

**For immediate release**

## Emirates Islamic profit rises 51% in 2022 to a record AED 1.24 billion

Dubai, 26 January 2023

Emirates Islamic's net profit jumped to a record AED 1.24 billion for 2022 on higher funded income and non-funded income with a significant reduction in cost of risk reflecting the strong economic recovery.

<b>Total Income</b> AED 3.18 billion ↑ 33% y-o-y	<b>Expenses</b> AED 1.54 billion ↑ 29% y-o-y	<b>Provisions</b> AED 403 million ↑ 5% y-o-y	<b>Net Profit</b> AED 1.24 billion ↑ 51% y-o-y
<b>NFIM</b> 3.39 %	<b>Cost: Income Ratio</b> 48.4 %	<b>NPF Ratio</b> 7.0 %	<b>CET-1 Ratio</b> 17.9%

### **Key Highlights – FY 2022**

- **Strong operating performance on higher funded income and non-funded income coupled with a reduction in cost of risk**
  - **Total income** up 33% y-o-y driven by higher funded income and non funded income as a result of improved financing and deposit mix with higher profit rates feeding through to net profit margin
  - **Operating expenses increased** 29% y-o-y as the Bank invests for future growth
  - **Impairment Allowances** increased 5% y-o-y due to financing growth with a lower cost of risk at 76 bps
  - **Operating profit** improved 36% y-o-y
  - **Net profit** increased to a record AED 1.24 billion, up by 51%
  - **Net profit margin** improved to 3.39%
  
- **Strong capital and liquidity combined with a healthy deposit mix enables the Bank to continue supporting customers**
  - **Total assets** increased by 15% to AED 75 billion in 2022
  - **Customer financing** increased by 14% to AED 48.4 billion in 2022
  - **Customer deposits** increased by 19% to AED 56.3 billion in 2022 with Current Account and Savings Account balances at 74% of total deposits
  - **Credit Quality:** Non-performing financing ratio improved to 7.0% with strong coverage ratio at 128%
  - **Capital:** Tier 1 ratio of 17.9% and 19% Capital adequacy ratio reflects Bank's strong capital position
  - **Headline Financing to Deposit ratio** at 86%, reflects continued healthy liquidity in the UAE



**Hesham Abdulla Al Qassim, Chairman, Emirates Islamic and Vice Chairman and Managing Director of Emirates NBD:**

- Emirates Islamic delivered its highest ever net profit of AED 1.24 billion in 2022, marking a significant 51% increase compared to 2021.
- The Bank reported a 36% increase in Operating Profit, coupled with an improvement in cost of risk compared to 2021.
- The Bank provided seamless access for investors in the UAE capital markets by acting as a receiving bank for IPOs on the Dubai Financial Market, including DEWA, Salik, TECOM, Taaleem and EMPOWER.
- Based on the Bank's strong performance, Fitch Ratings affirmed Emirates Islamic's 'A+' Long-Term Rating with a Stable Outlook, Short-Term Rating of 'F1' and upgraded the Bank's Viability Rating.
- Emirates Islamic has one of the highest Emiratization rates in the UAE banking sector, at 38% of total employees and 34% of critical positions. Emirates Islamic also drove a number of learning and development initiatives for UAE National talent including The National Achievers Strategic Academy and Future Proof Banker.
- Driven by core Shariah principles, Emirates Islamic remains firmly committed to its charitable initiatives and contributed over AED 108 million to a range of charitable initiatives in 2022 through the Emirates Islamic Charity Fund. The Emirates Islamic Charity Fund provides financial aid to those in need, with a focus on food, shelter, health, education and social welfare contributions.
- As the Islamic bank of choice in the UAE, we continue to play a pivotal role in the advancement of the Islamic banking sector in the UAE and remain deeply committed to supporting the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai, to make Dubai the global capital of the Islamic economy.



**Salah Mohammed Amin, Chief Executive Officer of Emirates Islamic:**

- Emirates Islamic has further strengthened its position as a leading Islamic financial institution in the UAE, achieving its highest growth in financing receivables and deposits since 2016, reflecting the current optimistic business sentiment.
- Customer Financing grew by 14% and Customer Deposits grew by 19% during 2022 with Current Accounts and Savings Accounts registering 13% growth during the year.
- In 2022, we expanded our product offering with the launch of Emarati Family Savings account, Emarati Business Account and Super Savings Etihad Guest Account. We also introduced the 'Businesswomen Account' offering a host of benefits and privileges to support women entrepreneurs. We enhanced our business-friendly solutions with the launch of cardless cash withdrawals via businessONLINE. In 2022, we entered into a strategic collaboration with Tradeling, the largest eMarketplace focused on B2B transactions in the MENA region.
- Emirates Islamic continued to strengthen its digital offering, resulting in a 21% increase in online and mobile banking transactions.
- We are pleased to be recognized in 2022 for our financial performance, innovative products and customer experience. The Bank's service and products were recognised at the World Finance Islamic Finance Awards as Emirates Islamic was named 'Best Islamic Bank in UAE', 'Best Islamic Bank in

Customer Experience in UAE' and 'Best Credit Card in UAE' for our Etihad Guest Credit Card. The Bank was also named 'Best Islamic Bank for SMEs' at the MEA Finance Awards, recognised for our innovative proposition for small and medium enterprises and our status as a preferred bank for entrepreneurs seeking Shariah-compliant products and services.

- Emirates Islamic was named the UAE's most valuable Islamic banking brand with a value of USD 325 million, in The Banker's 2022 brand valuation.

**About Emirates Islamic:**

Emirates Islamic (DFM: EIB), part of Emirates NBD Group, is one of the fastest growing banks in the UAE. Established in 2004 as Emirates Islamic Bank, the bank has established itself as a major player in the highly competitive financial services sector in the UAE.

Emirates Islamic offers a comprehensive range of Shari'a-compliant products and services across the Personal, Business and Corporate banking spectrum with a network of 42 branches and 209 ATMs/CDMs across the UAE. In the fast-growing area of online and mobile banking, the bank is an innovator, being the first Islamic bank in the UAE to launch a mobile banking app and offer Apple Pay, as well as being the first Islamic bank in the world to launch Chat Banking services for customers via WhatsApp.

Emirates Islamic has consistently received local and international awards, in recognition of its strong record of performance and innovation in banking. Emirates Islamic won recognition in 2022 for its financial performance, innovative products and customer experience. The bank won three awards at the World Finance Islamic Finance Awards - namely "Best Islamic Bank in UAE"; "Best Islamic Bank in Customer Experience, UAE" and "Best Credit Card in UAE" for its Etihad Guest Credit Cards - a range of exclusive, co-branded credit cards with Etihad Airways. The bank was also named 'Best Islamic Bank for SMEs' at the MEA Finance Awards, recognised for its innovative proposition for small and medium enterprises (SMEs) and its status as a preferred bank for entrepreneurs seeking Shari'a -compliant products and services for their businesses. Emirates Islamic was named the UAE's most valuable Islamic banking brand and MENA's sixth most valuable Islamic banking brand, with a value of USD 325 million, in The Banker's 2022 brand valuation.

As part of its commitment to the UAE community, the Emirates Islamic Charity Fund provides financial aid to those in need, with a focus on food, shelter, health, education and social welfare contributions.

For further information please visit [www.emiratesislamic.ae](http://www.emiratesislamic.ae)

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