



Investor Presentation FY 2023

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Executive Summary FY 23 Results

Key Highlights



Strong momentum continues with AED 2.1 bn profit up 71% in 2023, the highest ever yearly profit



Total income up 50% y-o-y driven by improved financing & deposit mix coupled with higher profit margin and higher non-funded income



Deposits grew by AED 5.0 bn in 2023 mainly due to growth in CASA

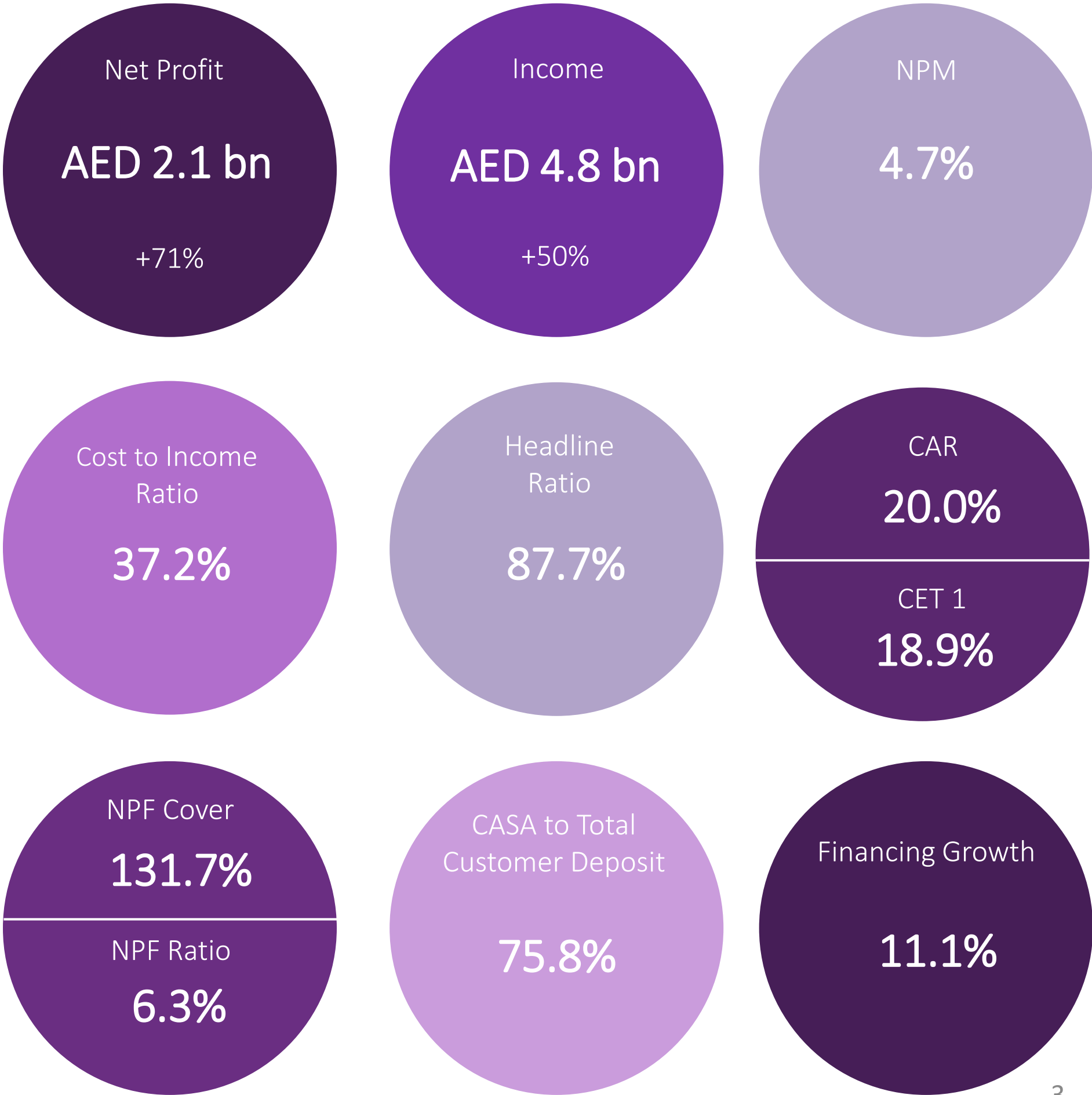


Financing increased by AED 5.4 bn in 2023 comprising of AED 3.6 bn from RBWM and AED 1.8 bn from C&IB

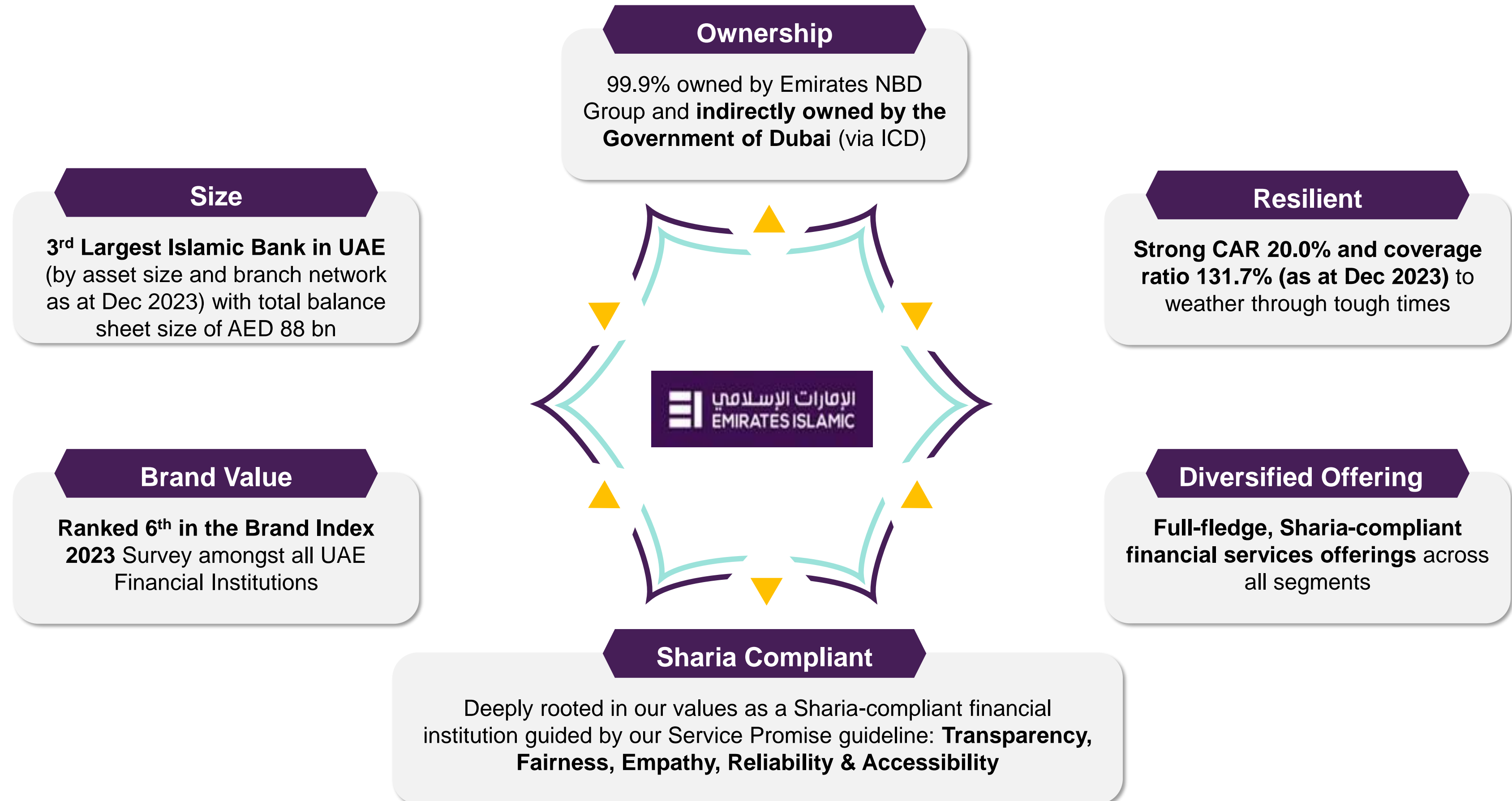


Solid balance sheet, Strong capital and liquidity position combined with healthy deposit mix, strong operating profit remains our core strengths

Key Metrics

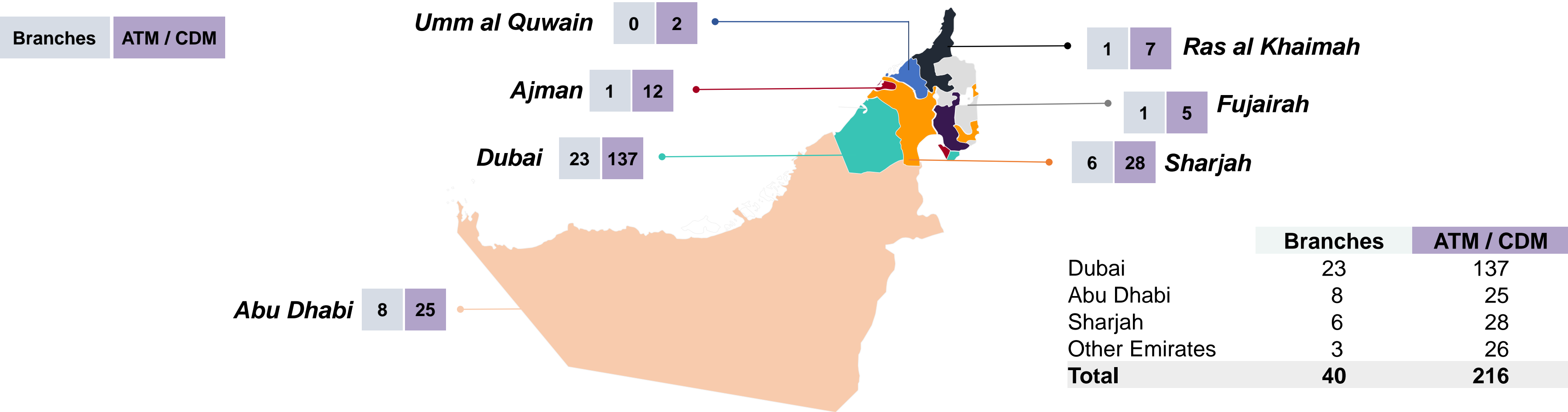


El, a young growing Islamic Bank



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

Optimised Branch and Alternative Channel Footprint across UAE



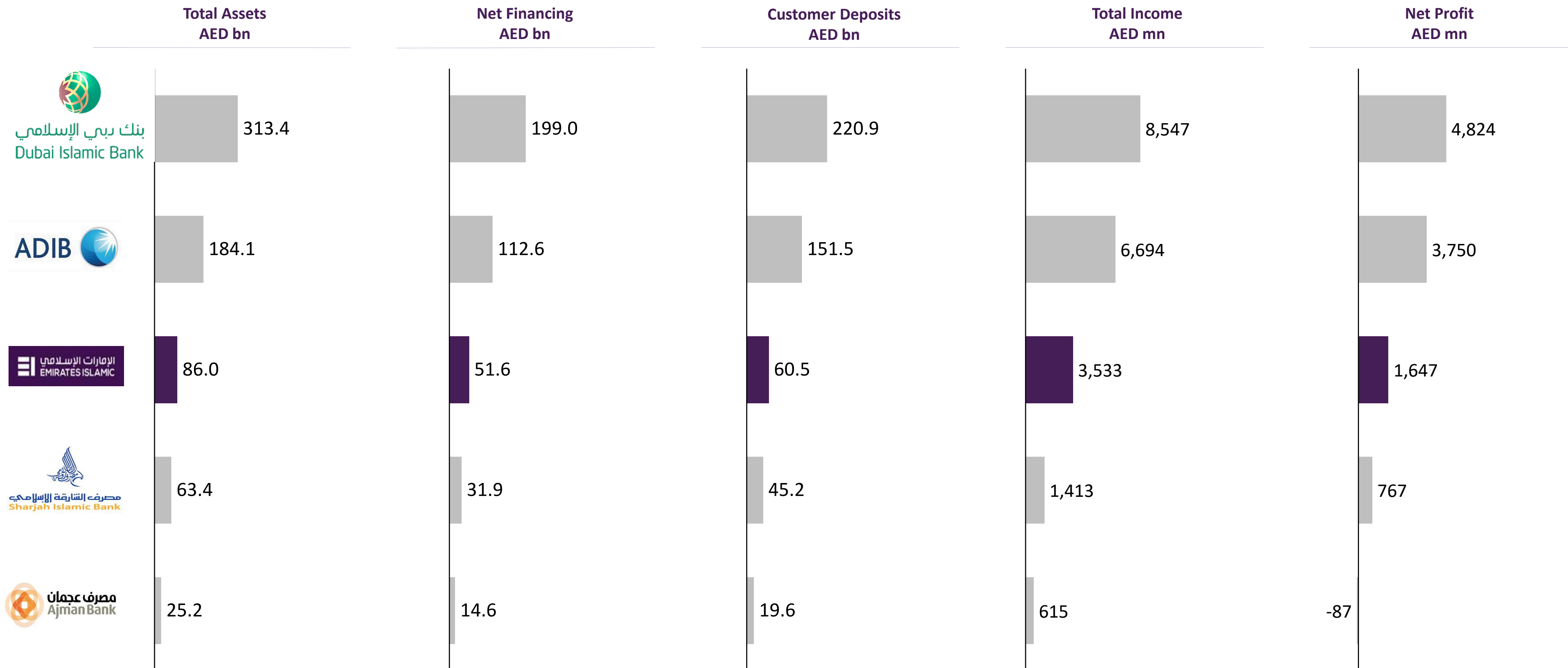
As at Apr 2023 (Affirmed)

	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

Q3 2023

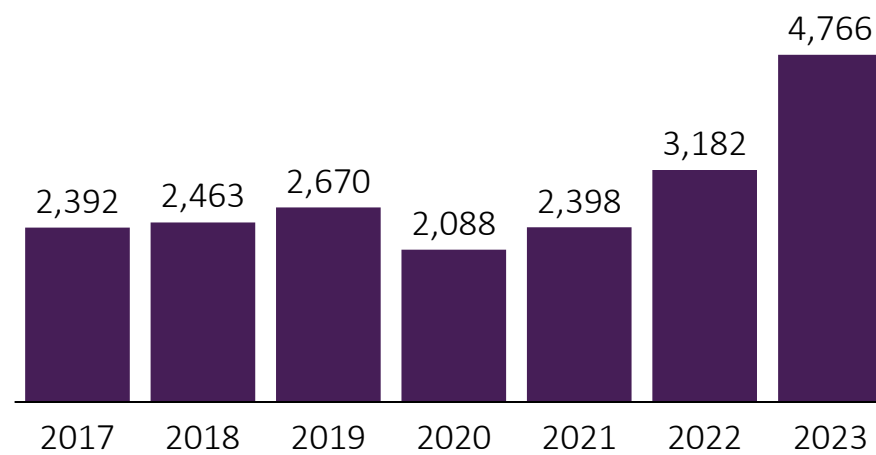


Note: Balance sheet numbers are at end of period

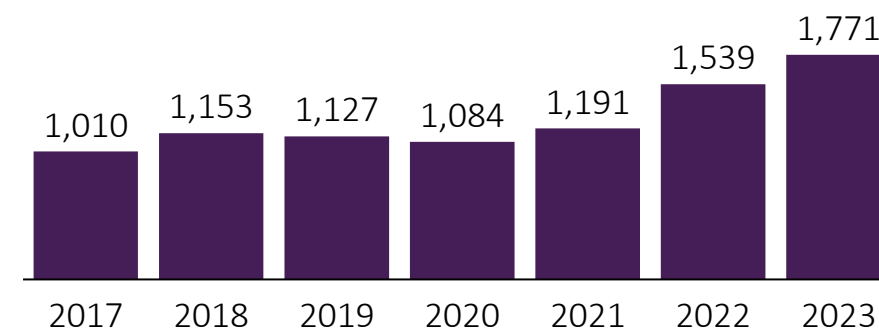
P&L and Balance Sheet Trend

Revenues and Costs (AED mn)

Revenues

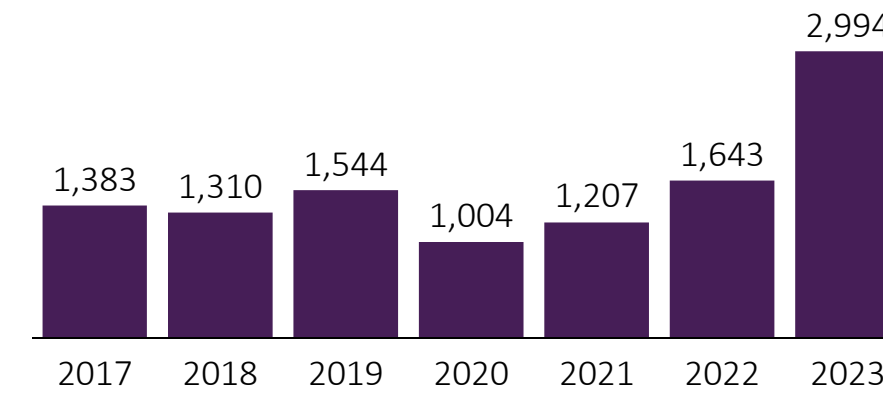


Costs

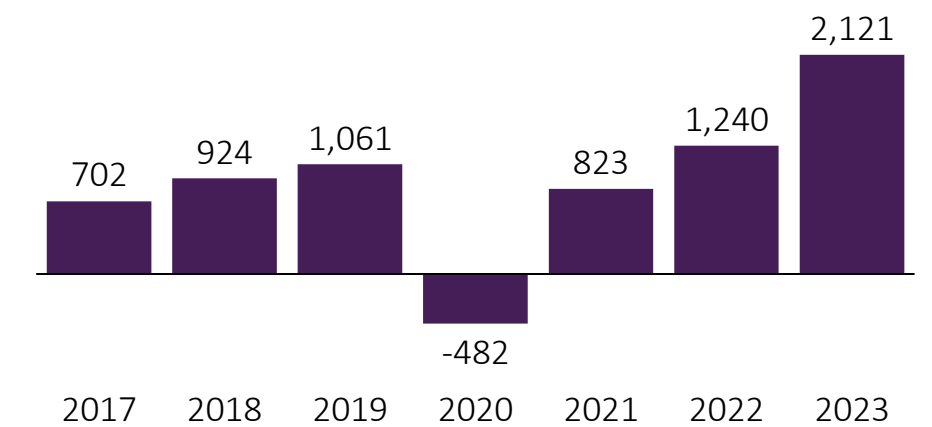


Profits (AED mn)

Pre - Provision Operating Profits

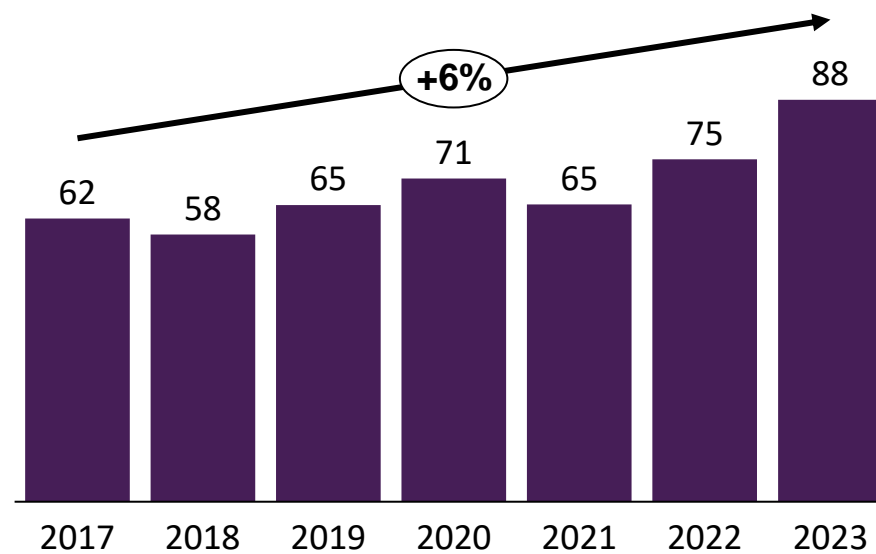


Net Profit

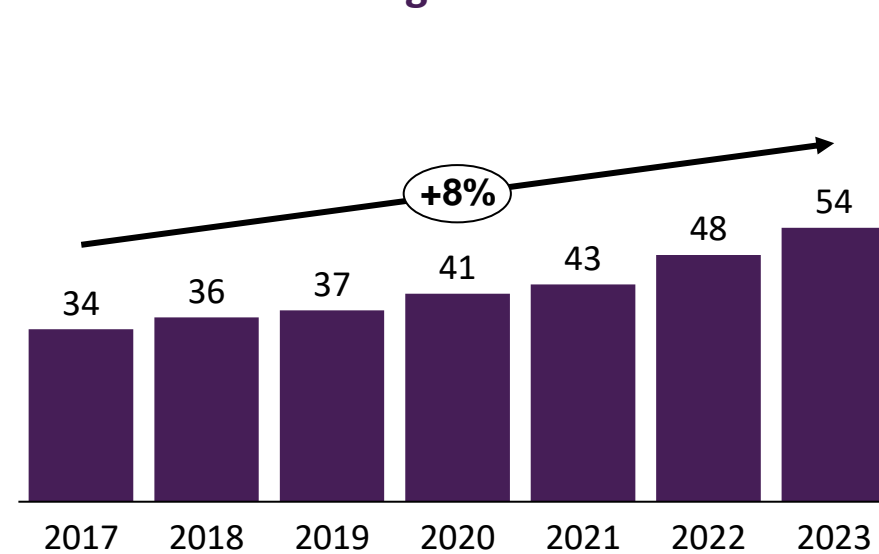


Assets and Financing (AED bn)

Assets

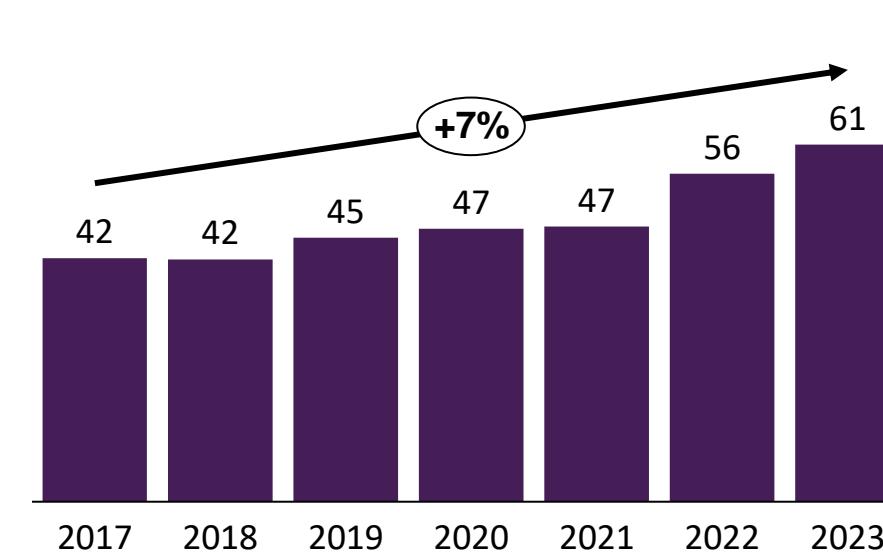


Financing Receivables

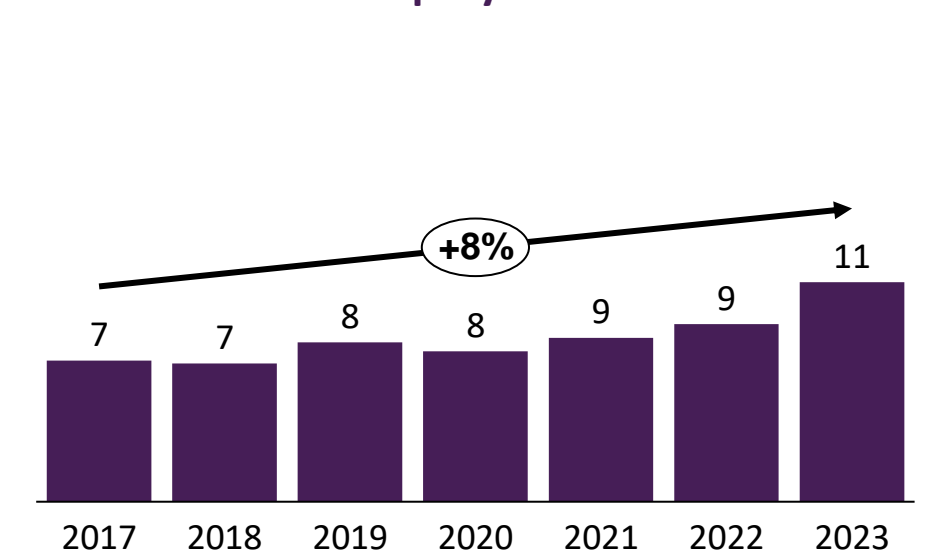


Customer Accounts and Equity (AED bn)

Customer Accounts



Equity



FY 23 Financial Results Highlights

Income Statement

	FY 23	FY 22	%Δ YoY
<i>(All figures are in AED mn)</i>			
Net Funded Income	3,714	2,335	59%
Non-funded income	1,052	847	24%
Total income	4,766	3,182	50%
Operating expenses	(1,771)	(1,539)	-15%
Pre-impairment operating profit	2,994	1,643	82%
Impairment allowances	(873)	(403)	-117%
Net Profit for the Period	2,121	1,240	71%
Cost: income ratio	37.2%	48.4%	-
Net Funded Income Margin	4.7%	3.4%	-

Balance Sheet

	31-Dec-23	31-Dec-22	%Δ
<i>(All figures are in AED bn)</i>			
Total assets	87.8	74.8	17.5%
Financing Receivables, net	53.7	48.4	11.1%
Customer Accounts	61.3	56.3	8.8%
Headline ratio (%)	87.7%	85.8%	-
NPF ratio (%)	6.3%	7.0%	-

Key Highlights

- Net Profit FY 2023 at AED 2,121 M, higher by 71% compared to same period last year reflecting strong operating performance
- Total income up 50% compared to same period last year
 - Funded income higher by 59% mainly driven by financing growth and higher profit margin
 - Non-Funded Income increased 24% driven mainly by higher Fx & derivatives income, Other banking income and Fees income
- Expenses up 15% y-o-y due to higher investment for future growth.
- Impairment Allowance at AED 873 mn higher by 117% y-o-y due to financing growth (NPF ratio 6.3% & Coverage ratio 131.7%)
- Financing Receivables at AED 53.7 bn, increased 11.1% compared to end of 2022
- Customer deposits at AED 61.3 bn, increased 8.8% from end of 2022 with CASA balances at 75.8% of total deposits

Q-o-Q Financial Results Highlights

Income Statement

	Q4 23	Q4 22	%Δ YoY	Q3 23	%Δ QoQ
<i>(All figures are in AED mn)</i>					
Net Funded Income	999	756	32%	942	6%
Non-funded income	234	241	-3%	252	-7%
Total income	1,233	997	24%	1,193	3%
Operating expenses	(435)	(552)	21%	(368)	-18%
Pre-impairment operating profit	798	445	79%	825	-3%
Impairment allowances	(324)	(259)	-25%	(389)	17%
Net Profit for the Period	474	186	155%	435	9%
Cost: income ratio	35.3%	55.4%	-	30.9%	-
Net Funded Income Margin	4.6%	4.2%	-	4.6%	-

Balance Sheet

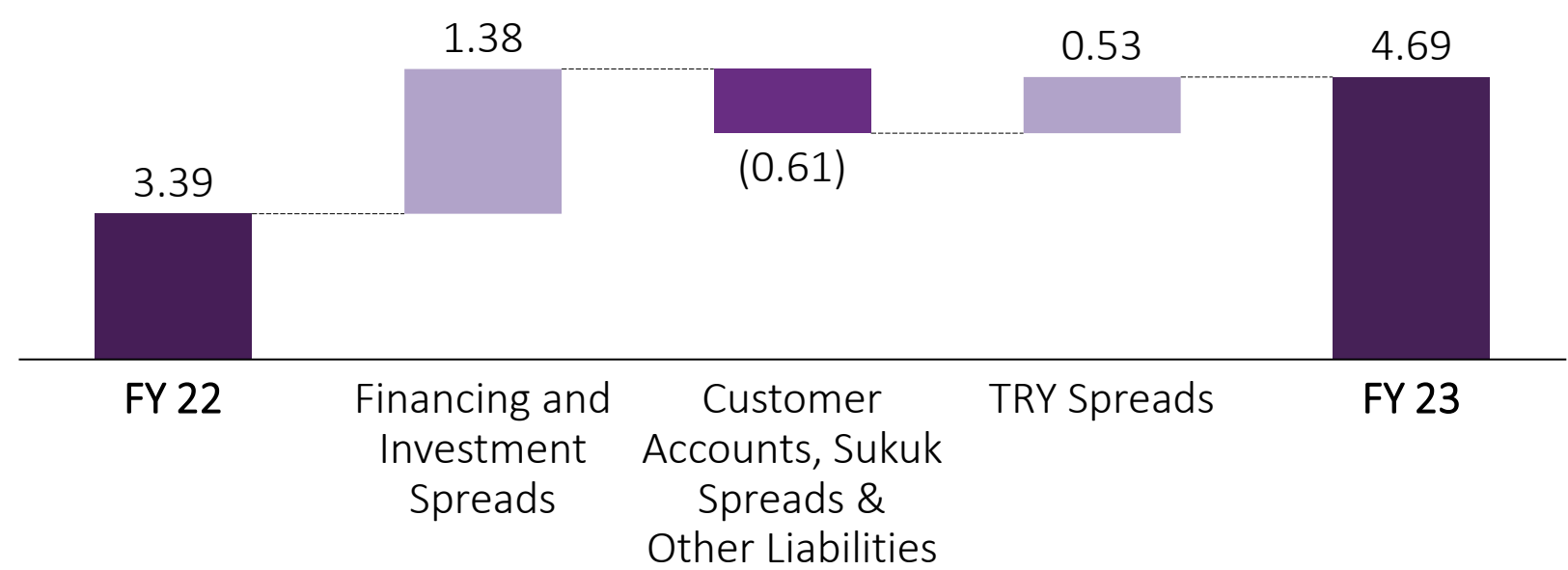
	31-Dec-23	31-Dec-22	%Δ YoY	30-Sep-23	%Δ QoQ
<i>(All figures are in AED bn)</i>					
Total assets	87.8	74.8	17.5%	86.0	2.2%
Financing Receivables, net	53.7	48.4	11.1%	51.6	4.2%
Customer Accounts	61.3	56.3	8.8%	60.5	1.3%
Headline ratio (%)	87.7%	85.8%	-	85.3%	-
NPF ratio (%)	6.3%	7.0%	-	7.4%	-

Key Highlights

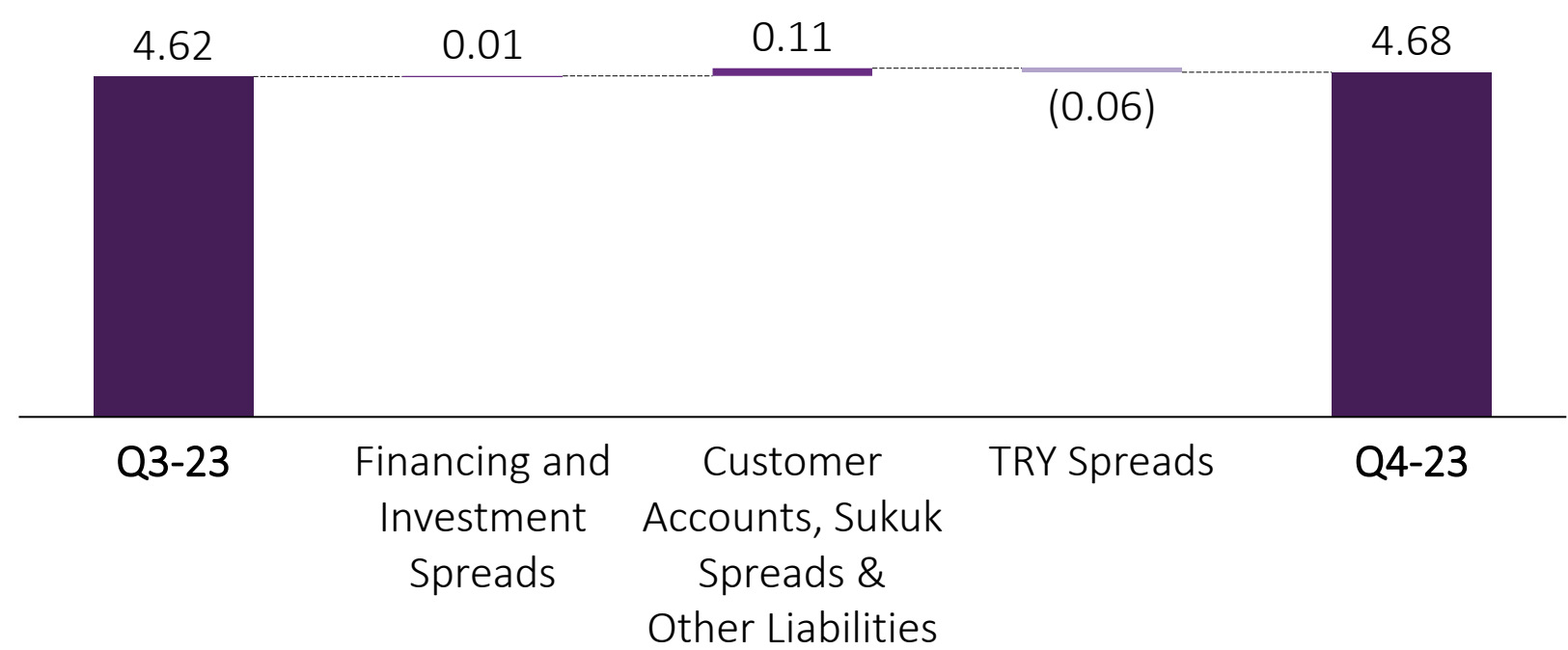
- Net Profit for Q4'23 at AED 474 mn, higher by 155% compared to same period last year reflecting strong operating performance
- Total income up 24% compared to same period last year
 - Funded income higher by 32% mainly driven by financing growth and higher profit margin
 - Non-Funded Income lower by 3% mainly due to lower other banking income
- Expenses lower by 21% compared to same period last year.
- Impairment Allowance at AED 324 mn higher by 25% y-o-y due to financing growth
- Financing Receivables at AED 53.7 bn, increased 11% y-o-y
- Customer deposits at AED 61.3 bn, increased 9% y-o-y

Net Funded Income Margin

NPM Drivers FY23 vs FY22 (%)



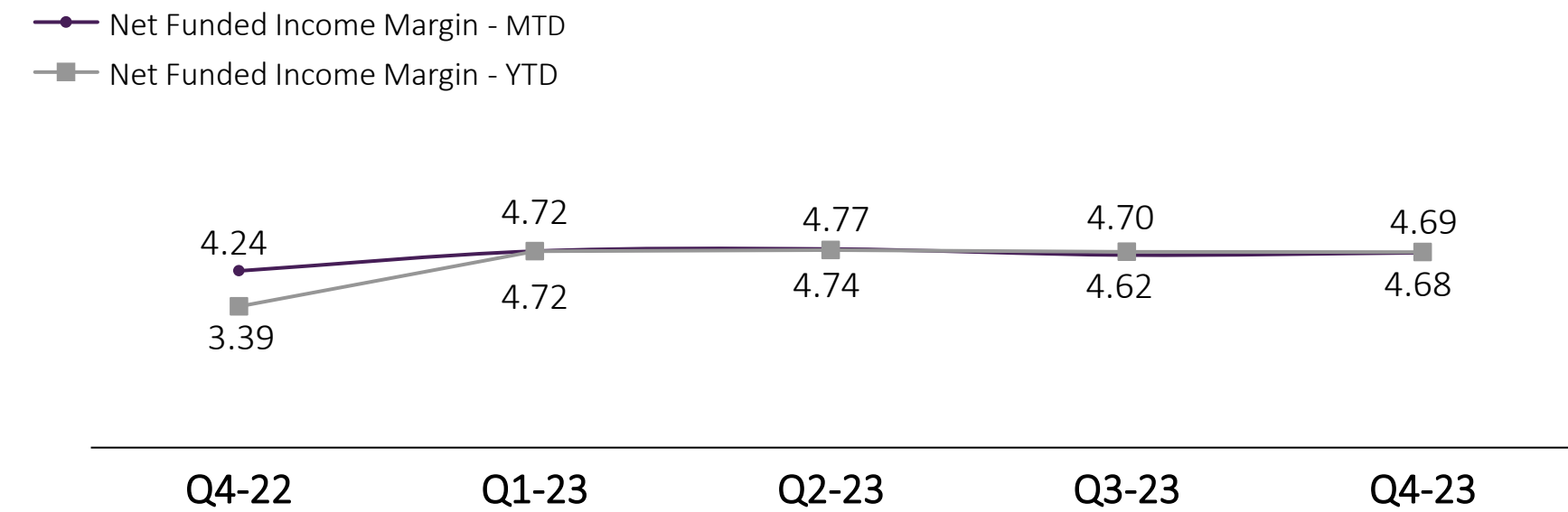
NPM Drivers Q4-23 vs Q3-23 (%)



Key Highlights

- Net funded income margin for FY 2023 at 4.69%, increased 130 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 Q4’23 at 4.68%, increased by 6 bps q-o-q on account of lower cost of deposits, higher yield on CDs mainly due to higher placements; partially offset by lower yield on net placements with bank

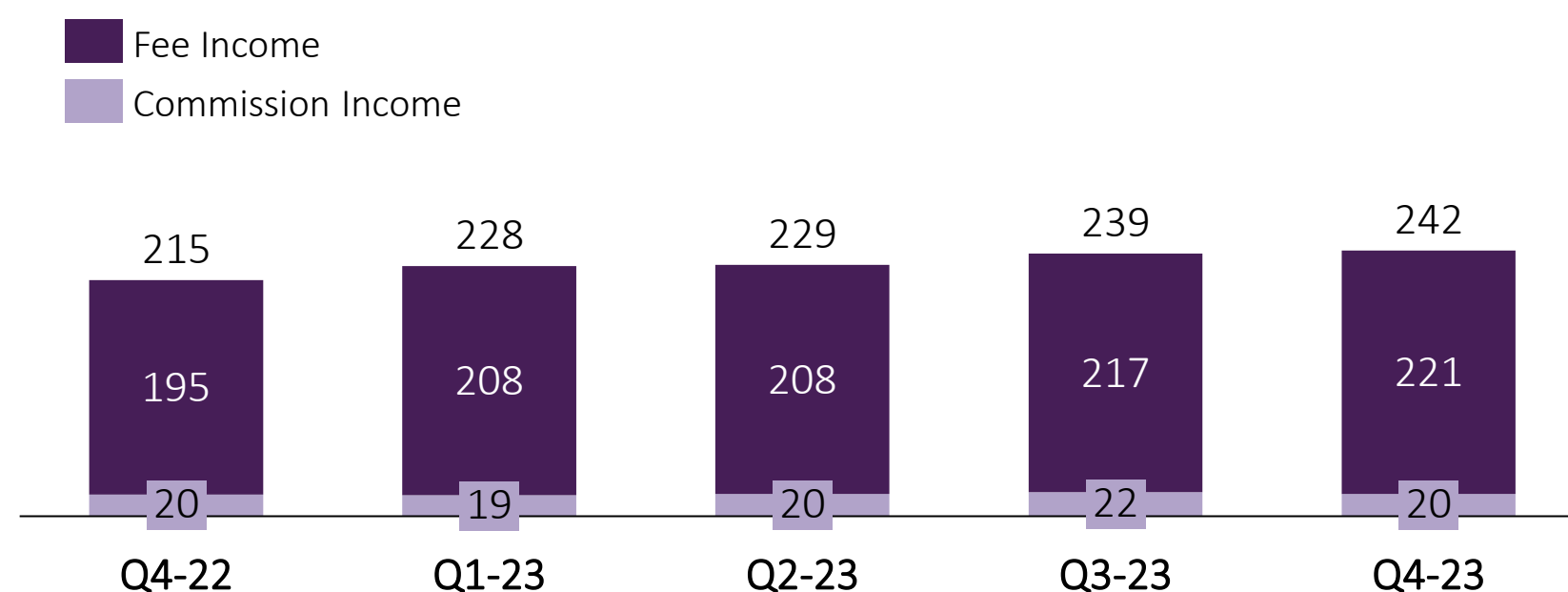
Net Profit Margin (%)



Non-Funded Income

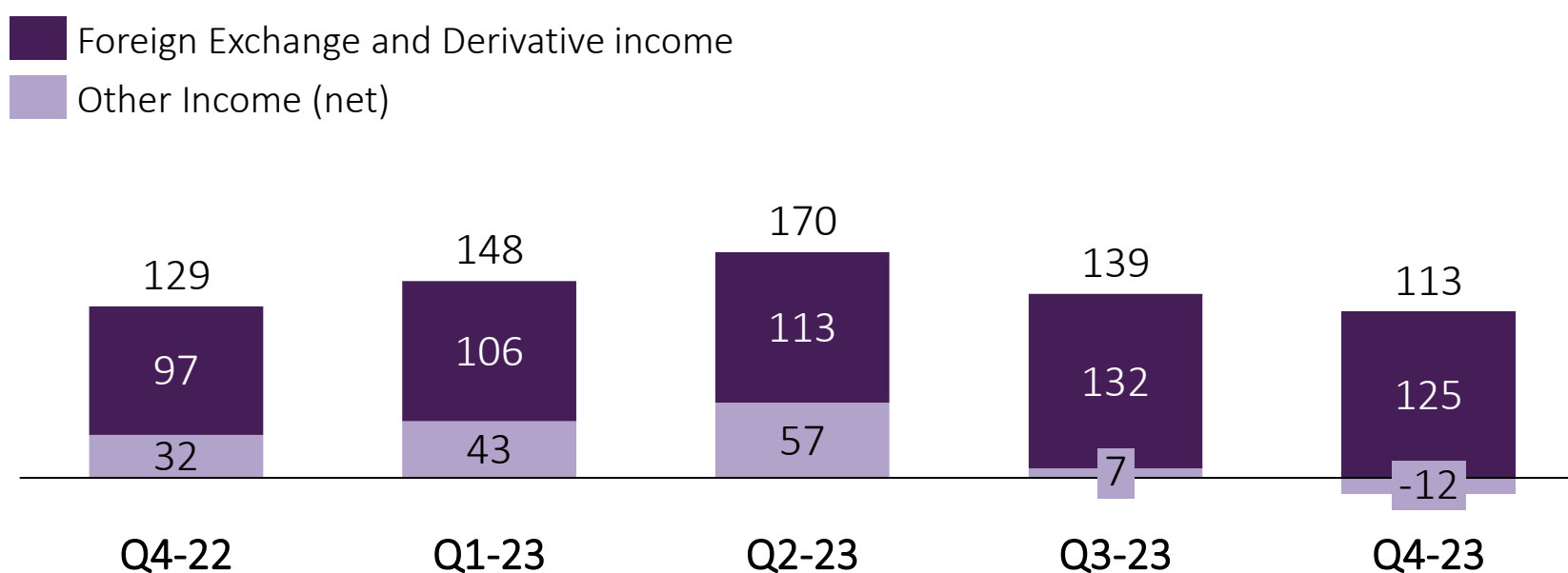
Gross Fee and Commission Income

(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 increased by 6% y-o-y
 - Other operating income increased by 45% primarily due to higher FX & derivatives income, other banking income

Non-funded Income

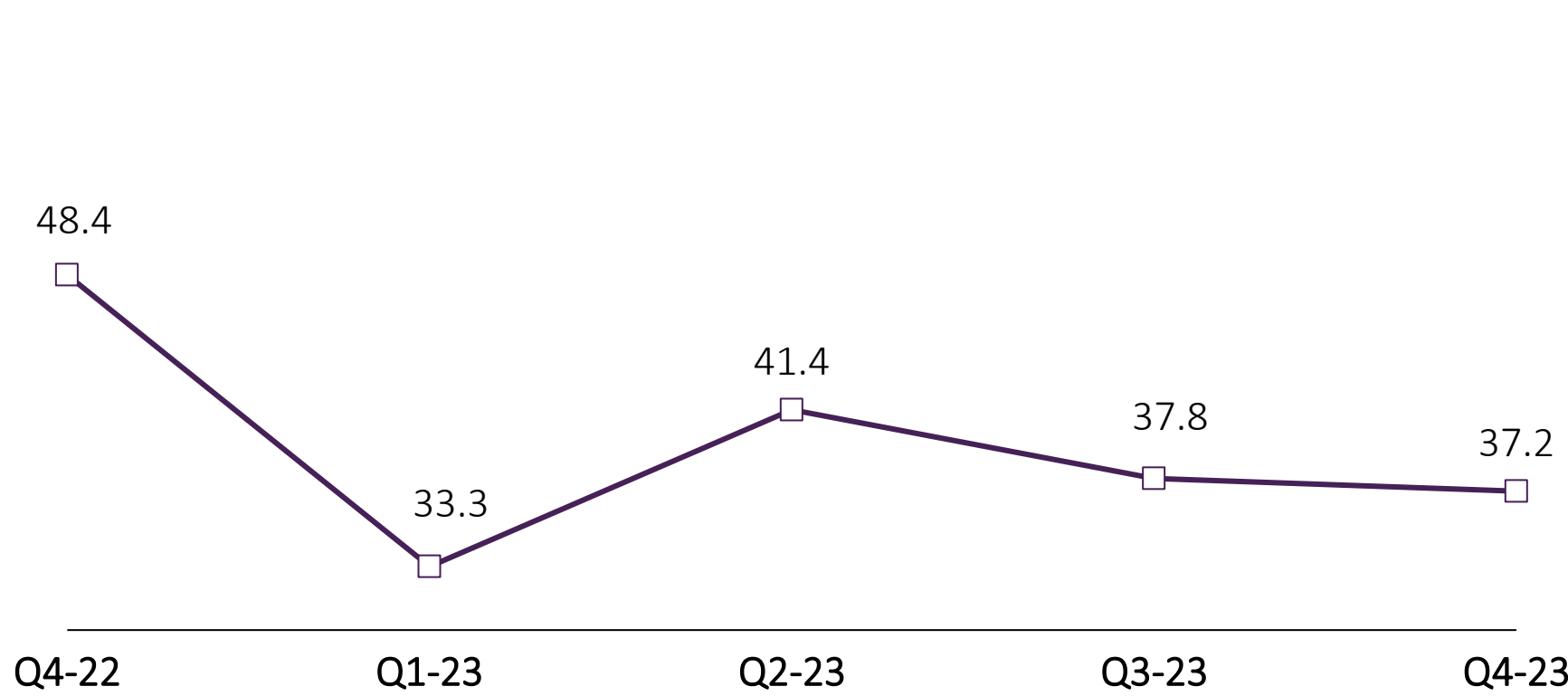
(All figures are in AED mn)

	FY 23	FY 22	%Δ YoY
Fee and Commission income	937	830	13%
Fee and Commission expense	(455)	(374)	-22%
Net Fee and Commission Income	482	455	6%
Other operating income	569	392	45%
Total Non-funded income	1,052	847	24%

Key Highlights

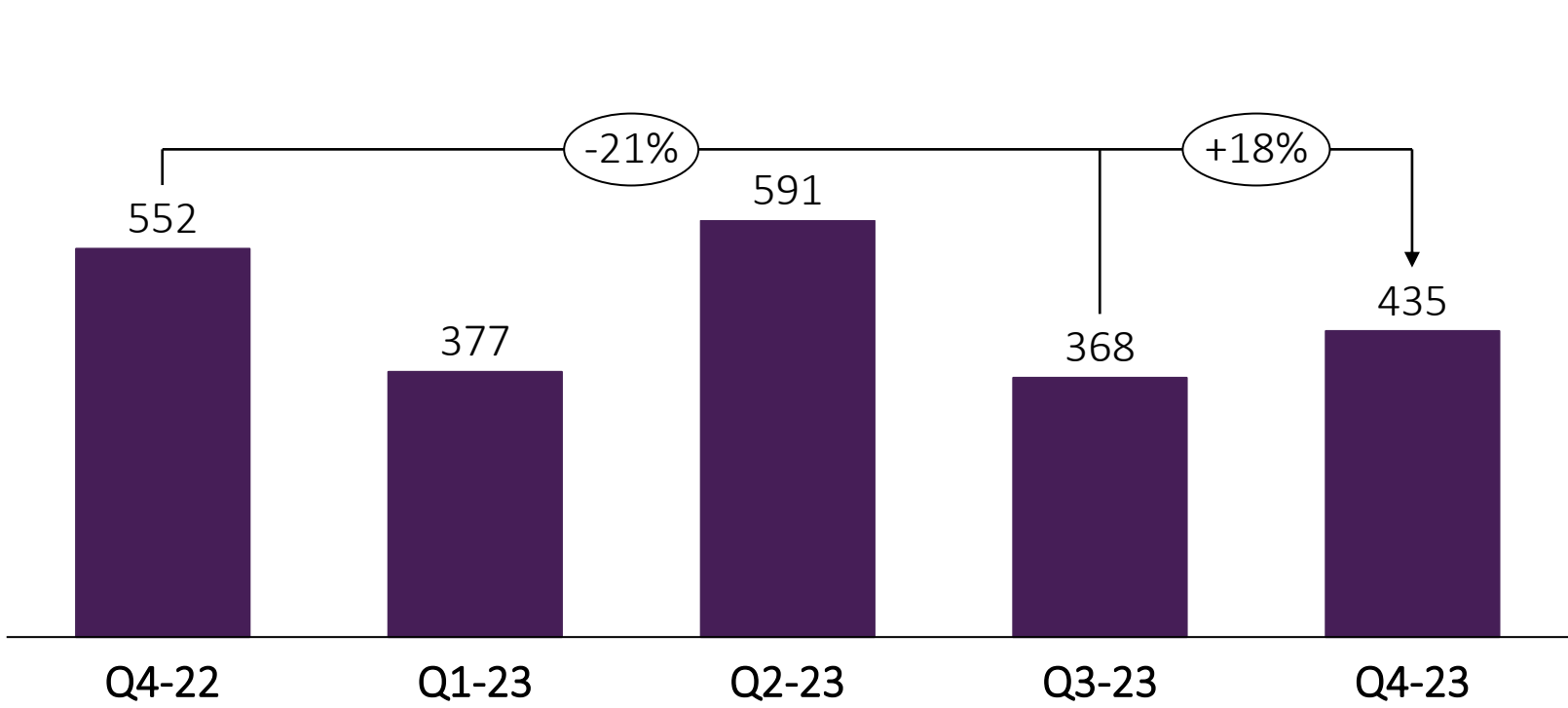
- Cost to Income ratio at 37.2% for FY23, decreased by 11.2% compared to same period last year as a result of:-
 - Increase in total income by 50%Partially offset by
 - Increase in total cost by 15%

Cost to Income Ratio (%), YTD



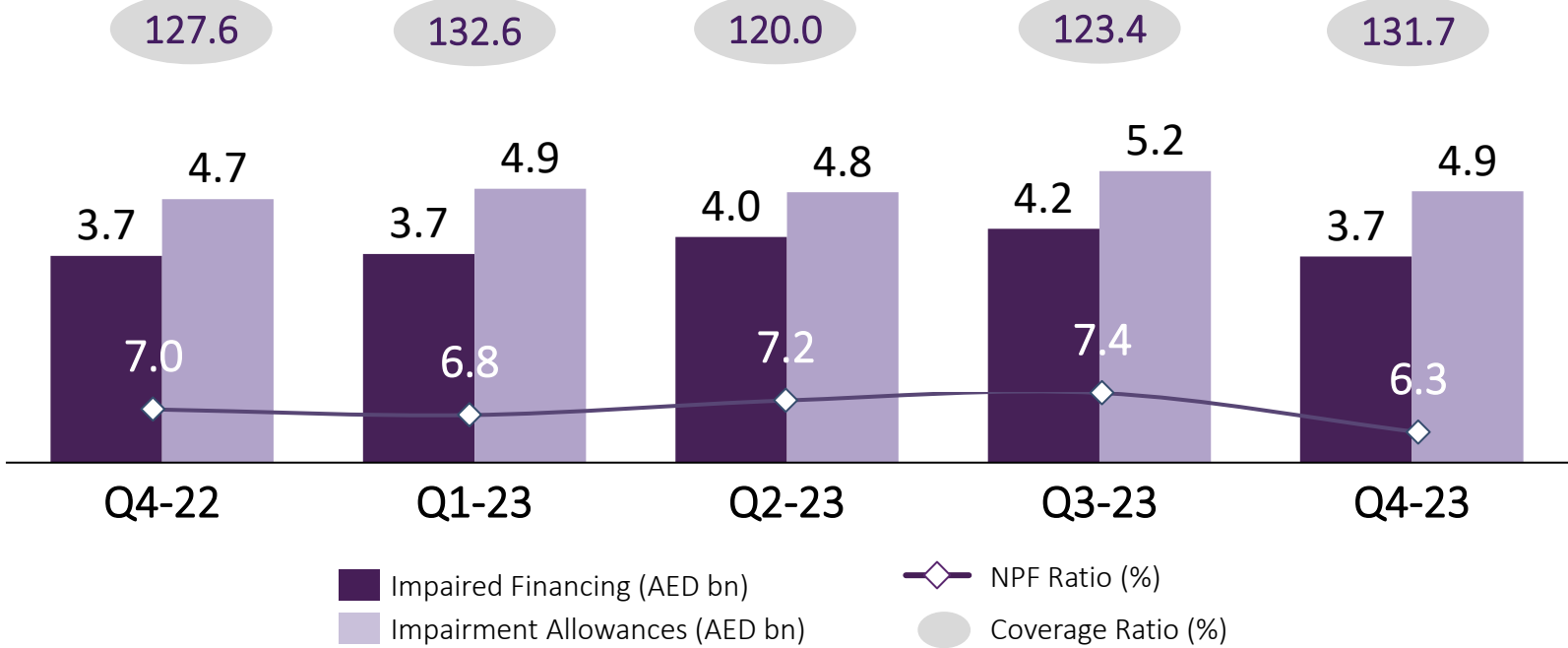
Operating Costs Trends

(All figures are in AED mn)



Impaired Financing and allowances

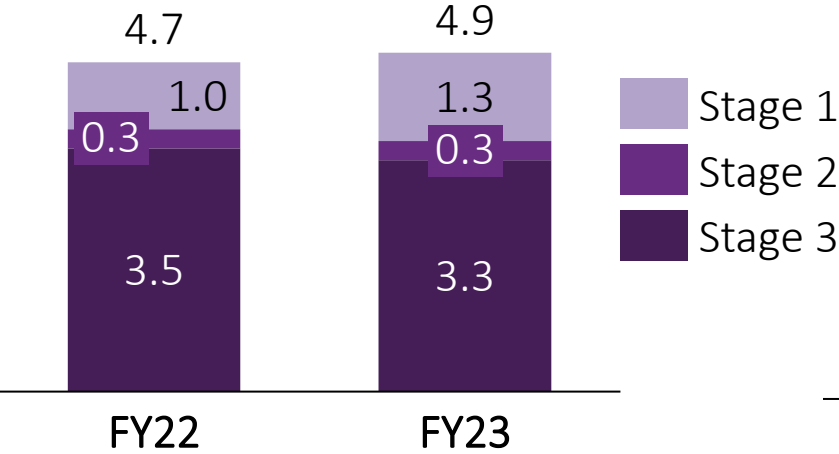
(All figures are in AED bn)



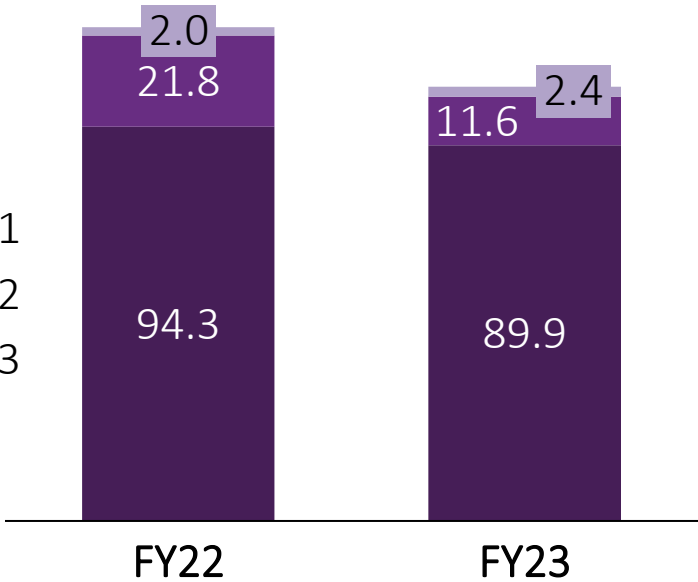
Key Highlights

- Non Performing Financing (NPF) ratio decreased to 6.3% from 7.0% at end of 2022.
- Coverage ratio at 131.7% increased from 127.6% at end of 2022
- The Impairment allowance of AED 4.9 bn includes AED 3.3 bn (68%) of specific provisions and AED 1.6 bn (32%) of ECL provisions
- Stage 1 and Stage 2 Expected Credit Loss (ECL) represents 2.7% of total Credit Risk Weighted Assets (CRWA) at the end of Q4'23 (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%



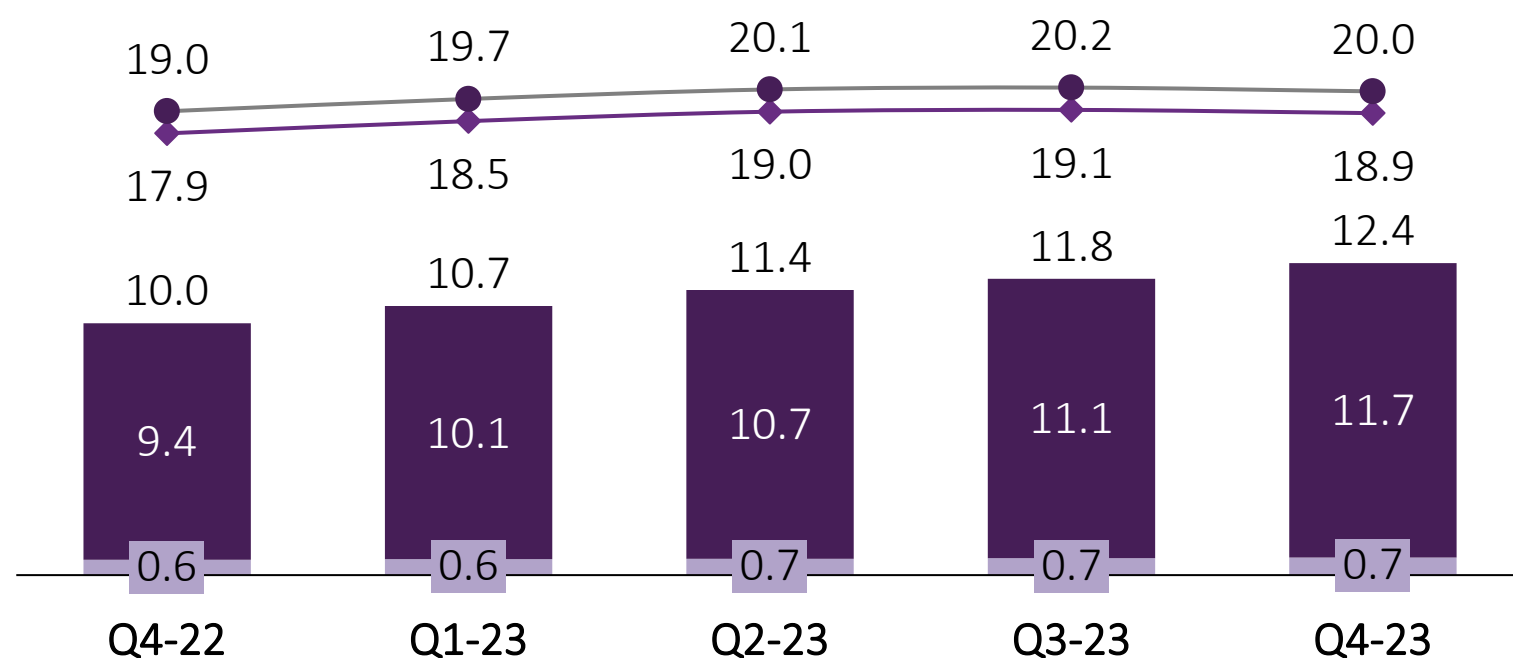
FY-23 | AED 58.6 bn

Stage 1 89.7%
Stage 2 4.0%
Stage 3 6.3%

Capital Adequacy

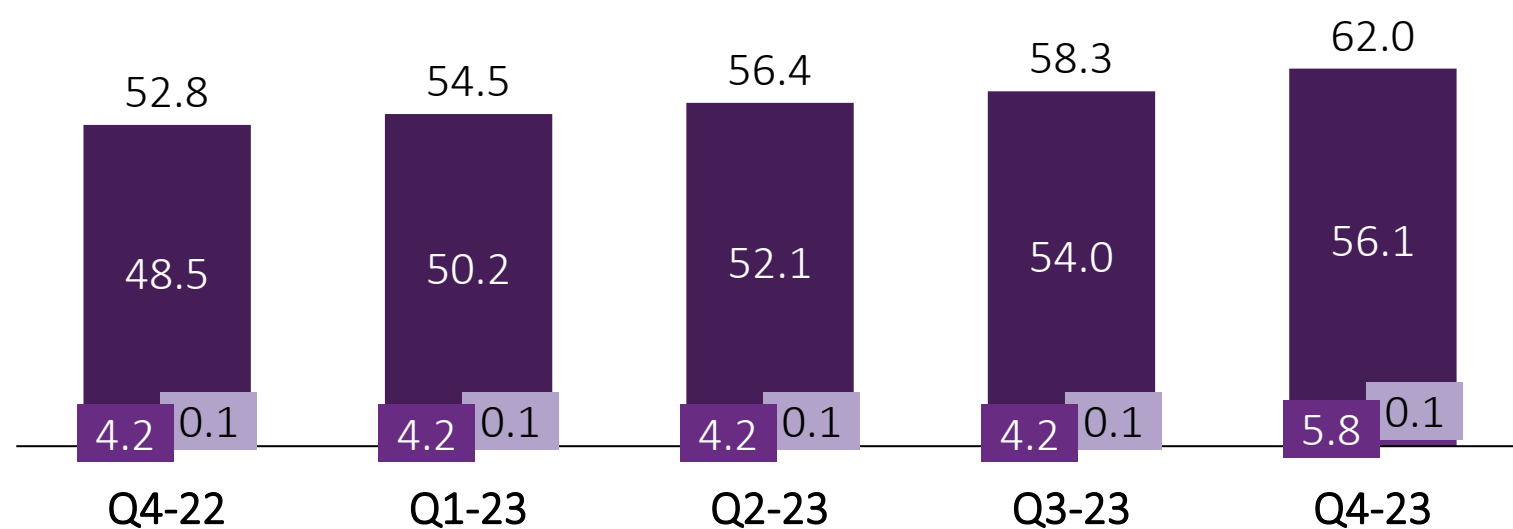
Capitalisation *(All figures are in AED bn)*

■ TI ■ T2 ◆ TI% ● CAR %



Risk Weighted Assets – Basel II (AED bn)

■ CREDIT RISK ■ MARKET RISK ■ OPERATIONAL RISK



Key Highlights

- CAR at 20.05% increased from 19.01% at the end of 2022, mainly due to –
 - Increase in capital base on account of profit for the year
 Offset by
 - Higher capital charge due to increase in Investment
 - Higher capital charge due to growth in customer financing
- Tier I ratio at 18.9% increased from 17.9% at end of 2022

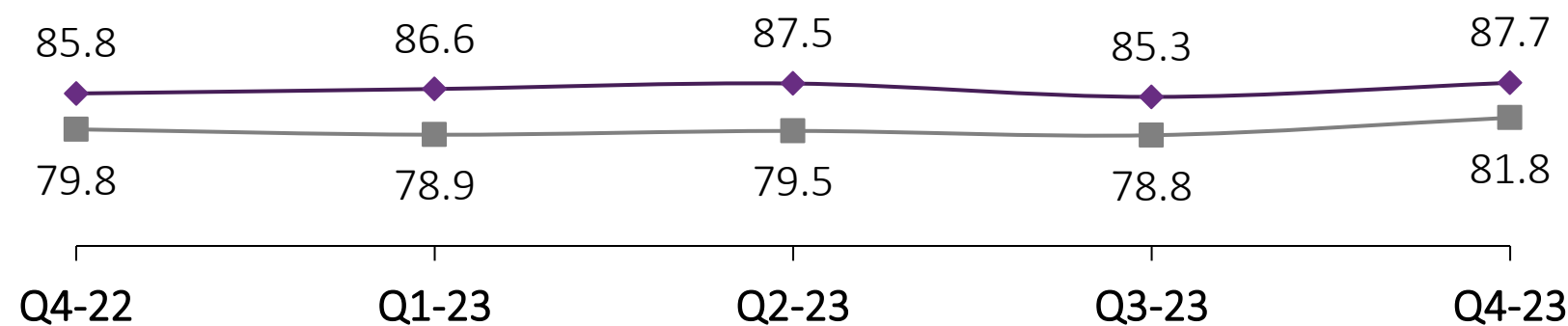
Capital Movements (as per Basel III)

(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	2,121	-	2,121
ECL add-back	152	-	152
Other	25	95	120
Capital as at 31 December 2023	11,726	701	12,427

Headline Ratio (%)

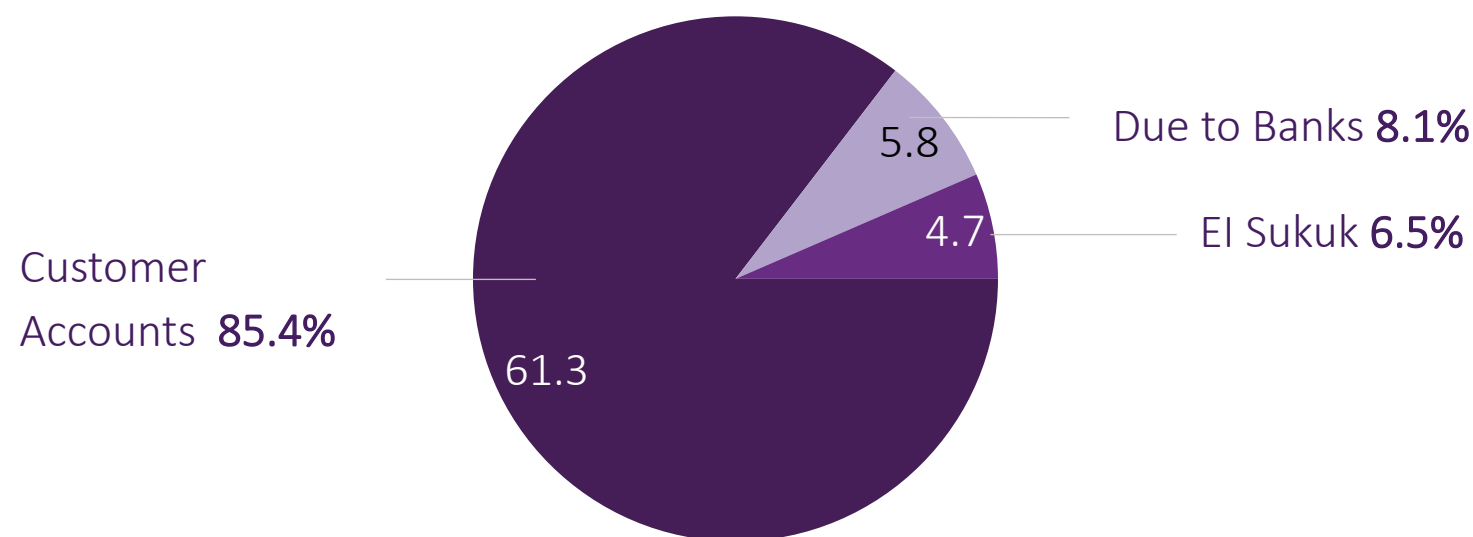
◆ FD Ratio (%) - Headline
■ ASRR Ratio (%) - Reg.



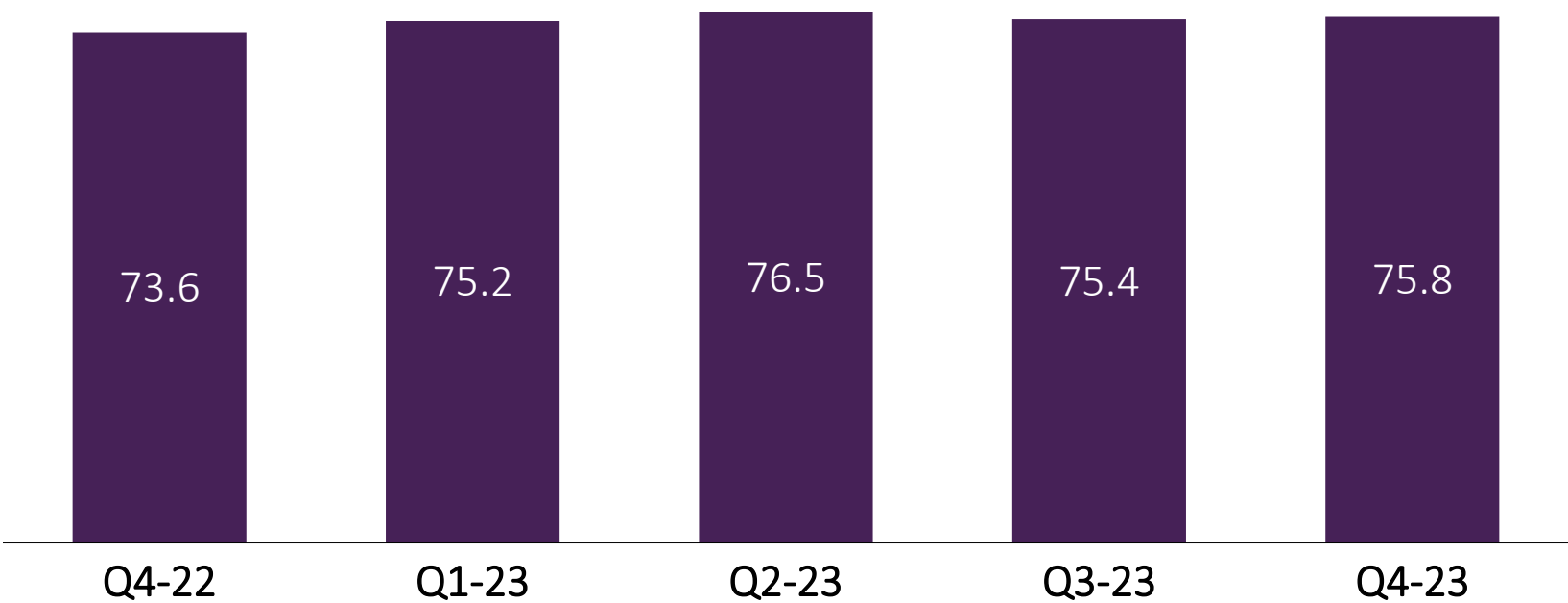
Key Highlights

- Financing to Deposits ratio remains healthy at 87.7%
- Long term funding (Sukuk) represent 6.5% of total borrowings
- CASA to Total Customer Deposits ratio at end of Q4'23 is 75.8% (Dec'22 – 73.6%)

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



CASA to Deposit Ratio (%)

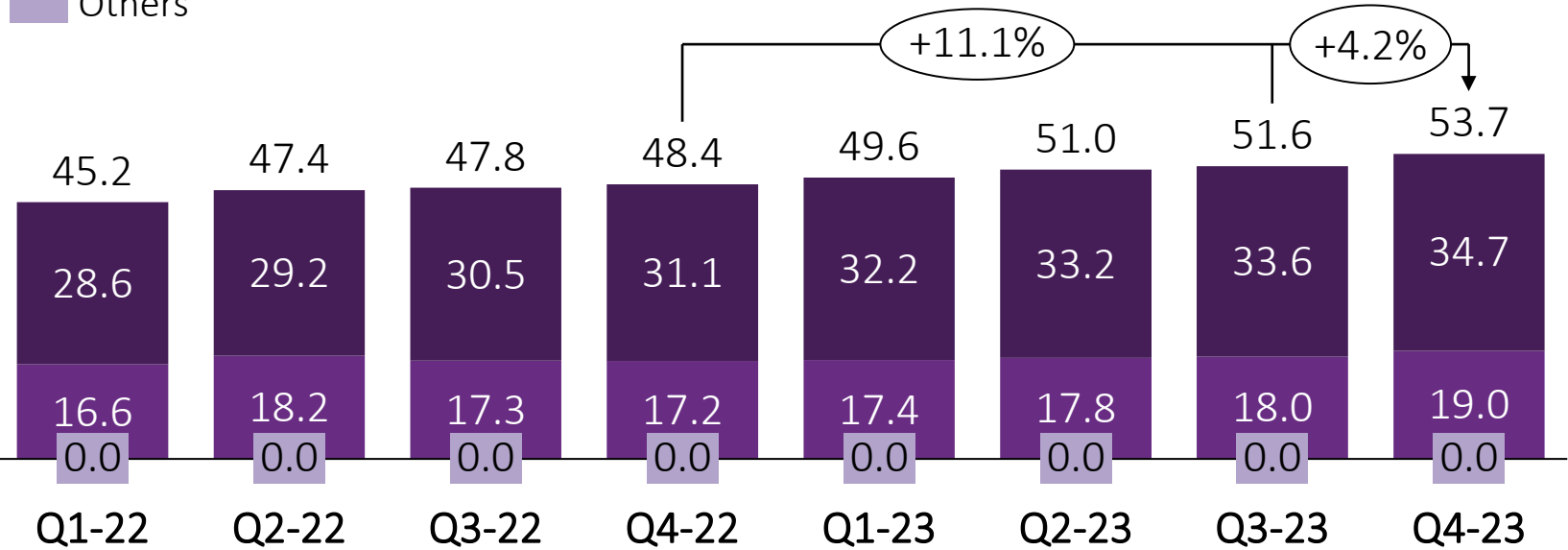


Financing and Customer Deposits Trend

Net Financing by Type

(All figures are in AED bn)

- Retail Banking and Wealth Management (RBWM)
- Corporate and Institutional Banking (C&IB)
- Others

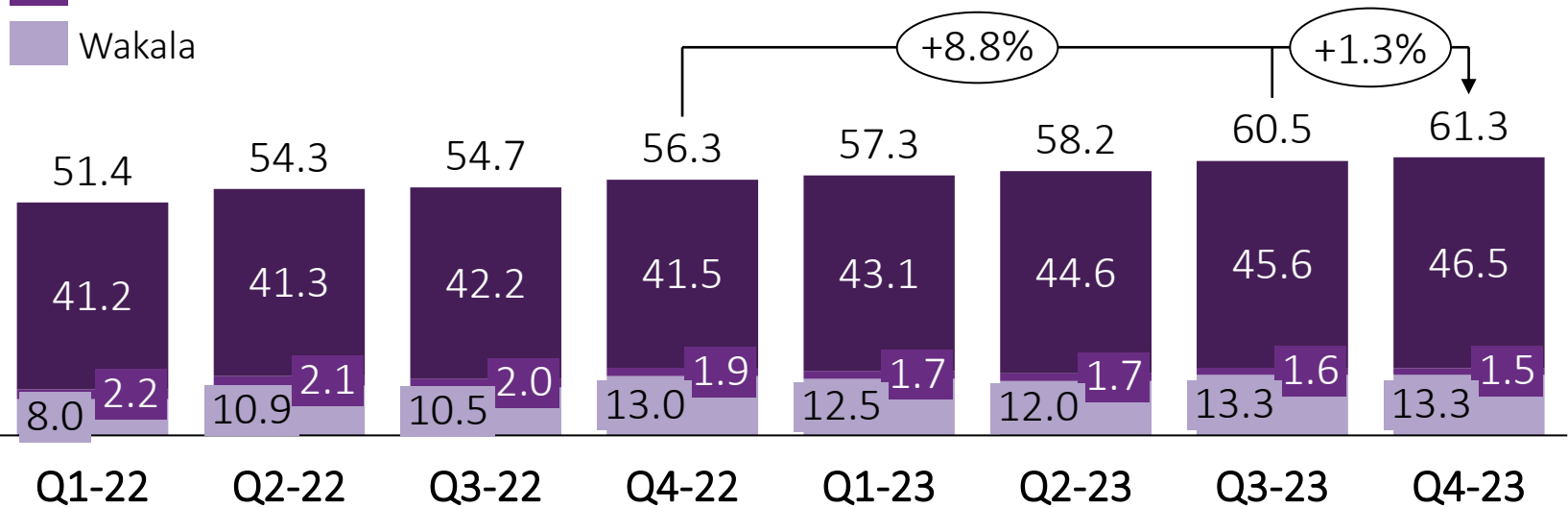


* Financing is Net off Deferred Income and impairment provisions

Customer Deposits by Type

(All figures are in AED bn)

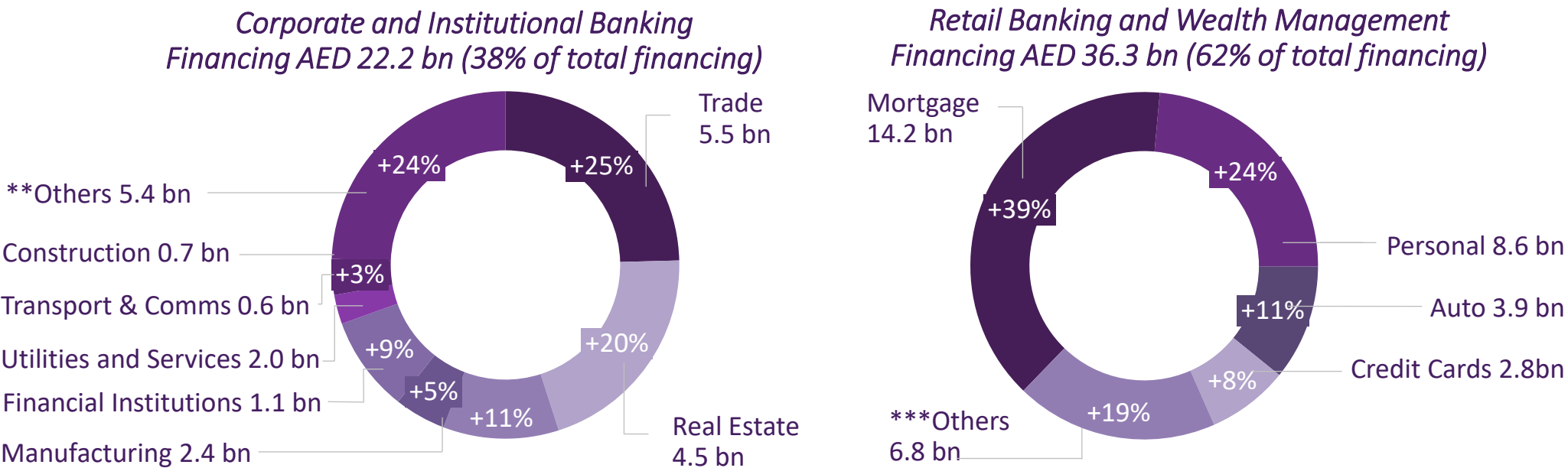
- CASA
- ITD
- Wakala



Key Highlights

- Financing receivables increased 11% y-o-y and 4% q-o-q
 - Retail Banking and Wealth Management' financing receivable increased 11% y-o-y and 3% q-o-q
 - Corporate and Institutional Banking' financing receivables increased 10% y-o-y and 6% q-o-q
- Customer deposits increased 9% y-o-y and 1% q-o-q
 - CASA increased 12% y-o-y and 1% q-o-q
 - ITD decreased 19% y-o-y and 3% q-o-q
 - Wakala increased 2% y-o-y and 0.1% 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	FY 23	%Δ YoY
Retail Banking and Wealth Management	Income (mn)	2,973	37%
	Expense (mn)	1,232	20%
	Profit (mn)	864	2%
	Financing Receivable (bn)	35	11%
	Deposits (bn)	50	15%
Corporate and Institutional Banking	Income (mn)	831	30%
	Expense (mn)	144	12%
	Profit (mn)	561	36%
	Financing Receivable (bn)	19	10%
	Deposits (bn)	12	-11%

Key Highlights

Retail Banking and Wealth Management

- Total Revenue increased 37% y-o-y driven by improved economic activity and higher profit margin
 - Funded Income increased on account of higher margins supported by financing book growth
 - Non Funded Income increased mainly due to Fx & derivatives income, fee income and commission income
- Financing receivable increased 11% from end of 2022
- Customer deposits increased 15% from end of 2022 mainly driven by growth in CASA and increase in Wakala deposits

Corporate and Institutional Banking

- Total Revenue increased by 30% y-o-y driven by improved economic activity and higher profit margin
 - Funded Income increased primarily on account of portfolio growth and increased margins
 - Non Funded Income increased mainly due to higher Fx & derivatives income and Other banking income
- Financing receivable increased 10% from end of 2022
- Customer deposits decreased 11% from end of 2022

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