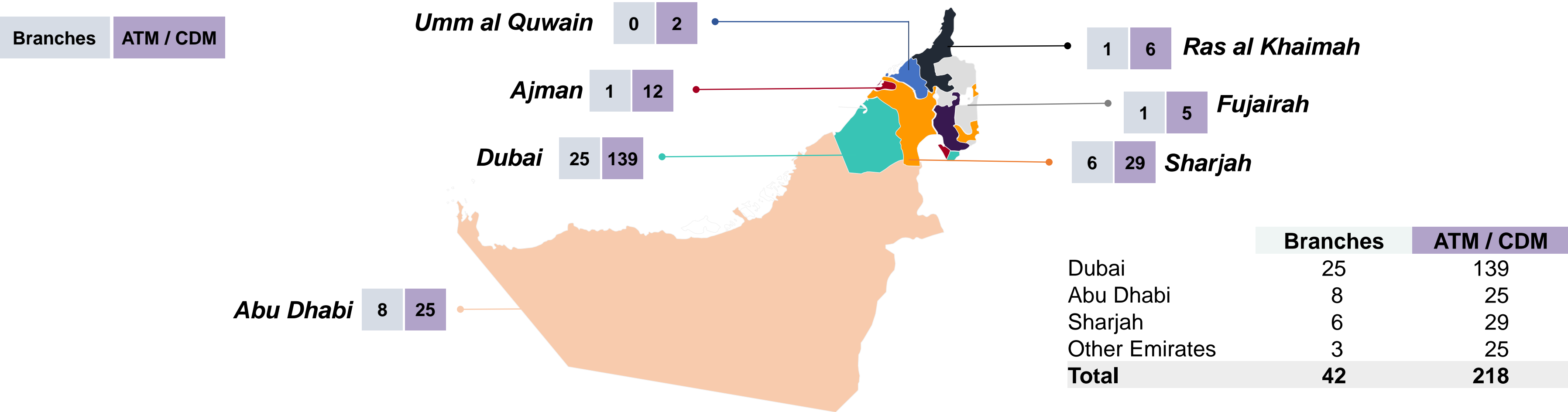


El, a young growing Islamic Bank



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

Optimised Branch and Alternative Channel Footprint across UAE



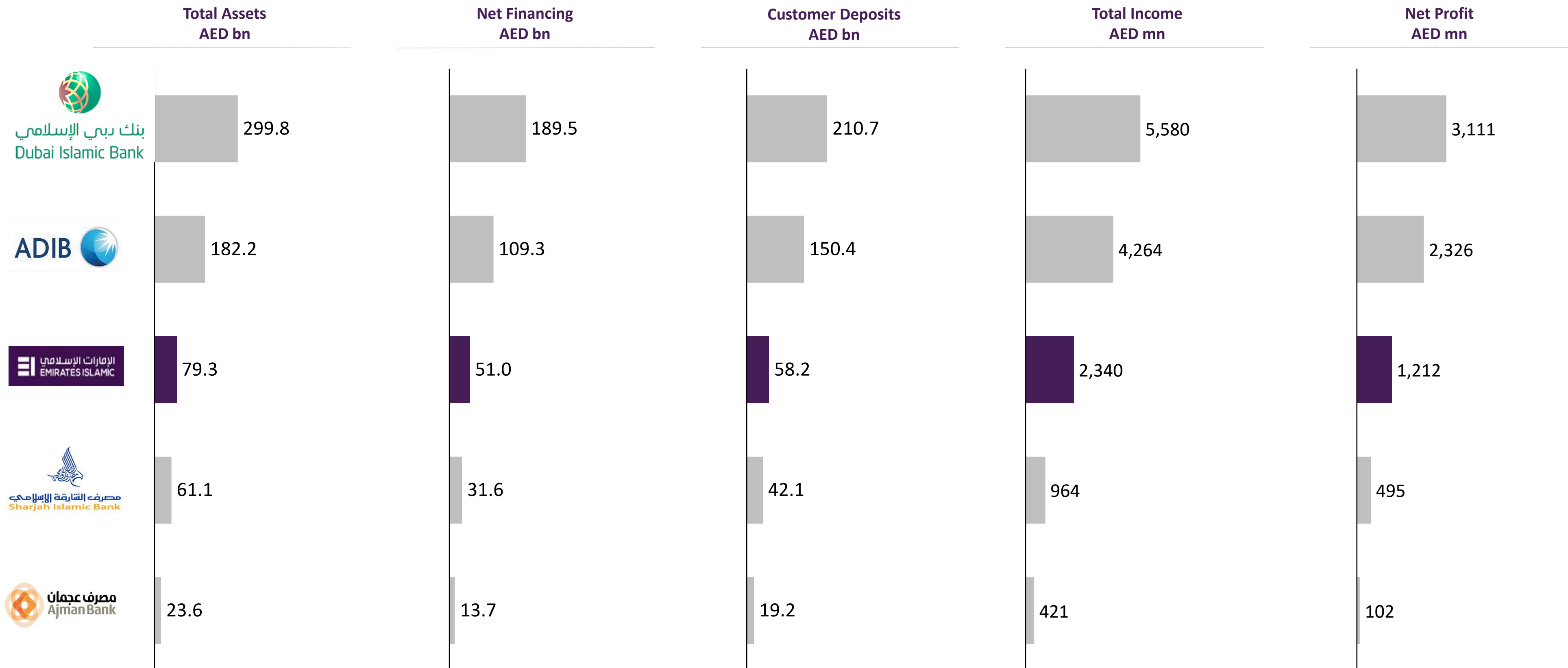
As at Apr 2023 (Affirmed)

	Long Term	Short Term	Outlook
FitchRatings	A+	F1	Stable

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

EI is one of the largest Islamic banks in UAE

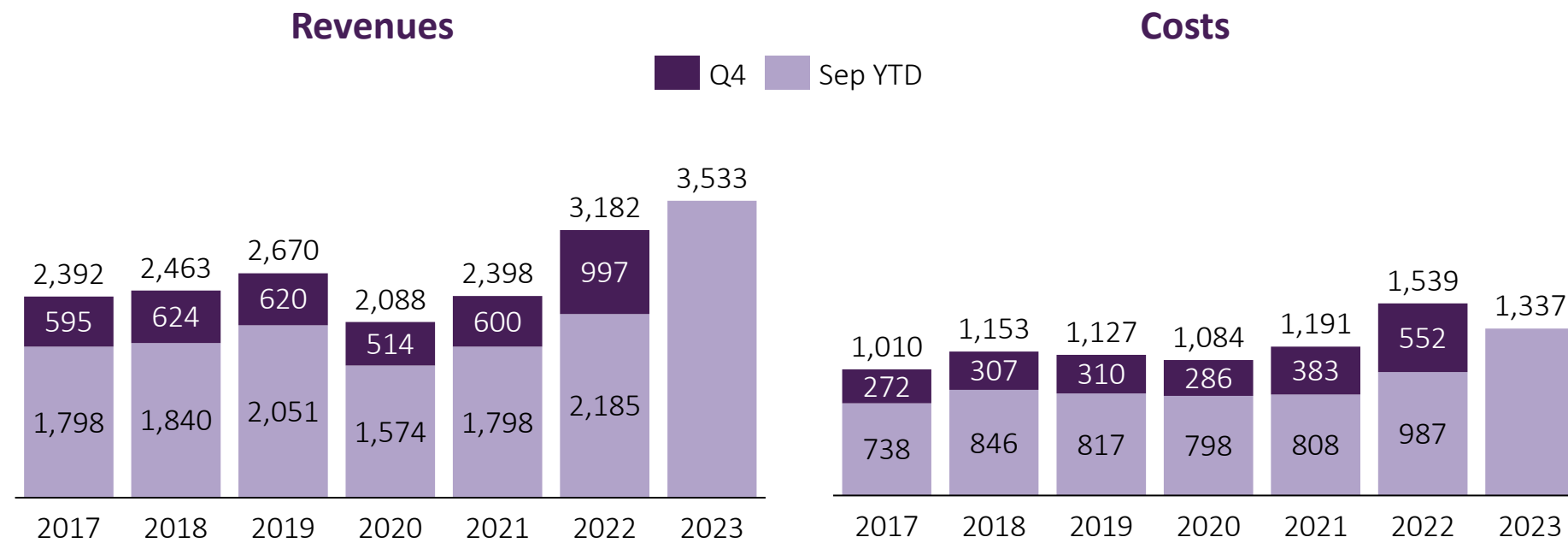
Q2 2023



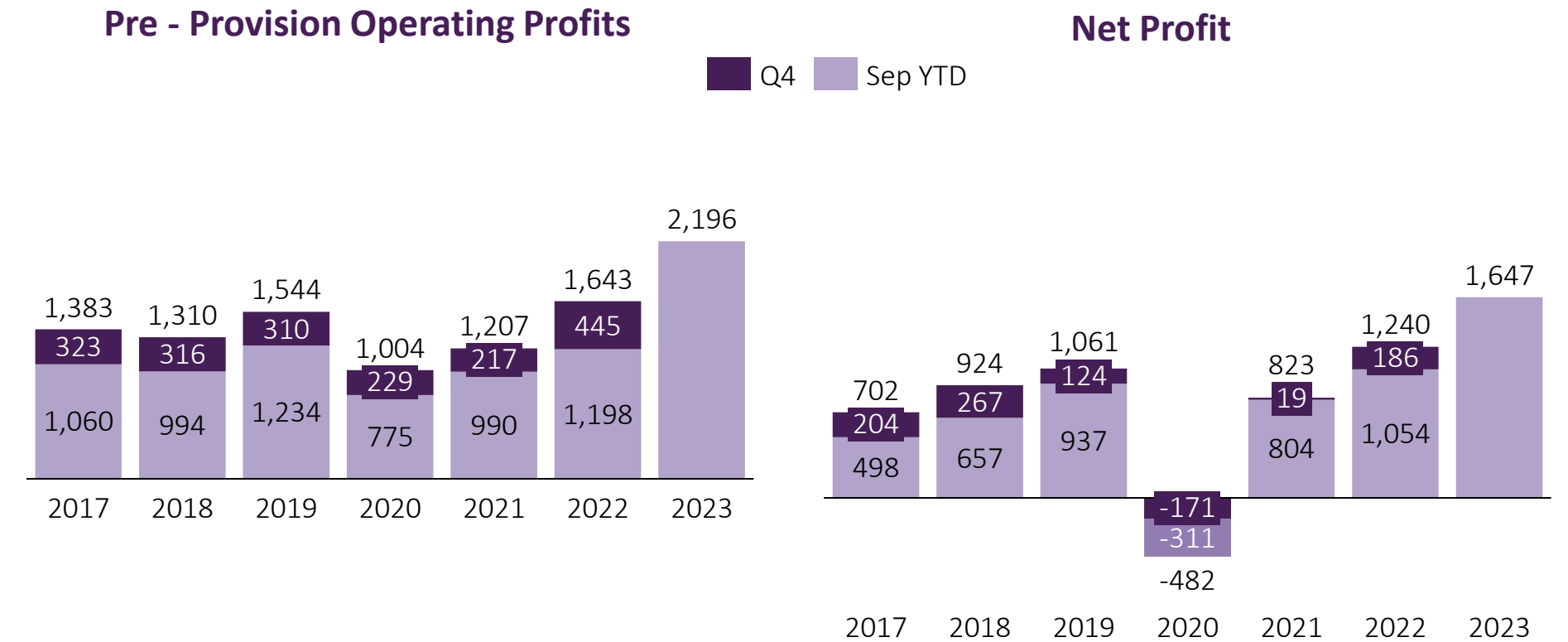
Note: Balance sheet numbers are at end of period

P&L and Balance Sheet Trend

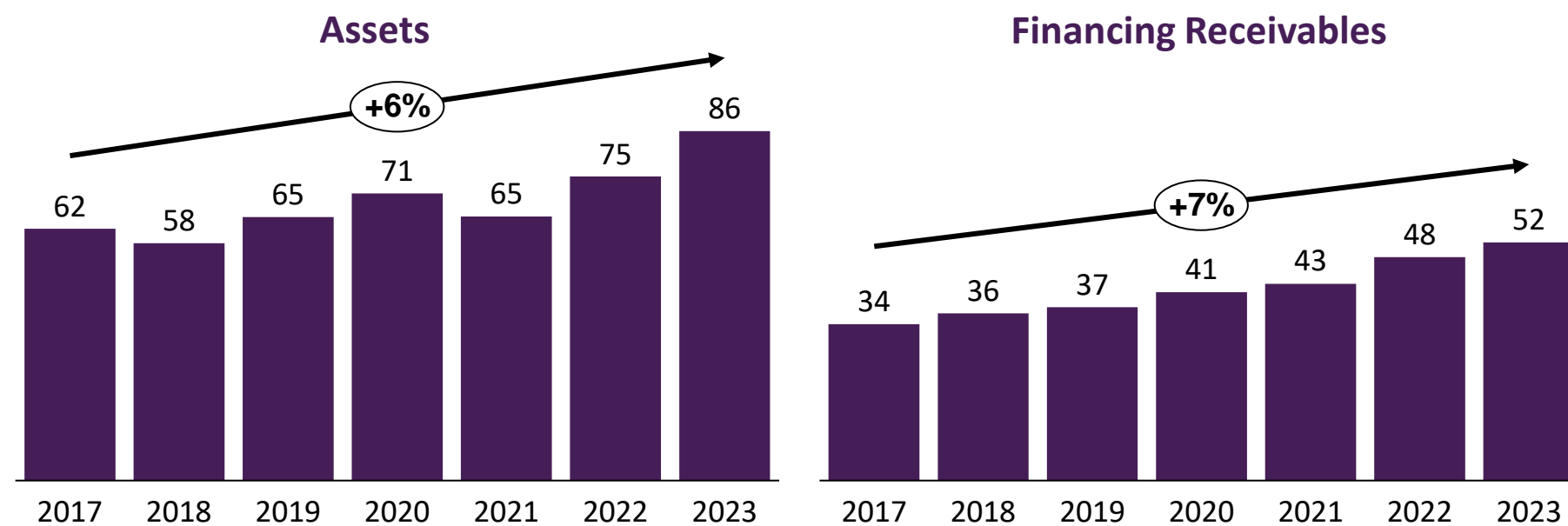
Revenues and Costs (AED mn)



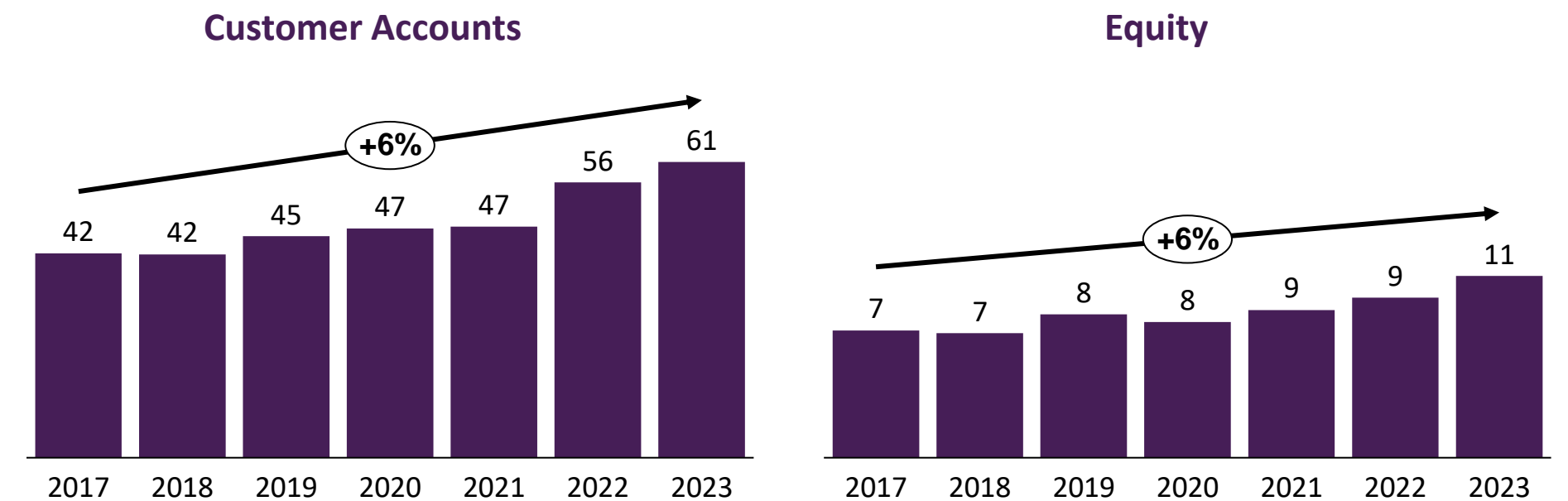
Profits (AED mn)



Assets and Financing (AED bn)



Customer Accounts and Equity (AED bn)



Notes:

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

YTD Sep-2023 Financial Results Highlights

Income Statement

	YTD Sep-23	YTD Sep-22	%Δ YoY
<i>(All figures are in AED mn)</i>			
Net Funded Income	2,715	1,579	72%
Non-funded income	818	606	35%
Total income	3,533	2,185	62%
Operating expenses	(1,337)	(987)	-35%
Pre-impairment operating profit	2,196	1,198	83%
Impairment allowances	(549)	(144)	-282%
Net Profit for the Period	1,647	1,054	56%
Cost: income ratio	37.8%	45.2%	-
Net Funded Income Margin	4.7%	3.1%	-

Balance Sheet

	30-Sep-23	31-Dec-22	%Δ
<i>(All figures are in AED bn)</i>			
Total assets	86.0	74.8	15.0%
Financing Receivables, net	51.6	48.4	6.7%
Customer Accounts	60.5	56.3	7.4%
Headline ratio (%)	85%	86%	-
NPF ratio (%)	7.4%	7.0%	-

Key Highlights

- Net Profit for the first 9 months at AED 1,647 M, higher by 56% compared to same period last year reflecting strong operating performance
- Total income up 62% compared to same period last year
 - Funded income higher by 72% mainly driven by financing growth and higher profit rate
 - Non-Funded Income increased 35% driven mainly by higher Fx & derivatives income, Other banking income and Fees income
- Expenses up 35% y-o-y due to higher investment for future growth.
- Impairment Allowance at AED 549 mn higher by 282% y-o-y due to financing growth (NPF ratio 7.4% & Coverage ratio 123.4%)
- Financing Receivables at AED 51.6 bn, increased 6.7% compared to end of 2022
- Customer deposits at AED 60.5 bn, increased 7.4% from end of 2022 with CASA balances at 75.4% of total deposits

Q-o-Q Financial Results Highlights

Income Statement

	Q3 23	Q3 22	%Δ YoY	Q2 23	%Δ QoQ
<i>(All figures are in AED mn)</i>					
Net Funded Income	942	613	54%	916	3%
Non-funded income	252	203	24%	291	-14%
Total income	1,193	815	46%	1,207	-1%
Operating expenses	(368)	(393)	6%	(591)	38%
Pre-impairment operating profit	825	422	95%	616	34%
Impairment allowances	(389)	(69)	-467%	(5)	-8220%
Net Profit for the Period	435	353	23%	611	2%
Cost: income ratio	30.9%	48.2%	-	49.0%	-
Net Funded Income Margin	4.6%	3.4%	-	4.8%	-

Balance Sheet

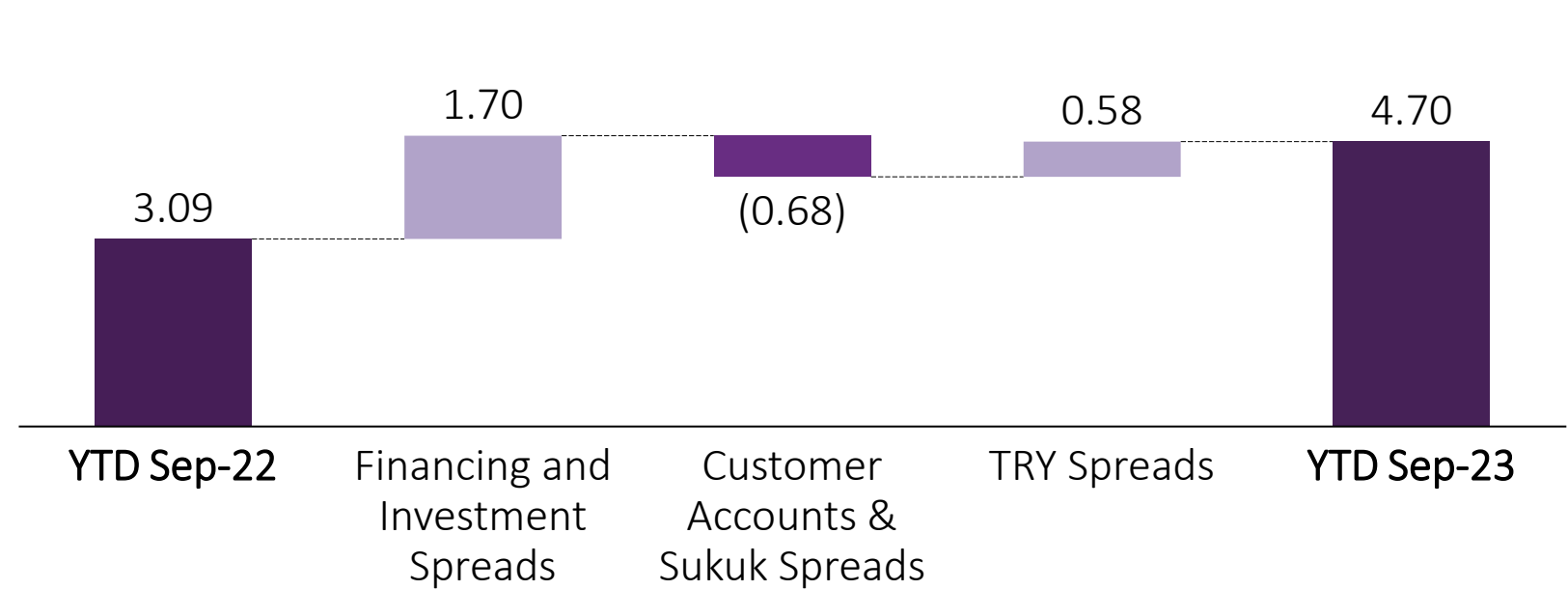
	30-Sep-23	30-Sep-22	%Δ YoY	30-Jun-23	%Δ QoQ
<i>(All figures are in AED bn)</i>					
Total assets	86.0	73.1	17.6%	79.3	8.4%
Financing Receivables, net	51.6	47.8	8.0%	51.0	1.2%
Customer Accounts	60.5	54.7	10.7%	58.2	3.9%
Headline ratio (%)	85%	87%	-	88%	-
NPF ratio (%)	7.4%	6.9%	-	7.2%	-

Key Highlights

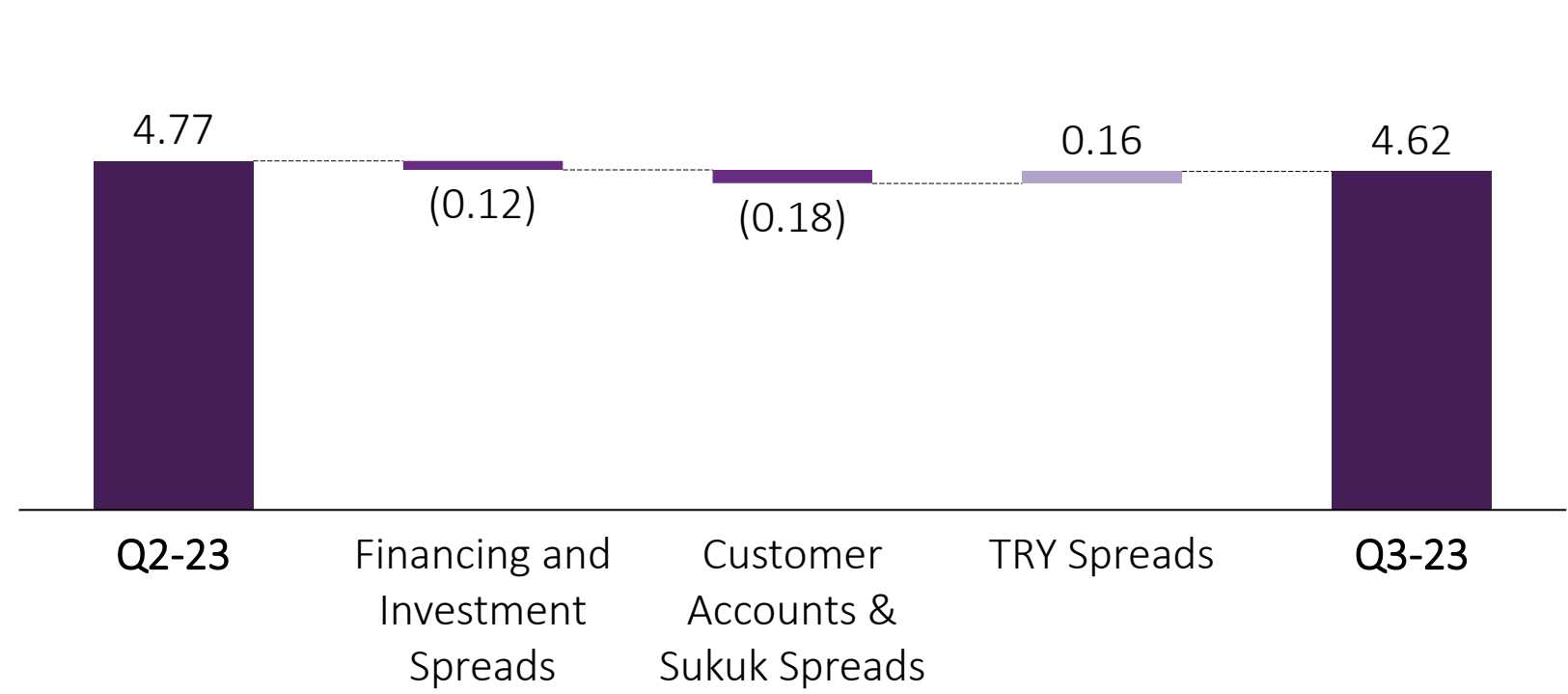
- Net Profit for Q3'23 at AED 435 mn, higher by 23% compared to same period last year reflecting strong operating performance
- Total income up 46% compared to same period last year
 - Funded income higher by 54% mainly driven by financing growth and higher profit rate
 - Non-Funded Income increased 24% driven by higher Fx & derivatives income, other banking income and commission income
- Expenses lower by 6% compared to same period last year.
- Impairment Allowance at AED 389 mn higher by 467% y-o-y due to financing growth
- Financing Receivables at AED 51.6 bn, increased 8% y-o-y
- Customer deposits at AED 60.5 bn, increased 10.7% y-o-y

Net Funded Income Margin

NPM Drivers YTD (%)



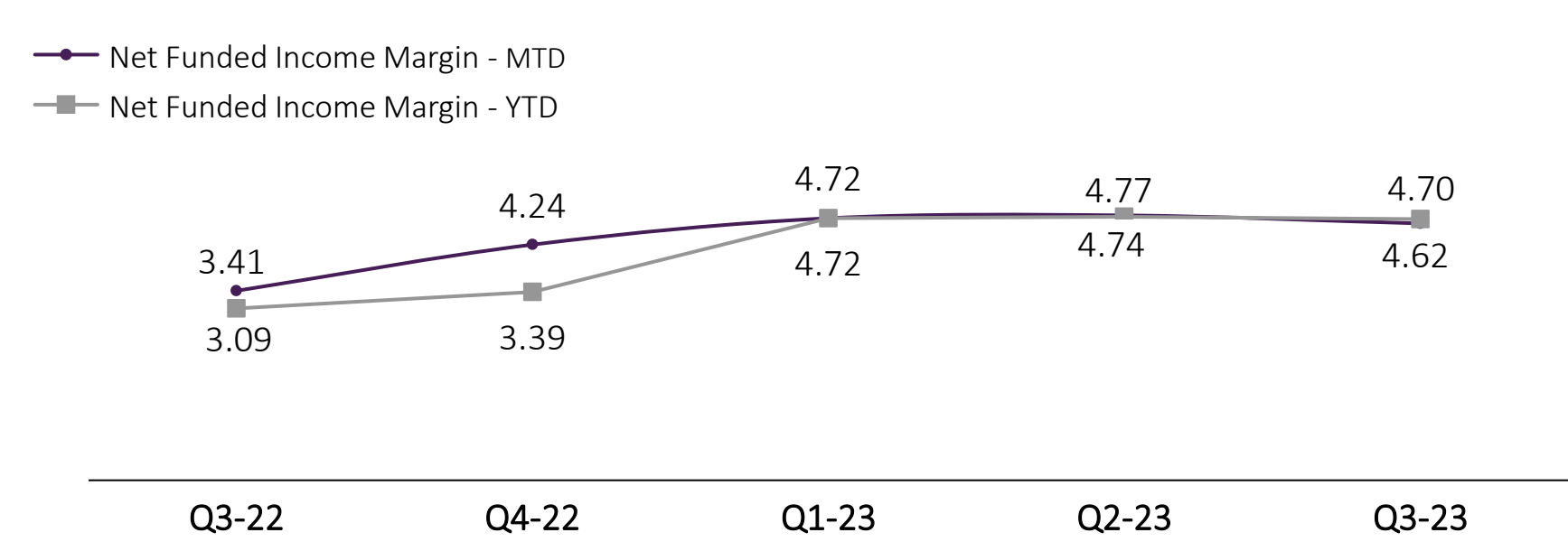
NPM Drivers Q3-23 vs Q2-23 (%)



Key Highlights

- Net funded income margin for first 9 months at 4.70%, increased 161 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 margins
 - Higher yield on Due from banks and CDs due to increase in margins
 Partially offset by
 - Higher cost of customer deposits
 - Higher cost of EMTN Sukuk due to new issuance
- Net funded income margin for Q3'23 at 4.62%, decreased by 15 bps q-o-q on account of higher cost of deposits due to higher margins and new EMTN Sukuk issuance partially offset by higher yield on Due from banks and CDs due to increase in margins

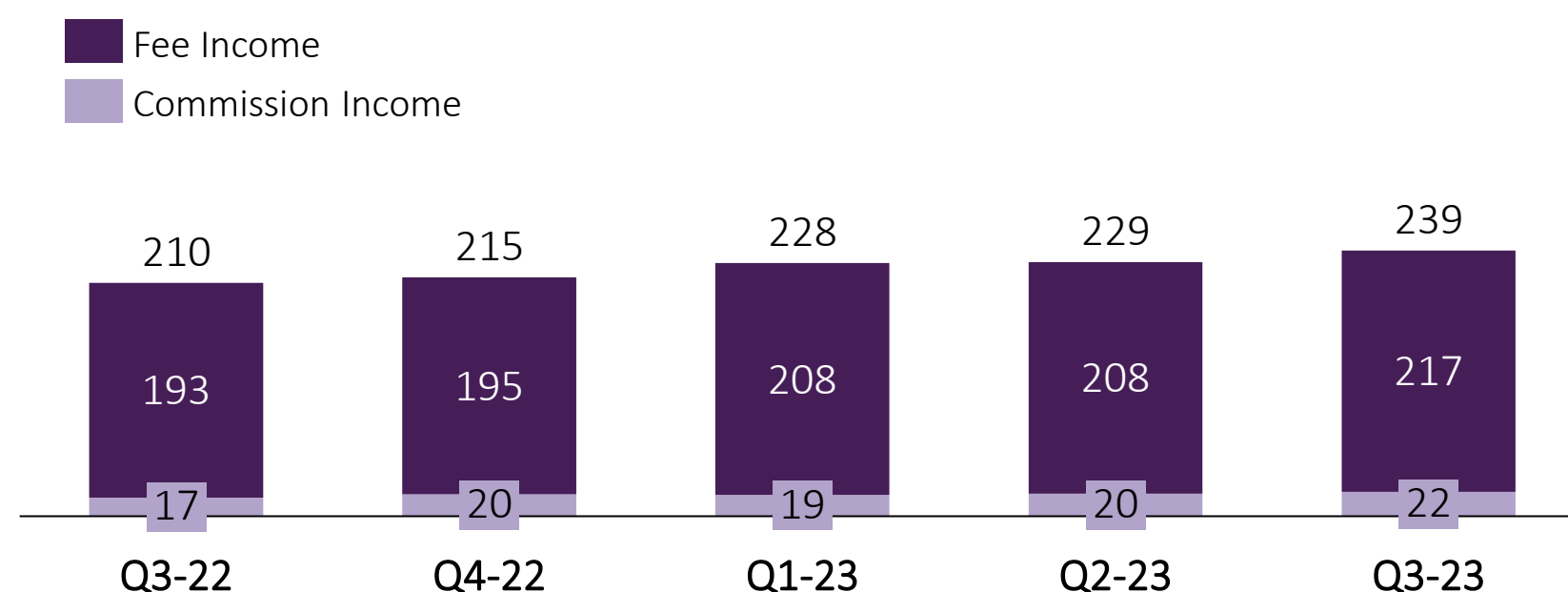
Net Profit Margin (%)



Non-Funded Income

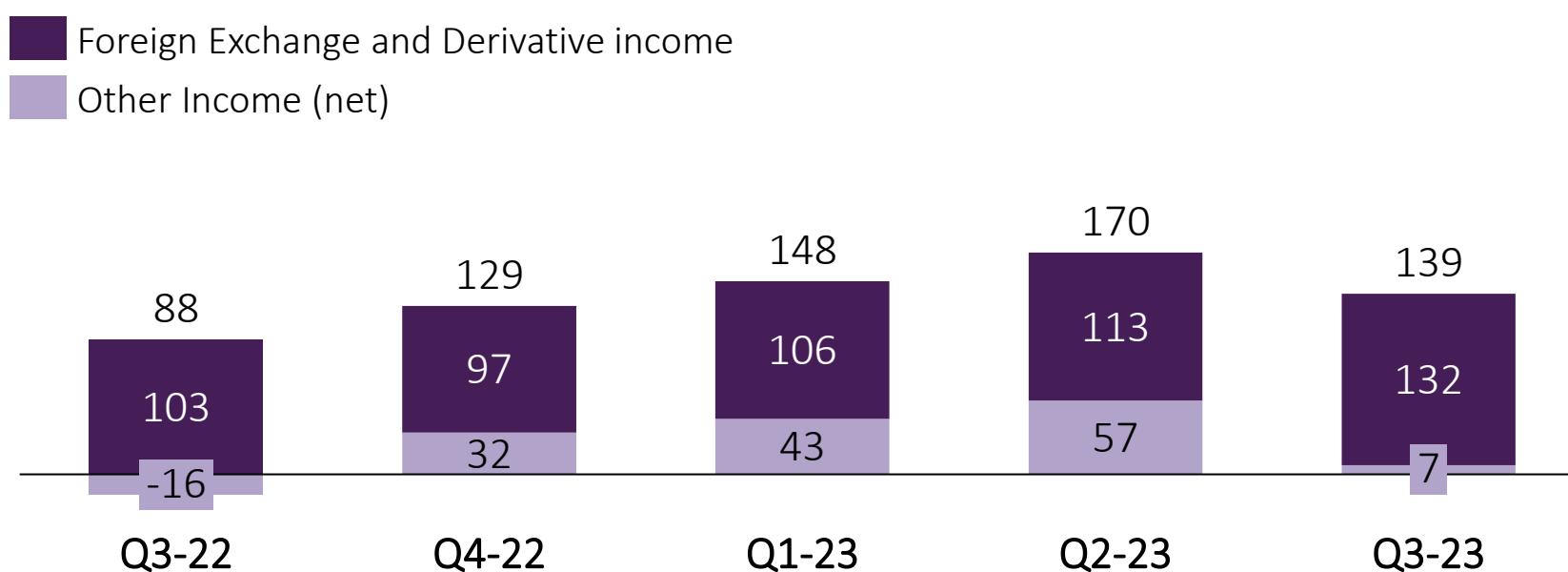
Gross Fee and Commission Income

(All figures are in AED mn)



Other Operating Income

(All figures are in AED mn)



Key Highlights

- Non-Funded Income increased 24% y-o-y
 - Net Fee and Commission income decreased by 2% y-o-y
 - Other operating income increased primarily by 58% due to higher FX & derivatives income, other banking income

Non-funded Income

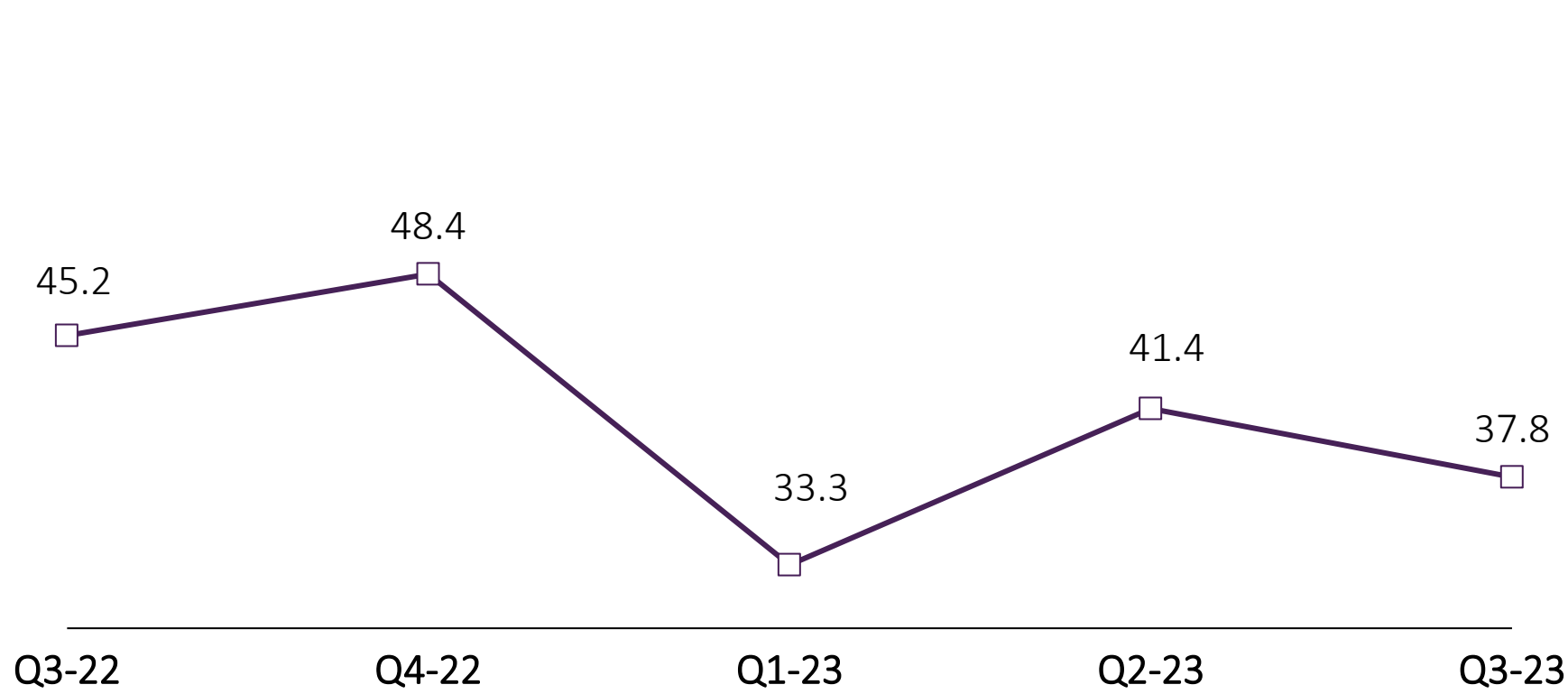
(All figures are in AED mn)

	Q3 23	Q3 22	%Δ YoY	Q2 23	%Δ QoQ
Fee and Commission income	239	210	14%	229	5%
Fee and Commission expense	(126)	(95)	-33%	(107)	-17%
Net Fee and Commission Income	113	115	-2%	121	-7%
Other operating income	139	88	58%	170	-19%
Total Non-funded income	252	203	24%	291	-14%

Key Highlights

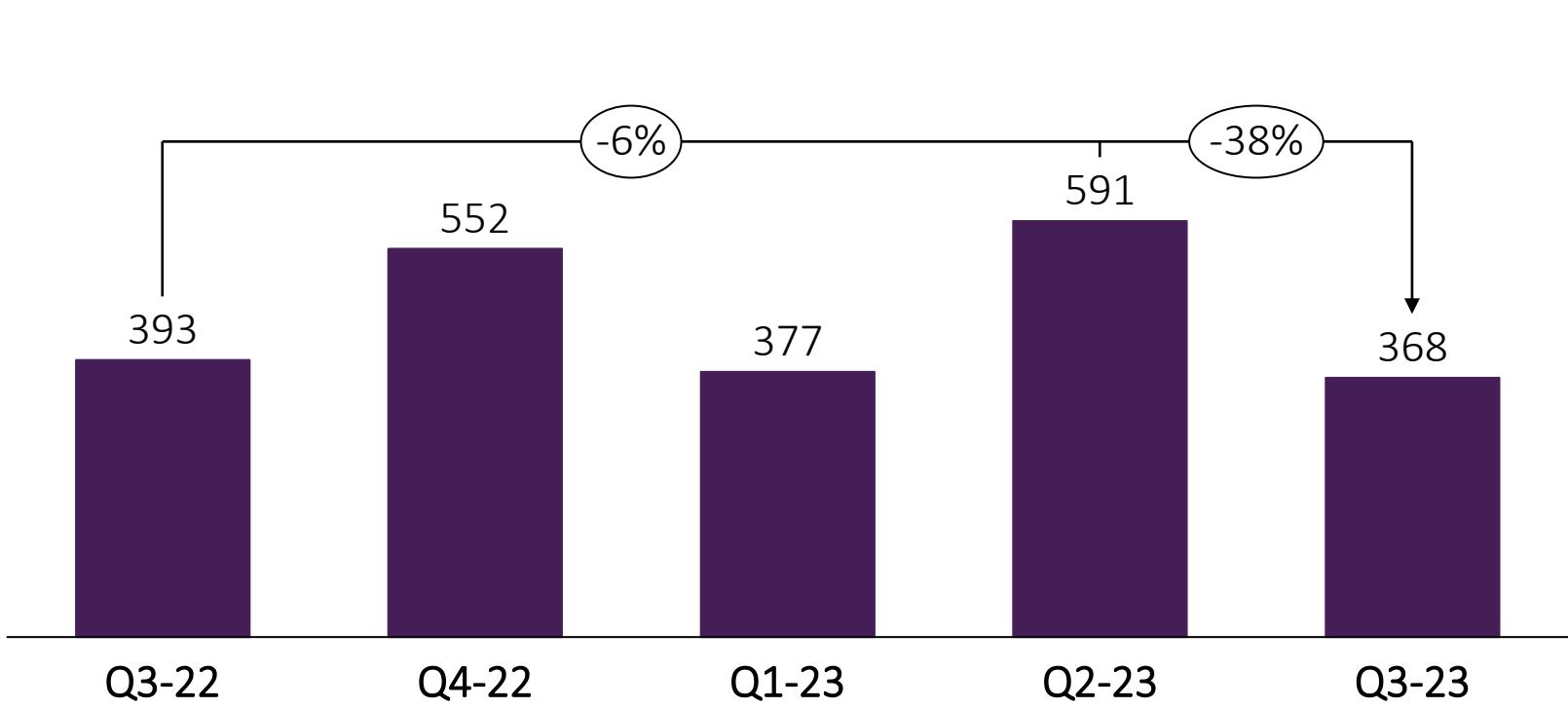
- Cost to Income ratio at 37.8% for first 9 months, decreased by 7.4% compared to same period last year as a result of:-
 - Increase in total income by 62%Partially offset by
 - Increase in total cost by 35%

Cost to Income Ratio (%), YTD



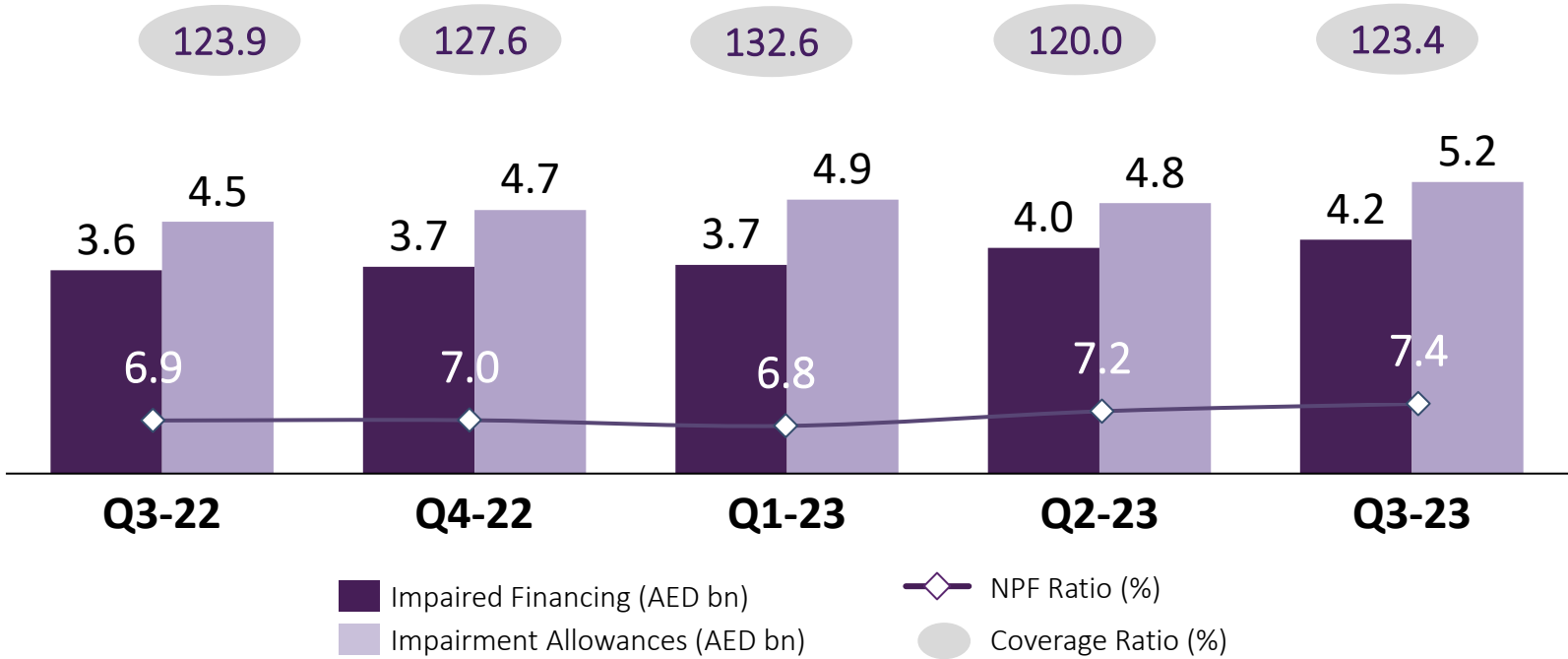
Operating Costs Trends

(All figures are in AED mn)



Impaired Financing and allowances

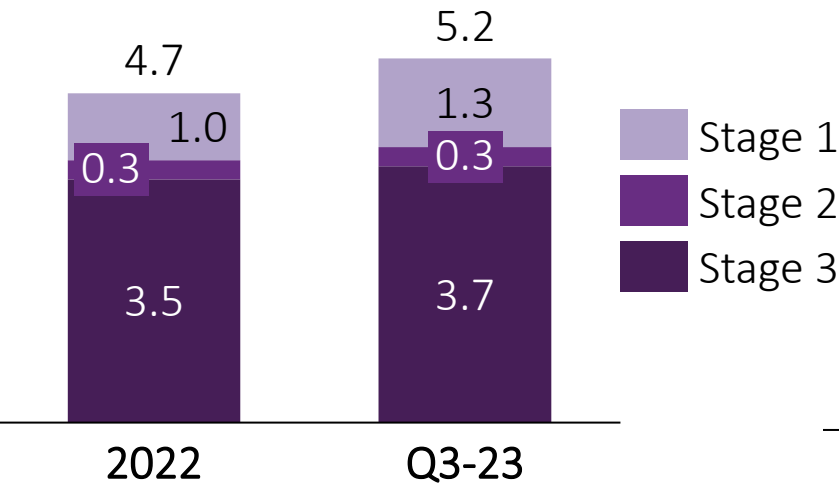
(All figures are in AED bn)



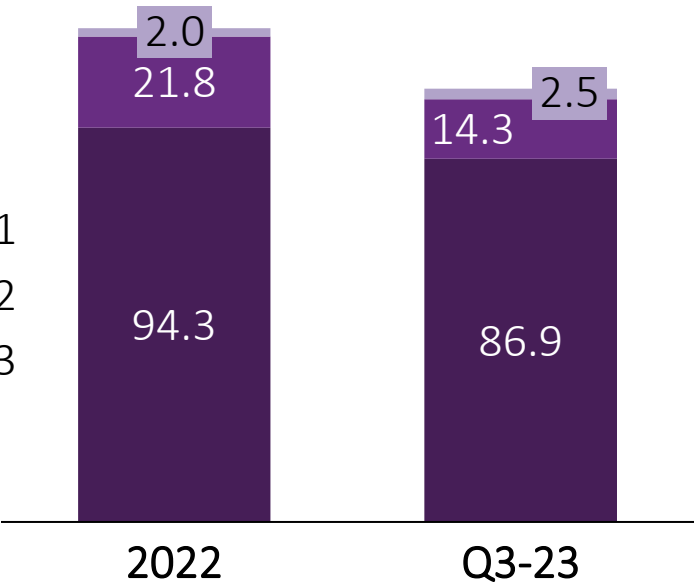
Key Highlights

- Coverage ratio at 123.4% decreased from 127.6% at end of 2022
- Non Performing Financing (NPF) ratio increased to 7.4% from 7.0% at end of 2022.
- The Impairment allowance of AED 5.2 bn includes AED 3.7 bn (70%) of specific provisions and AED 1.5 bn (30%) of ECL provisions
- Stage 1 and Stage 2 Expected Credit Loss (ECL) represents 2.9% of total Credit Risk Weighted Assets (CRWA) at the end of Q3'23 (Dec-22 : 2.5%)

ECL Allowances (AED bn)



ECL to Financing Coverage %



Total Gross Financing

FY-22 | AED 53.1 bn

Stage 1 90.7%

Stage 2 2.4%

Stage 3 7.0%



YTD Sep-23 | AED 56.8 bn

Stage 1 89.2%

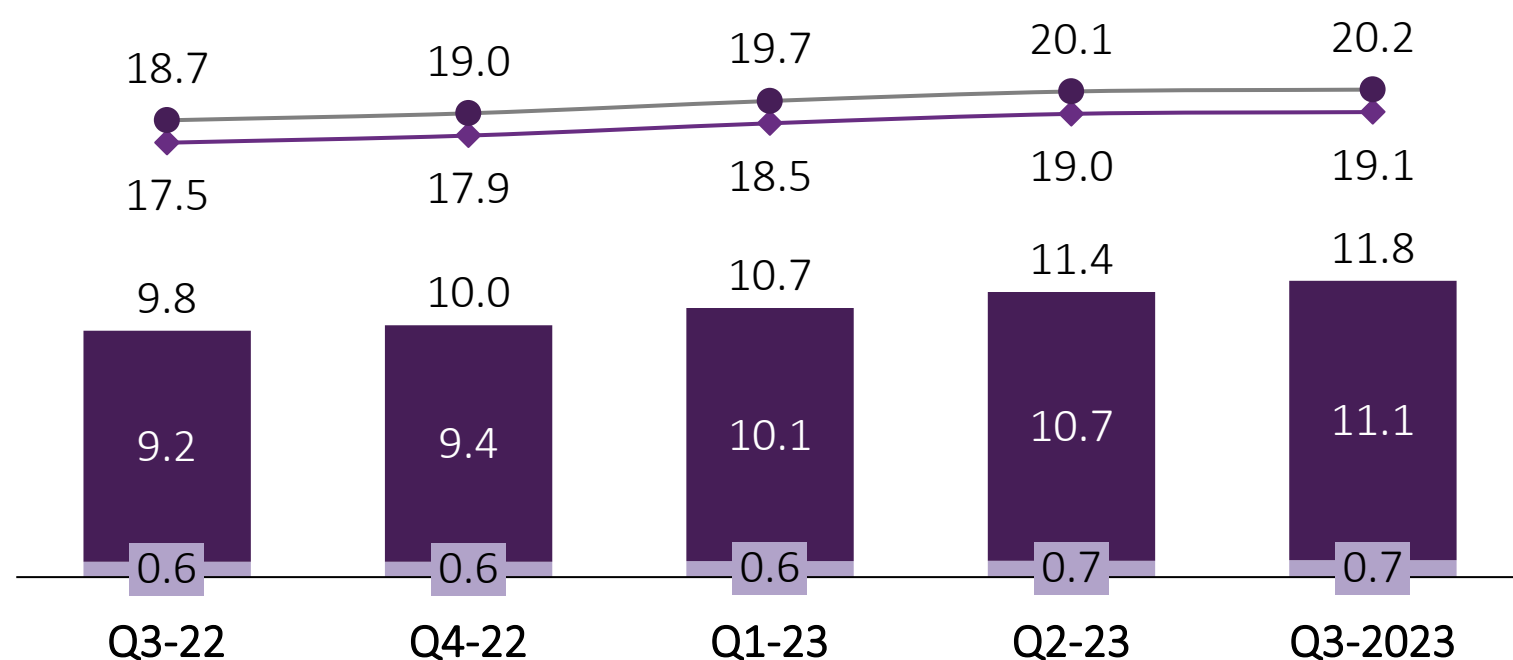
Stage 2 3.4%

Stage 3 7.4%

Capital Adequacy

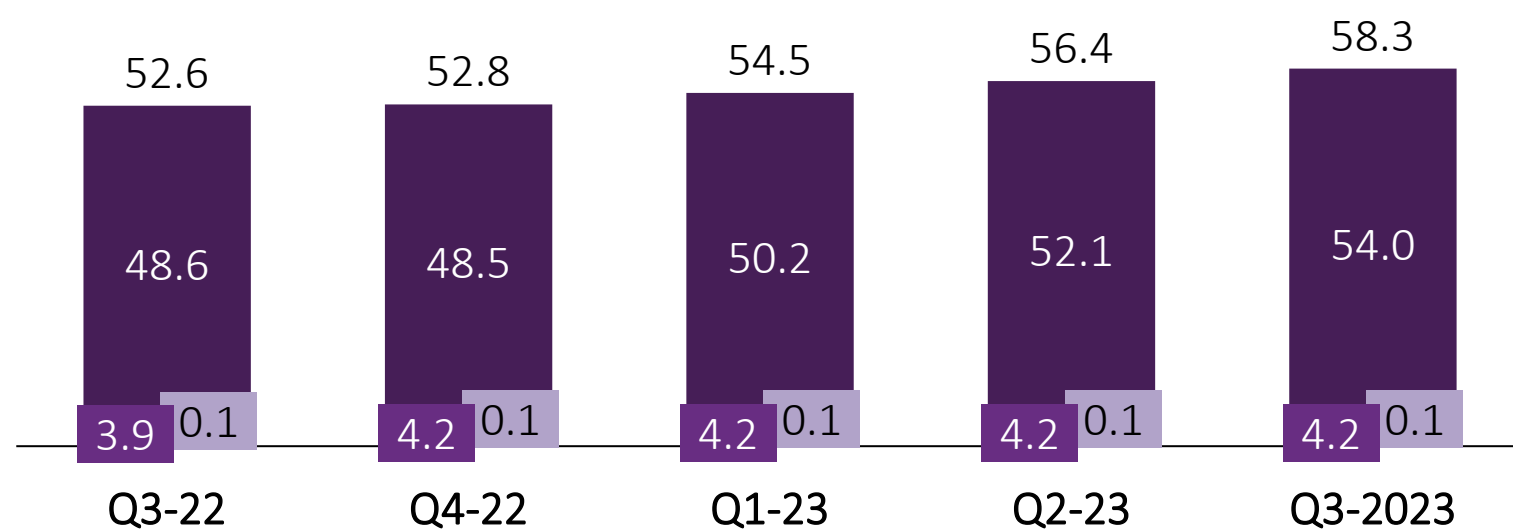
Capitalisation *(All figures are in AED bn)*

■ TI ■ T2 ◆ TI% ● CAR %



Risk Weighted Assets – Basel II (AED bn)

■ CREDIT RISK ■ MARKET RISK ■ OPERATIONAL RISK



Key Highlights

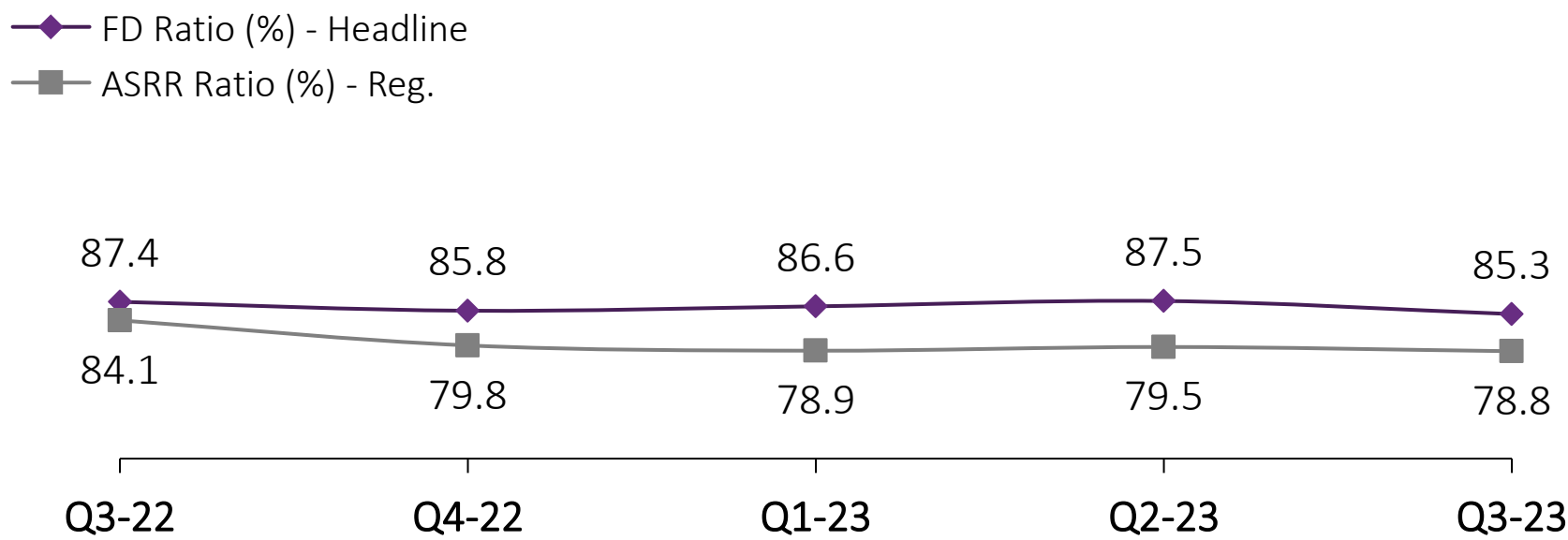
- CAR at 20.24% increased from 20.15% at the end of Q2'23, mainly due to –
 - Higher capital charge due to increase in Investment
 - Higher capital charge due to growth in Financing receivables
 - Increase in capital base on account of profit for the quarter
- Tier I ratio at 19.1% increased from 19.0% at end of Q2'23

Capital Movements (as per Basel III)

(All figures are in AED mn)

	Tier-1	Tier-2	Total
Capital as at 31 December 2022	9,428	606	10,034
Net Profits generated	1,647	-	1,647
ECL add-back	89	-	89
Other	(39)	69	30
Capital as at 30 September 2023	11,125	675	11,800

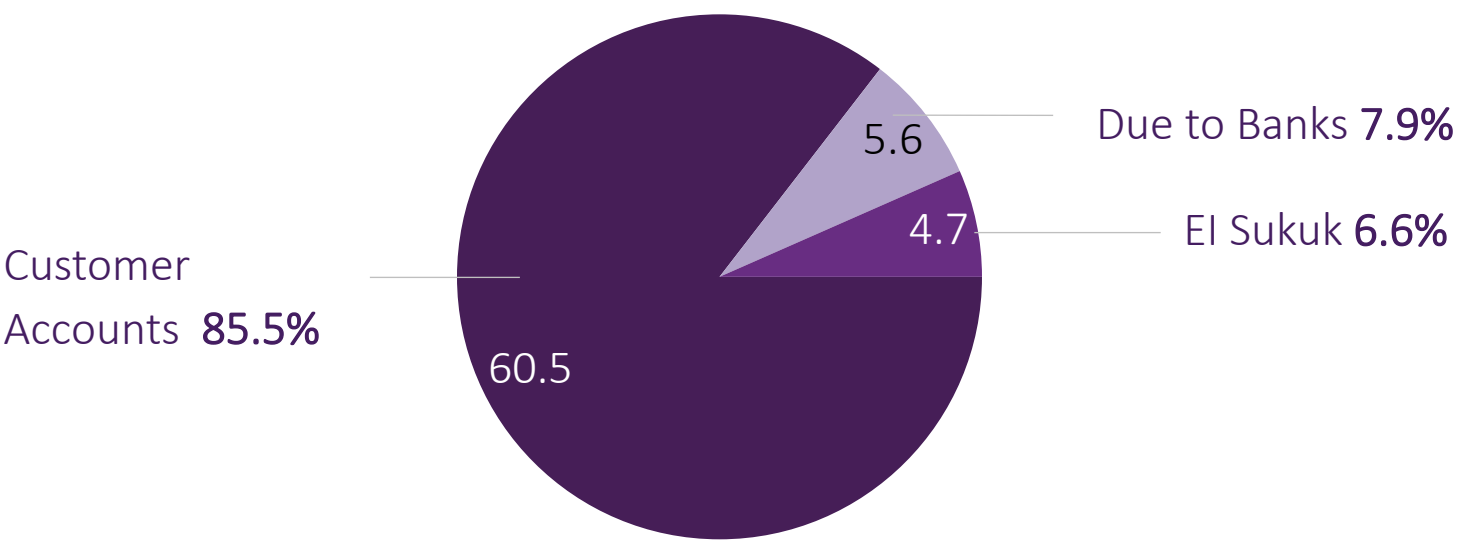
Headline Ratio (%)



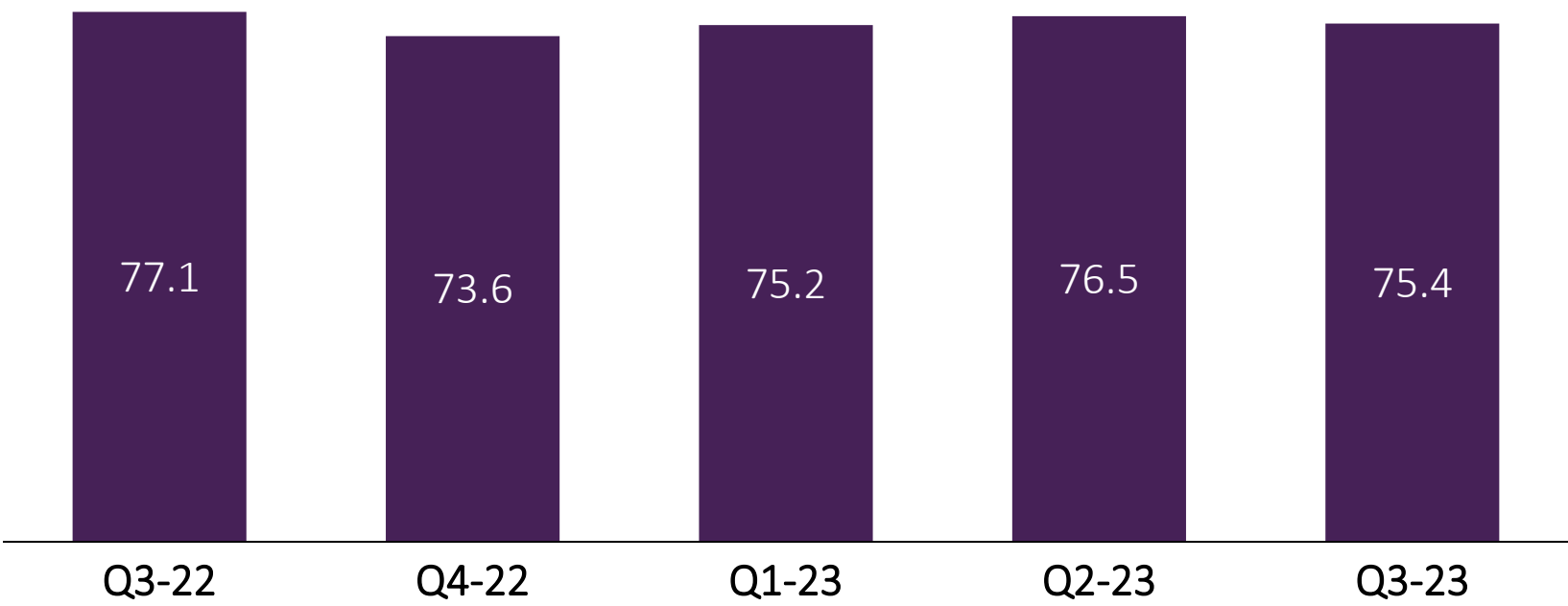
Key Highlights

- Financing to Deposits ratio remains healthy at 85%
- Long term funding (Sukuk) represent 6.6% of total borrowings
- CASA to Total Customer Deposits ratio at end of Q3'23 is 75.4% (Dec'22 – 73.6%)

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



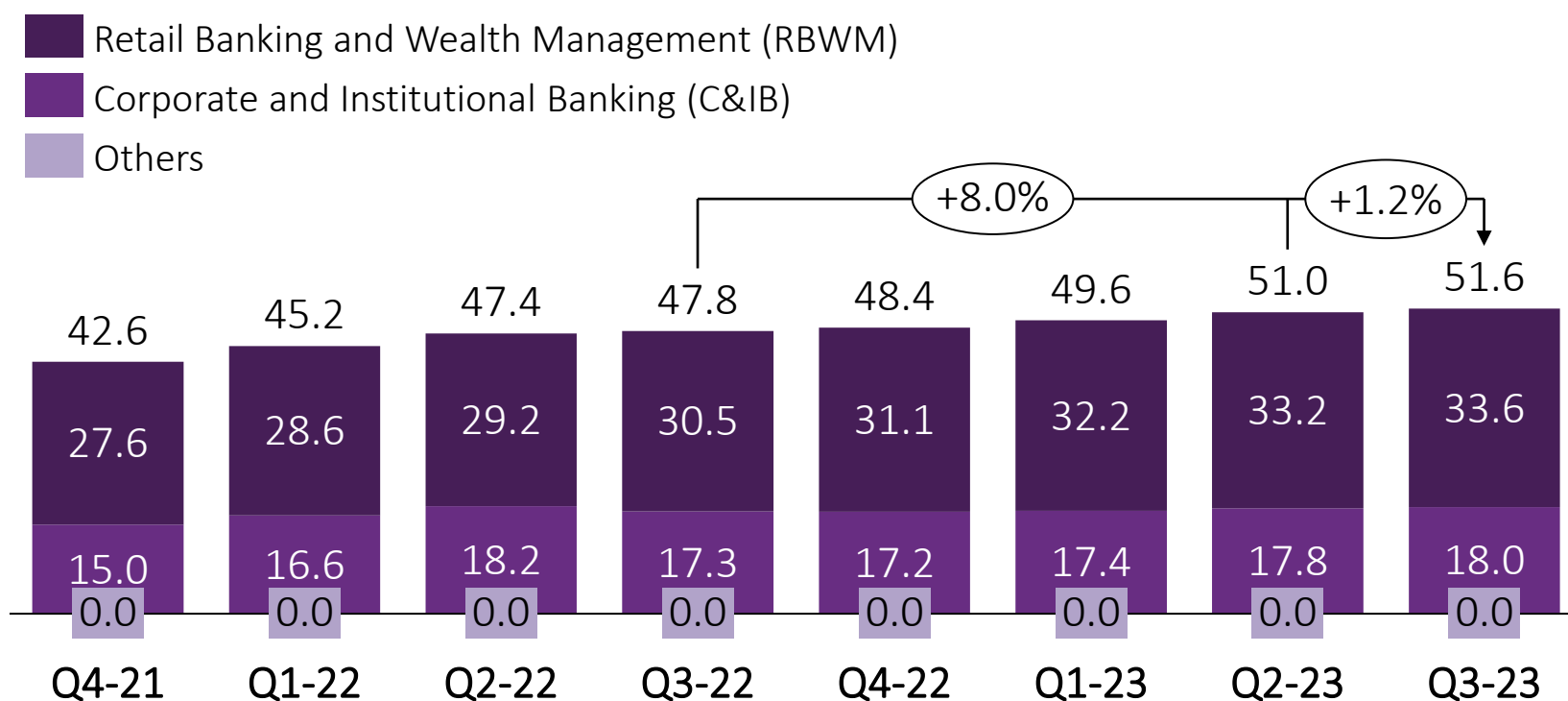
CASA to Deposit Ratio (%)



Financing and Customer Deposits Trend

Net Financing by Type

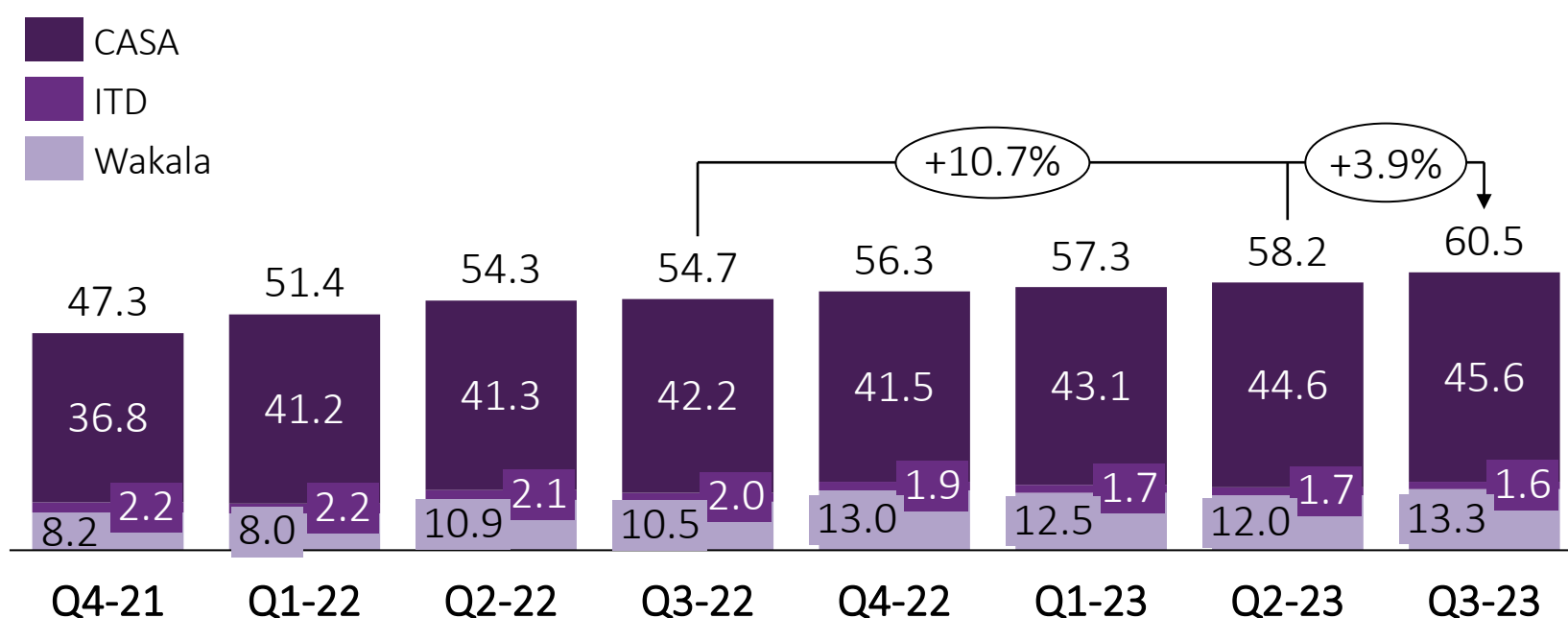
(All figures are in AED bn)



* Financing is Net off Deferred Income and impairment provisions

Customer Deposits by Type

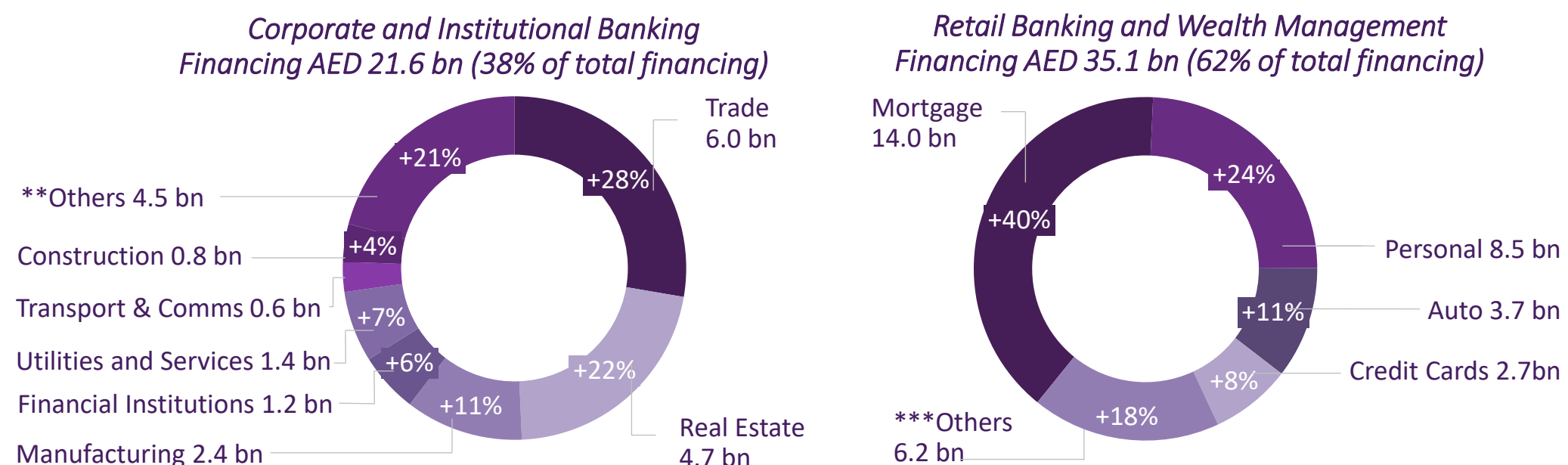
(All figures are in AED bn)



Key Highlights

- Financing receivables increased 8% y-o-y and 1% q-o-q
 - Retail Banking and Wealth Management' financing receivable increased 10% y-o-y and 1% q-o-q
 - Corporate and Institutional Banking' financing receivables increased 4% y-o-y and 1% q-o-q
- Customer deposits increased 11% y-o-y and increased 4% q-o-q
 - CASA increased 8% y-o-y and 2% q-o-q
 - ITD decreased 21% y-o-y and 8% q-o-q
 - Wakala increased 26% y-o-y and 11% q-o-q

Gross Financing by Sector (AED bn, %)



* Gross Financing net off Deferred Income

** 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

Operating Segment	Metrics	Q3-23	%Δ QoQ	%Δ YoY
Retail Banking and Wealth Management	Income (mn)	750	-1%	34%
	Expense (mn)	316	5%	20%
	Profit (mn)	170	-39%	-34%
	Financing Receivable (bn)	34	1%	8%
	Deposits (bn)	50	3%	14%
Corporate and Institutional Banking	Income (mn)	202	3%	21%
	Expense (mn)	40	15%	15%
	Profit (mn)	40	-83%	-58%
	Financing Receivable (bn)	18	1%	5%
	Deposits (bn)	11	6%	-15%

Key Highlights

Retail Banking and Wealth Management

- Total Revenue increased 34% y-o-y driven by improved economic activity and higher profit rate
 - Funded Income increased on account of higher margins supported by financing book growth
 - Non Funded Income increased mainly due to Fx & derivatives income and commission income
- Financing receivable increased 8% from end of 2022
- Customer deposits increased 14% from end of 2022 mainly driven CASA growth

Corporate and Institutional Banking

- Total Revenue increased by 21% y-o-y driven by improved economic activity and higher profit rate
 - Funded Income increased primarily on account of portfolio growth and increased margins
 - Non Funded Income increased mainly due to higher Fx & derivatives income, Other banking income, and Fee income
- Financing receivable increased 5% from end of 2022
- Customer deposits decreased 15% from end of 2022

Notes:

1. Q3-23 and %Δ QoQ Balance Sheet numbers are at end of period
2. Dec'22 Balance Sheet numbers considered for %Δ YoY

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