



Emirates Islamic



March 2019

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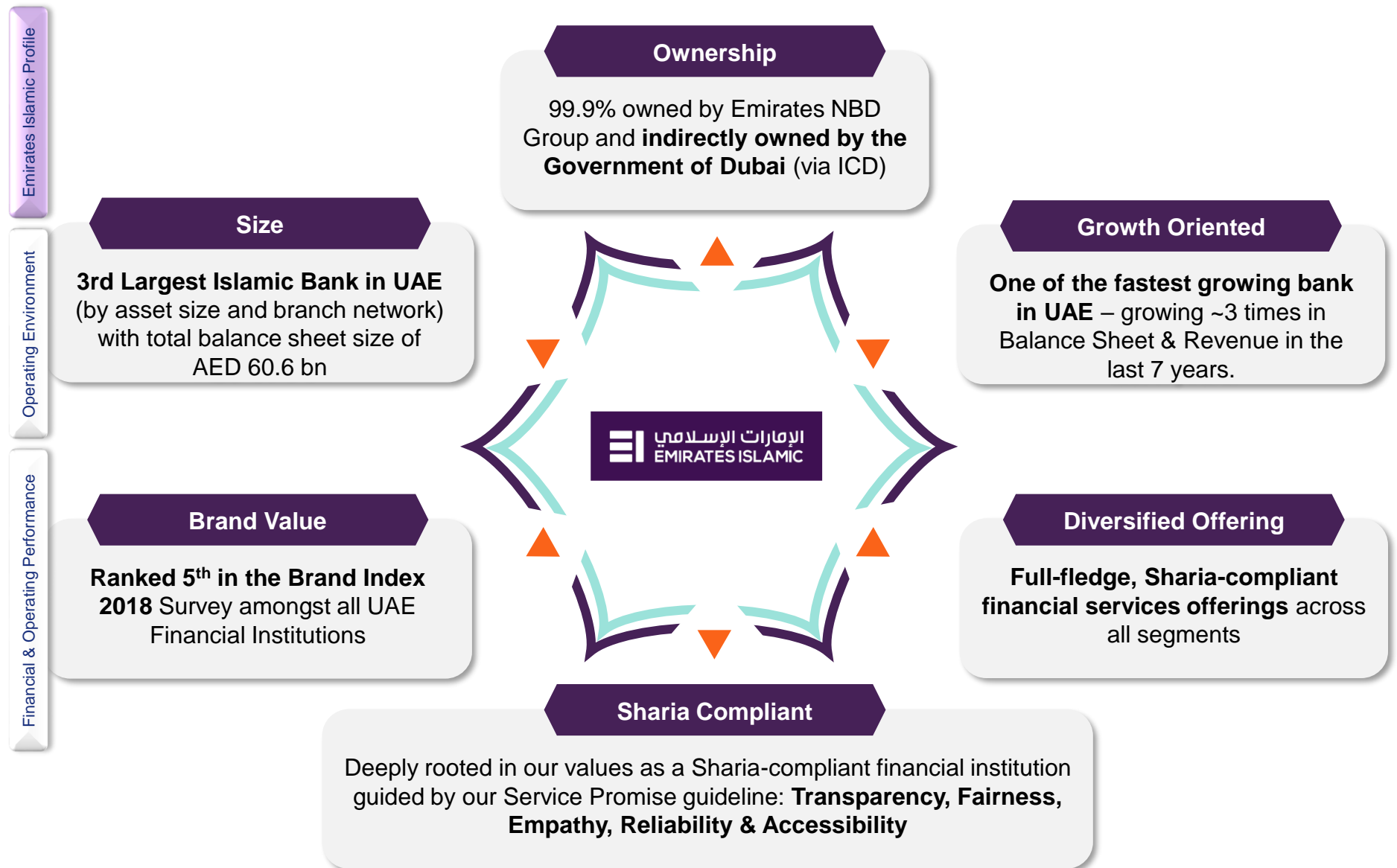
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EI, a young growing Islamic Bank

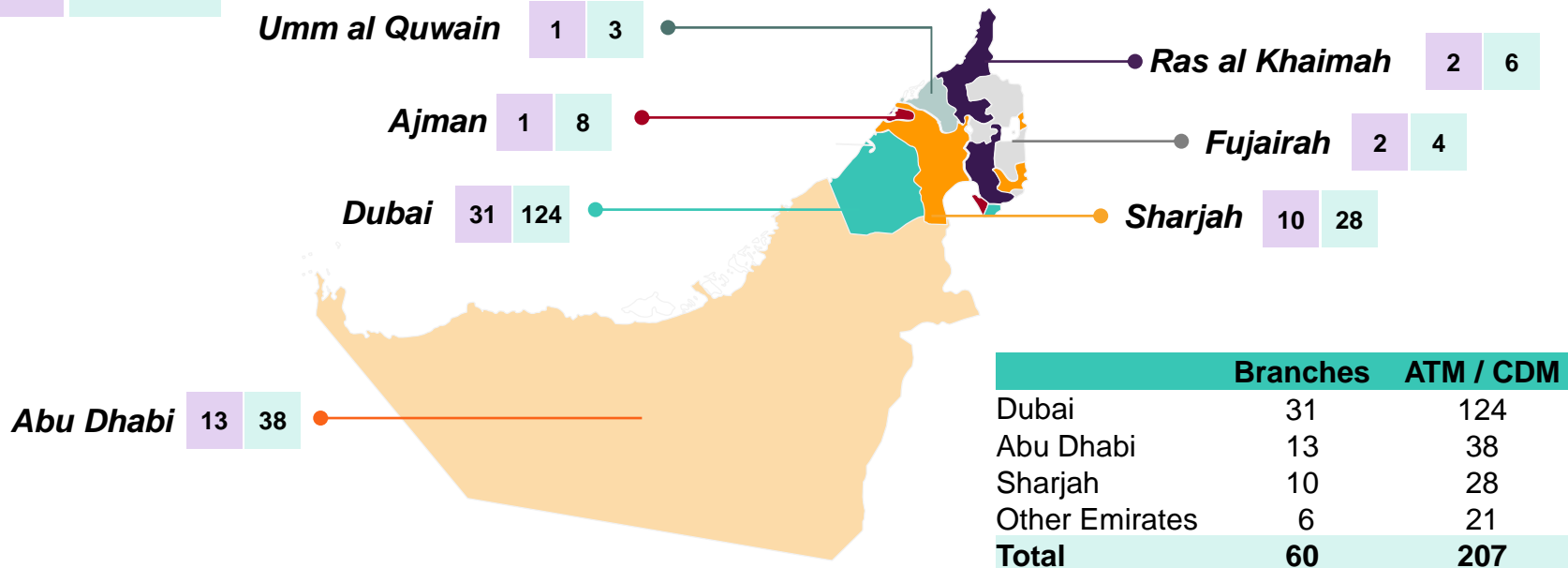


El is strategically positioned across UAE to support its clients. Strong credit rating since 2015

Optimised Branch and Alternative Channel Footprint across UAE

Branches

ATM / CDM



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

As at July 2018 (Affirmed)

FitchRatings

Long Term

A+

Short Term

F1

Outlook

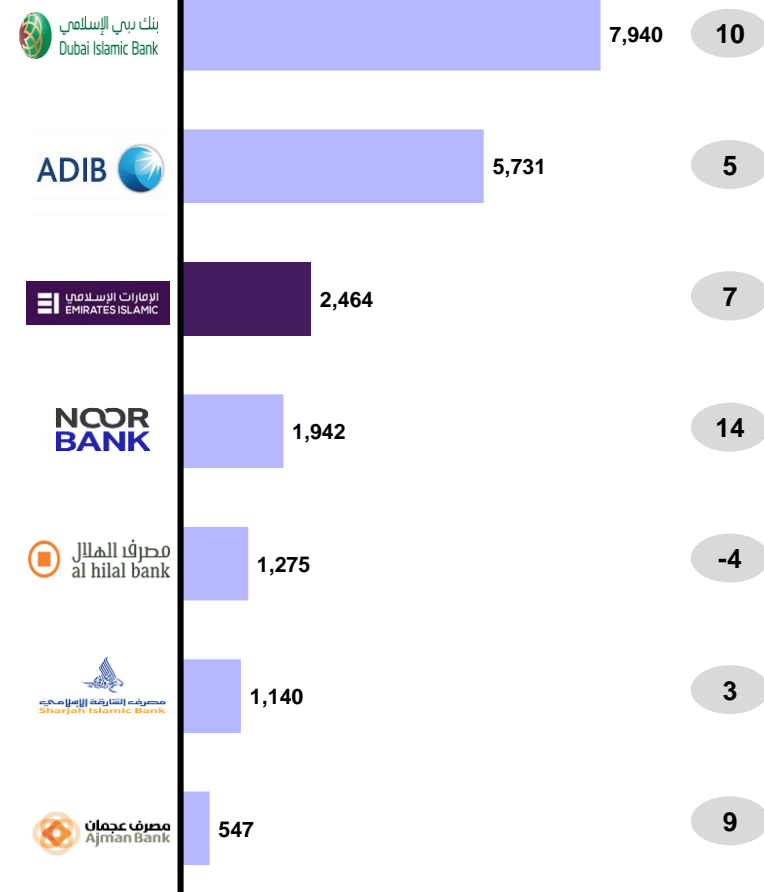
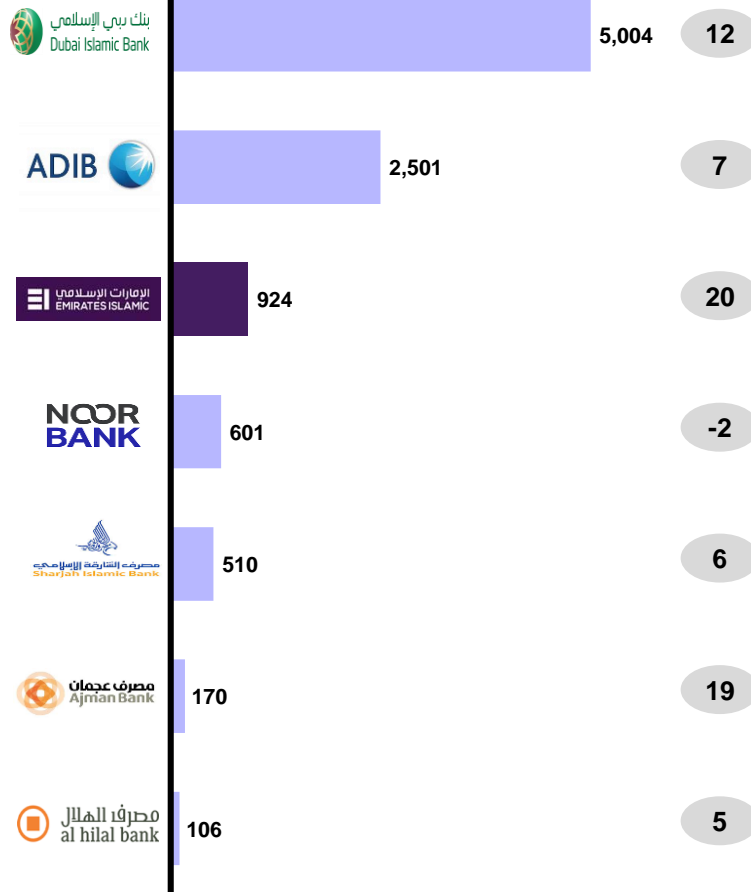
Stable

Emirates Islamic leads in profitability growth and has been one of the fastest growing bank in UAE in the last 5 years

CAGR %,
FY'18 over FY'14

Net Profit, 2018, AED Mn

Total Income, 2018, AED Mn



Source: Fitch Connect

Emirates Islamic is the third largest Islamic bank in the UAE, and maintains a healthy financing to deposit ratio

CAGR %,
FY'18 over FY'14

Total Assets, 2018, AED Bn

Total Deposits, 2018, AED Bn

Total Financing, 2018, AED Bn



224 13



169 12



145 14



125 2



105 3



79 2



58 6



46 7



36 7



51 12



38 9



32 12



45 11



34 1



28 -2



44 1



33 14



24 11



23 15



20 15

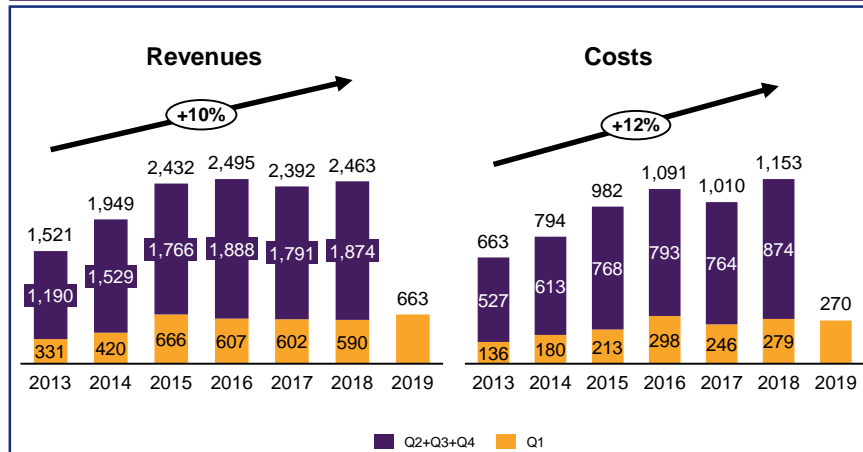


16 14

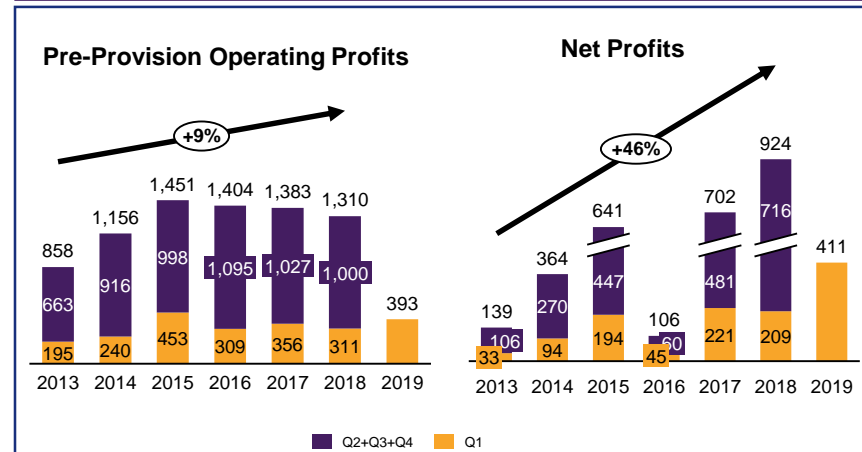
Source: Fitch Connect

Profit and Balance Sheet growth in recent years

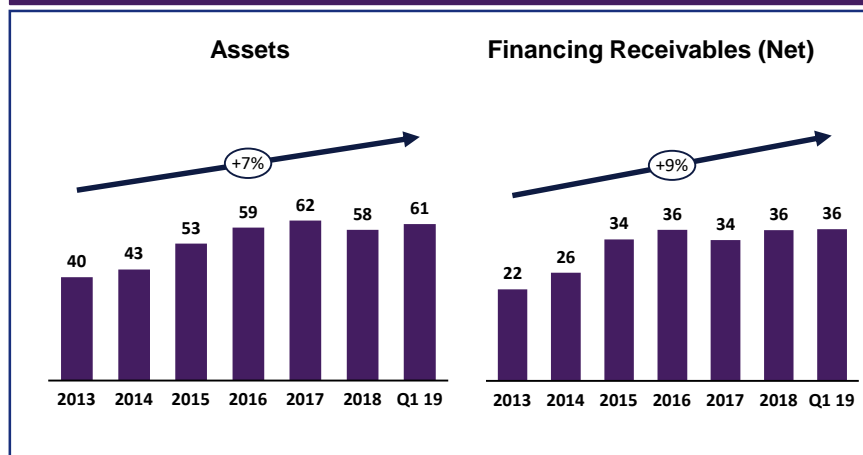
Revenues and Costs (AED M)



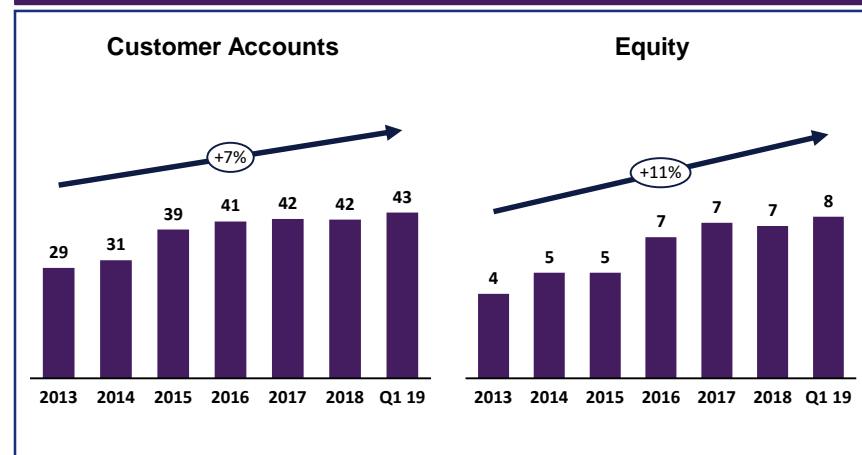
Profits (AED M)



Assets and Financing (AED B)



Customer Accounts and Equity (AED B)



- Equity is Tangible Shareholder's Equity; All P&L numbers are YTD, all Balance Sheet numbers are at end of period
- Source: Financial Statements

Q1 – 2019 Financial results highlights

Key Performance Indicators

AED in Million	Q1-19	Q1-18	Better / (Worse)	Q4-18	Better / (Worse)
Net Funded Income	444	391	14%	439	1%
Non Funded Income	220	199	10%	185	19%
Total Income	663	590	12%	624	6%
Operating Expenses	(270)	(279)	3%	(308)	12%
Pre-impairment Operating Profit	393	311	27%	316	24%
Impairment Allowances	18	(102)	117%	(49)	136%
Net Profit for the Period	411	209	97%	267	54%
Cost income ratio (%)	40.7%	47.3%	-	49.3%	-
Net Funded Income Margin (%)	3.1%	2.9%	-	3.1%	-
AED Billion	31-Mar-19	31-Mar-18	%	31-Dec-18	%
Total Assets	60.6	57.8	4.8%	58.4	3.7%
Financing & Investing Receivables, net	36.4	33.7	8.1%	36.2	0.7%
Customers' Accounts	43.4	43.4	0.2%	41.6	4.4%
Headline Ratio (%)	84%	78%	-	87%	-
NPF Ratio (%)	8.6%	8.4%	-	8.2%	-

Highlights

- Net Profit of AED 411 M in Q1-19 increased 97% compared to same period last year
- Net Funded income improved by 14% compared to same period last year mainly due to higher asset base and improvement in Net Funded Income Margin by 28 bps.
- Non-Funded income improved by 10% compared to same period last year mainly due to higher Foreign Exchange revenue and investment income partially offset by lower fees income
- Costs reduced by 3% compared to same period last year:
- Net impairment write-back AED 18 M improved by 117% compared to same period last year mainly due improved cost of risk
- Financing & Investing Receivables are at same level compared to the end of 2018
- Total assets grew by 3.7% compared the end of 2018

Net Funded Income Margin (NFIM)

Highlights

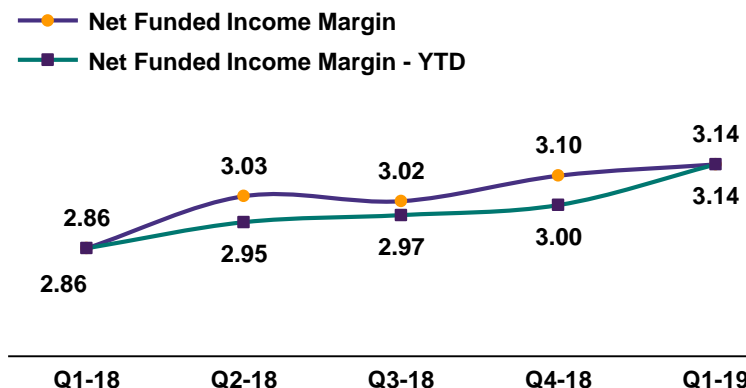
Q1-19 vs Q4-18

- Net Funded Income Margin at 3.14% increased by 4 bps q-o-q mainly due to:-
 - Efficient deployment of excess liquidity in higher yielding assets.
- Offset by
 - Higher customer share of profit due to higher rate environment.

Q1 -19 vs Q1-18 (YTD)

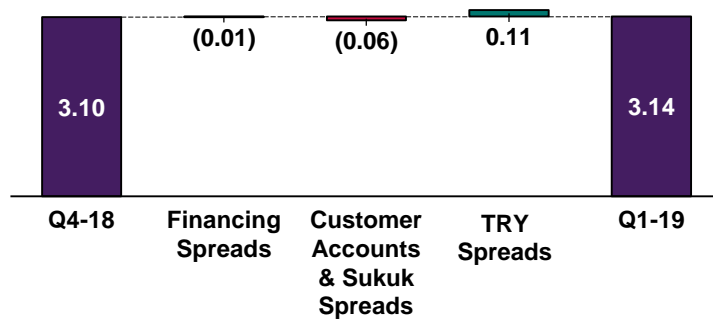
- Net Funded Income Margin at 3.14% increased by 28 bps over same period last year mainly due to: -
 - Higher yield on customer financing and central bank CDs
- Offset by
 - Higher profit rate on Customers deposits due to higher rate environment.

Net Funded Income Margin (%)

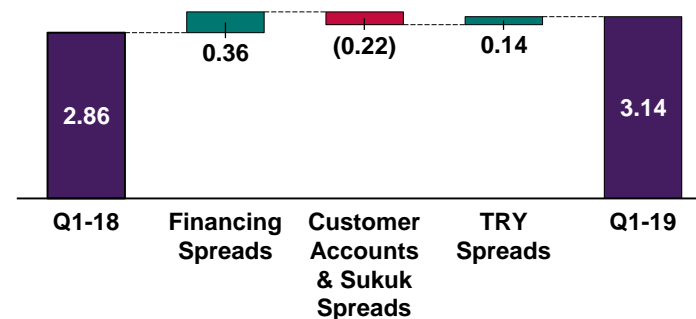


Net Profit Margin Drivers (%)

Q4-18 vs. Q1-19



Q1-18 vs. Q1-19



Non Funded Income

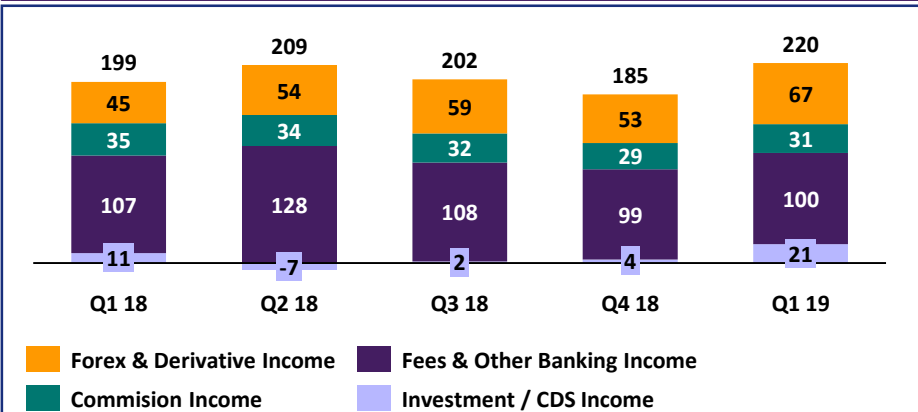
Highlights

- Total Non funded income increased 10% y-o-y and 19% q-o-q
- Core Fee Income increased by 6% y-o-y on account of continuous focus on Foreign Exchange revenue
- Property income declined by 10% y-o-y and 4% q-o-q
- Investment income increased by 92% y-o-y mainly due to gain on revaluation of investments

Composition of Non Funded Income (AED Mn)

AED Mn	Q1 19	Q1 18	% Change	Q4 18	% Change
Gross fee income	259	238	8.9%	250	3.7%
Fees & commission expense	(66)	(56)	-17.3%	(74)	11.7%
Core fee income	194	182	6.3%	176	10.3%
Property Related Income	5	6	-9.9%	6	-4.0%
Investment securities & other income / (loss)	21	11	91.6%	4	428.0%
Total Non Funded Income	220	199	10.4%	185	18.7%

Trend in Non Funded Income (AED Mn)

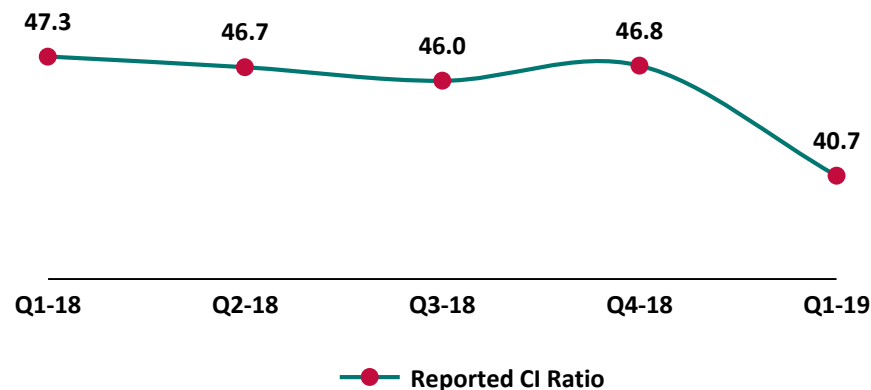


Operating Costs and Efficiency

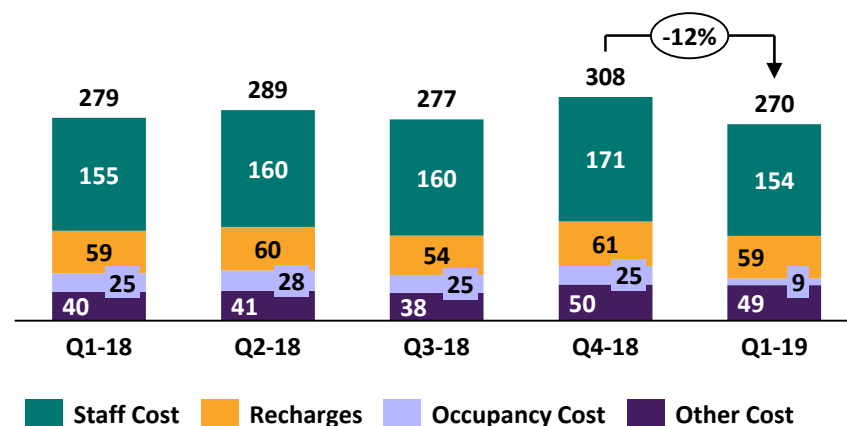
Highlights

- Cost to Income ratio at 41% for Q1-2019 improved by 6% compared to the same period last year as a result of :-
 - Improvement in total income by 12%
 - Reduction in total cost by 3%
- Staff cost declined by 10% q-o-q
- Other operating cost declined by 15% q-o-q

Cost to Income Ratio (%)



Cost Composition (AED Mn)

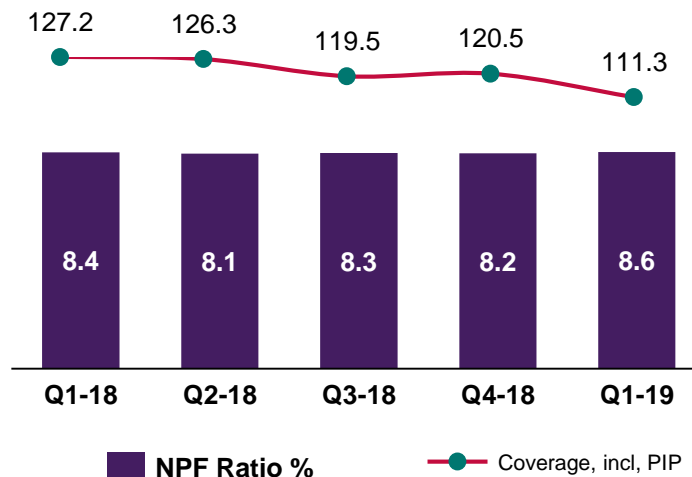


Credit Quality

Highlights

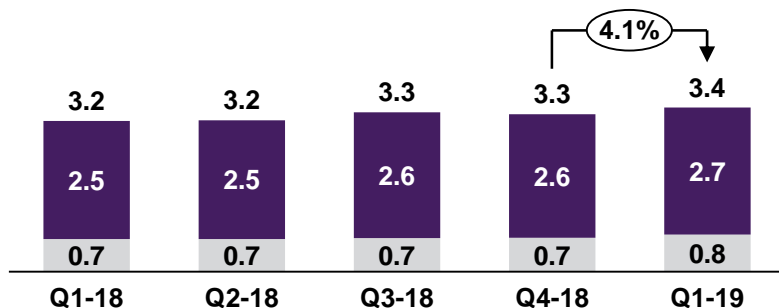
- Non Performing Financing (NPF) ratio increased from 8.2% to 8.6% compared to previous quarter
- Coverage ratio at 111% reduced due to ECL write-back during the quarter
- The impairment allowance of AED 3.8 B includes AED 2.9 B (76%) of specific impairment and AED 0.9 B (24%) of ECL Impairment
- Expected Credit Loss (ECL) represent 2.3% of total Credit Risk Weighted Assets (CRWA) at the end of Q1 2019 (Q4 2018 – 3.1%)

Impaired Financing & Coverage Ratios (%)

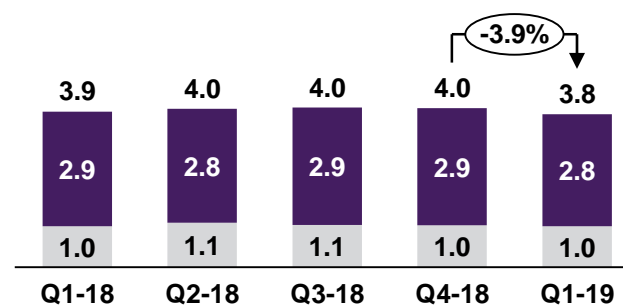


Impaired Financing and Impairment Allowances (AED B)

Impaired Financing



Impairment Allowances



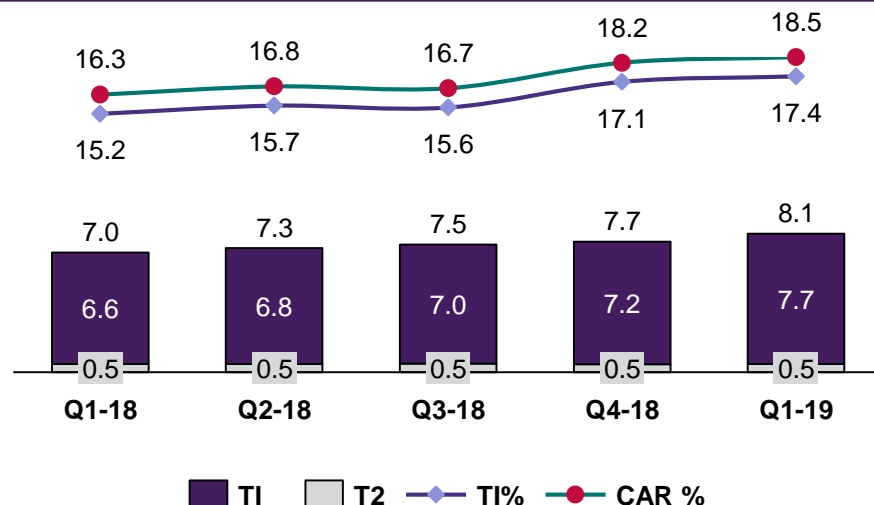
■ Corporate ■ Retail

Capital Adequacy

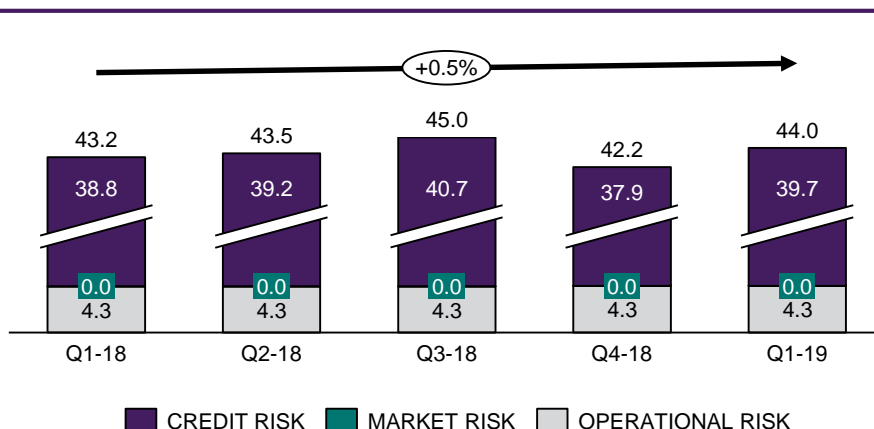
Highlights

- In Q1-19 CAR ratio improved to 18.5% from 18.2% as at the end of Q4 2018 mainly due to:-
 - Growth in Capital base by AED 411 M (net profit for Q1-2019)
 - Offset by
 - Growth in Risk Weighted Assets
- Tier I ratio improved to 17.4% (Q4 2018 – 17.1%)

Capitalisation (AED B)



Risk Weighted Assets – Basel II (AED B)



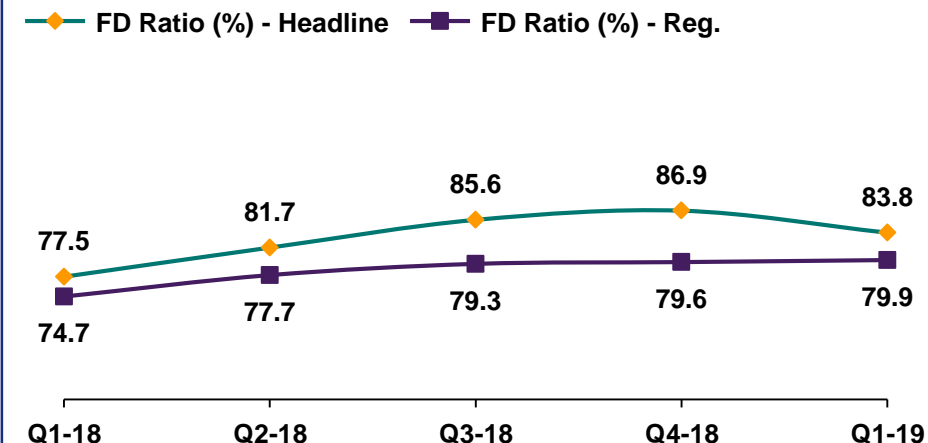
	AED (Mn)		
	Tier-1	Tier-2	Total
Capital as at 31 December 2018	7,211	474	7,685
Net Profits generated	411	-	411
Dividends paid	-	-	-
Directors' fee	-	-	-
Zakat for the year	-	-	-
Total comprehensive income for the period - Other Reserve	-	-	-
Cumulative changes in fair value - 45% cap	32	-	32
ECL impact	-	-	-
Movement in eligible ECL	-	22	22
	7,654	496	8,150

Funding and Liquidity

Highlights

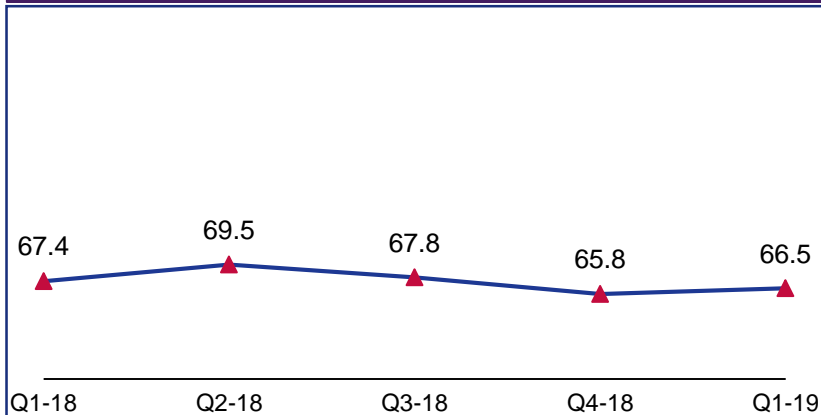
- Headline financing to deposit ratio at 84% decreased by 3% compared to end of 2018 due to increase in Customer Deposits by AED 1.8 billion
- Long term funding (Sukuk) represents 7.3% of total borrowings
- CASA to Customer Deposits ratio at 67% has marginally increased compared to end of 2018

Headline Ratio (%)



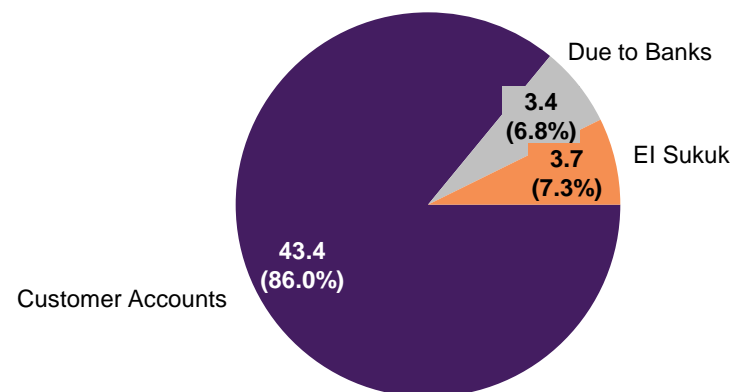
Source: UAE Central Bank

CASA to Deposit Ratio



Composition of Liabilities / Sukuk Issued (%)

AED in Billions

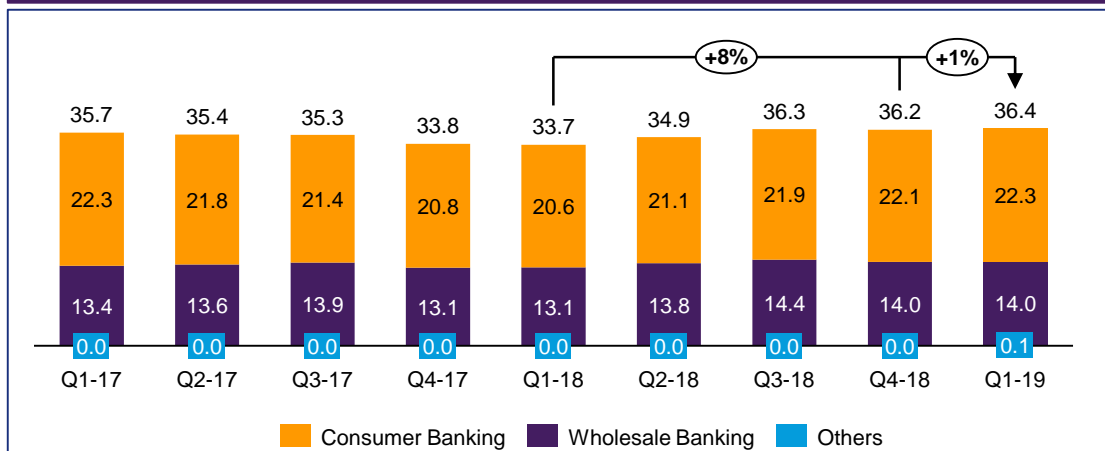


Financing and Customer Accounts Trends

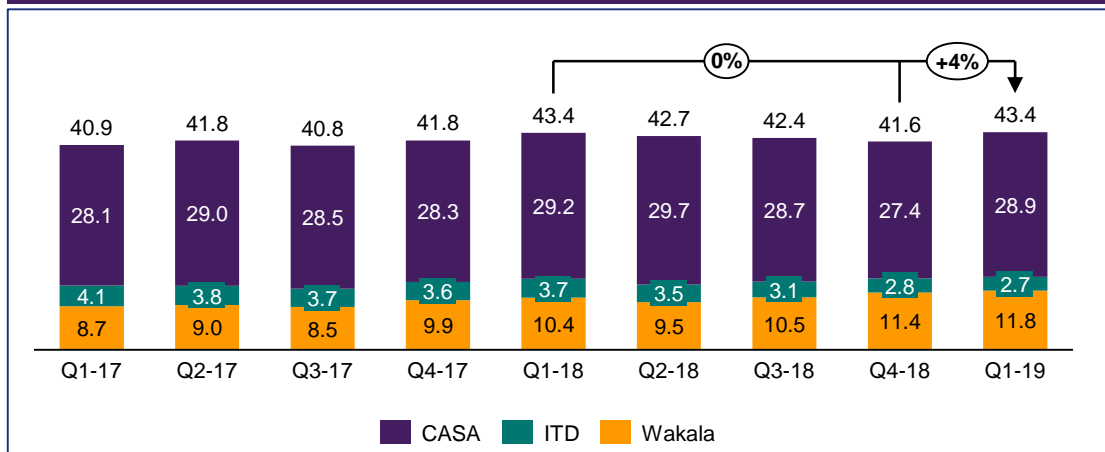
Highlights

- Financing and Investing Receivables increased by 8% y-o-y and increased by 1% compared to previous quarter
- Customer Accounts at AED 43.4 B remained flat y-o-y and increased by 4% compared previous quarter

Trend in “Net” Financing by Type (AED B)



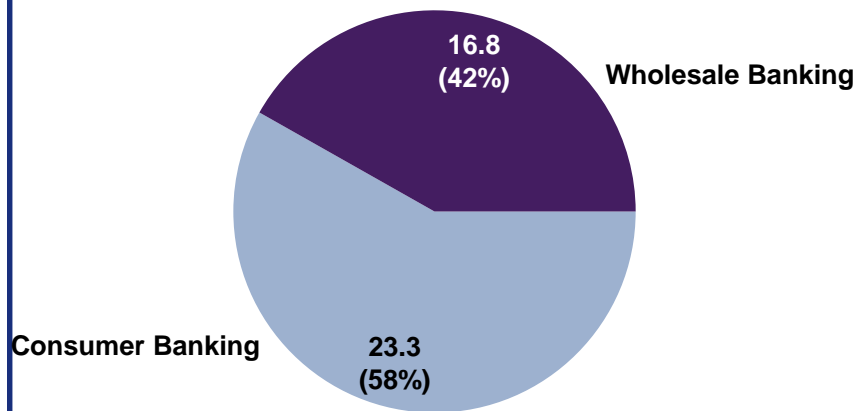
Trend in Customer Accounts by Type (AED B)



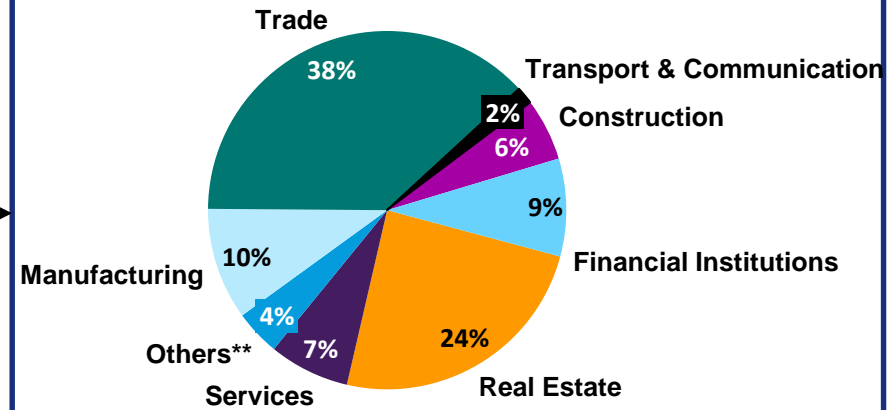
* Financing is Net of Deferred Income and impairment provisions

Financing Composition

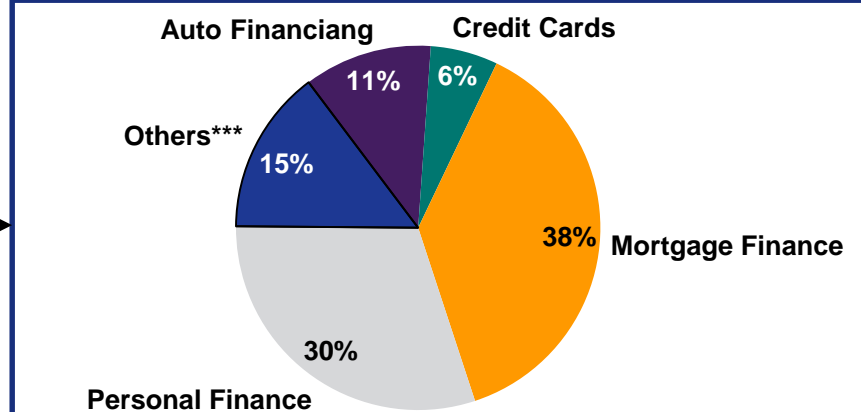
Total "Gross" Financing* (AED 40 B)



Wholesale Banking Financing (AED 17 B)



Consumer Financing (AED 23 B)



* Gross Financing net off deferred portion

** Others include Agriculture and Sovereign

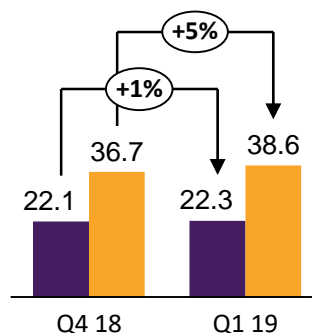
***Others include SME products held by retail customers

Divisional Performance

Consumer Banking (CWM)

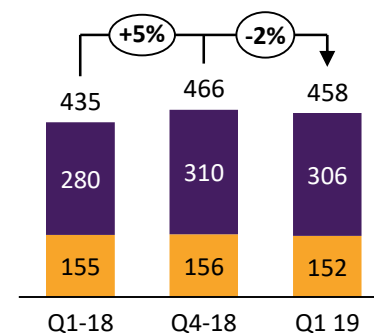
- Financing receivable increased by 1% compared to Dec-18. Customer deposits increased by 5% mainly on account of higher CASA & Wakala balances.
- Revenue increased by 5% compared to Q1-18. Funded income increased mainly due to the improvement in margins. Revenue decreased by 2% q-o-q.
- Consumer Banking has improved its distribution capabilities as part of its channel optimization strategy and has 211 ATM & CDMs and 60 branches as at 31st March 2019.

Balance Sheet Trends AED B



Financing Receivable Customer Deposits

Revenue Trends AED M

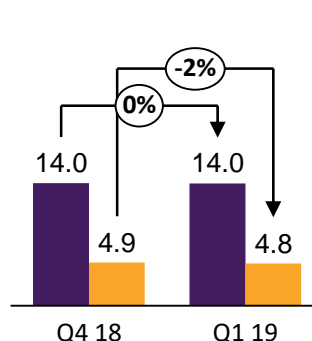


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Wholesale Banking (WB)

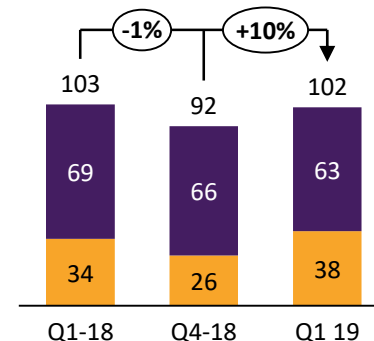
- Financing receivable remained flat compared Dec-18.
- Customer deposits decreased by 2% compared to Dec-18.
- Revenue decreased by 1% compared to Q1-18. Revenue increased by 10% q-o-q mainly due to higher fees income and higher foreign exchange revenue.

Balance Sheet Trends AED B



Financing Receivable Customer Deposits

Revenue Trends AED M



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All Balance Sheet numbers are at end of period

For enquires please contact:

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