

## Emirates Islamic's profit surges 56% to AED 1.65 billion for the first nine months of 2023

**Dubai, 26 October 2023**

Emirates Islamic delivered its highest ever 9-month profit, as profit surged by a remarkable 56% to AED 1.65 billion during the first 9 months of 2023. The increase in profit was driven by higher funded and non-funded income reflecting improved business sentiment. Q3'23 income grew 46% y-o-y to AED 1.2 billion which helped drive profit 23% higher to AED 435 million reflecting the buoyant regional economy. Emirates Islamic is proud to play an integral part of the UAE's economic and commercial development. This is recognised as Emirates Islamic was named the 'Most Innovative Islamic Bank in the UAE' and 'Best Islamic SME Bank in the UAE', reflecting its innovative customer focus and business-friendly propositions for small and medium enterprises at the International Finance Awards 2023.

<b>Total Income (YTD)</b> AED 3.533 billion ↑62% y-o-y	<b>Expenses (YTD)</b> AED 1.337 billion ↑35% y-o-y	<b>Provisions (YTD)</b> AED 549 million ↑282% y-o-y	<b>Net Profit (YTD)</b> AED 1.647 billion ↑56% y-o-y
<b>Total Income (Q3)</b> AED 1.193 billion ↑46% y-o-y	<b>Expenses (Q3)</b> AED 368 million ↓6% y-o-y	<b>Provisions (Q3)</b> AED 389 million ↑467% y-o-y	<b>Net Profit (Q3)</b> AED 435 million ↑23% y-o-y
<b>NFIM</b> 4.7 %	<b>Cost: Income Ratio</b> 37.8 %	<b>NPF Ratio</b> 7.4 %	<b>CET-1 Ratio</b> 19.1%

### Key Highlights – First nine months of 2023

- **Strong operating performance on higher funded and non-funded income**
  - **Total income** up 62% y-o-y driven by higher funded and non-funded income
  - **Expenses increased** 35% y-o-y as EI invests for future growth
  - **Operating profit** improved 83% y-o-y
  - **Net profit** sharply increased to AED 1.647 billion on the back of higher funded and non-funded income
  - **Net profit margin** improved to 4.7% following stable profit rates in the first nine months of 2023
  
- **Strong capital and liquidity combined with a healthy deposit mix enable the Bank to support customers**
  - **Total assets** increased to AED 86 billion maintaining a solid asset base
  - **Customer financing** at AED 52 billion, increased 7% from 2022
  - **Customer deposits** at AED 61 billion, increased 7% from 2022 with CASA balances at 75% of deposits

- **Credit Quality:** Non-performing financing ratio at 7.4% with strong coverage ratio at 123%
- **Capital:** Tier 1 ratio at 19.1% and Capital adequacy ratio at 20.2% reflect the strong capital position of the Bank
- **Headline Financing to Deposit ratio** at 85% reflects continued healthy liquidity in the UAE



**Hesham Abdulla Al Qassim, Chairman said:**

- Emirates Islamic has delivered an excellent performance for the first nine months of 2023 and reported a sharp increase in net profit to AED 1.65 billion on the back of higher funded and non-funded income. Further, operating profit improved by 83% y-o-y.
- As the UAE marks the Year of Sustainability and as Dubai prepares to host the most prominent global climate conferences of the year, Emirates Islamic is proud to be part of Emirates NBD Group's support of COP28 as Principal Banking Partner.
- Reinforcing our long-term commitment to sustainability, we are pleased to join Emirates NBD in launching the Group's inaugural Sustainable Finance Framework. The framework allows for the issuance of green and sustainable debt instruments, including Islamic structures, to finance projects which enable the transition to a low carbon and climate resilient economy.
- In line with our commitment to drive innovation in the Islamic banking sector, we have partnered with the Arab payment system Buna, to enhance and facilitate cross-border transactions across the Arab region.
- As a pioneering Islamic bank and a key supporter of the UAE Leadership's vision to make the UAE a global hub for Islamic banking, we have always embraced innovation as one of our core strategic pillars. We are honoured that our efforts have been recognised with Emirates Islamic being awarded 'Most Innovative Islamic Bank in the UAE' and 'Best Islamic SME Bank in the UAE' at the International Finance Awards 2023.



**Farid Al Mulla, Chief Executive Officer, Emirates Islamic said:**

- Emirates Islamic grew profit 23% y-o-y in Q3 2023, as total income jumped 46%. Total assets increased 15% to AED 86 billion in the first nine months of 2023 as customer financing grew 7% to AED 52 billion.
- In our efforts to provide customers with convenient and secure banking solutions backed by the latest technology, we recently launched EI 2.0, our enhanced Mobile Banking App. The upgraded App comes with a Digital Wealth feature allowing customers to trade in Shariah-compliant stocks both locally and globally. At the SME level, adoption of our digital channels continued to accelerate with business banking customers making 97% of all payments via businessONLINE, our online banking platform for companies.
- At Emirates Islamic, we are constantly striving to improve customers' experience at every touchpoint with the Bank. We have launched a Customer Care Portal on our website, helping customers find easy answers to their queries.
- We have seen growth across all our operating segments, including Consumer, Business and Corporate banking segments. Additionally, the bank's Sukuk book size reached a record AED 10 billion, marking both the highest absolute value and the highest percentage of Total Assets to date.

- At Emirates Islamic, we believe in nurturing and growing local talent and have achieved a strong Emiratisation ratio of 36%. Further, we saw an increase in women in leadership positions to 23%, aligned to our growing commitment to Diversity and Inclusion.

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**About Emirates Islamic:**

Emirates Islamic (DFM: EIB), part of Emirates NBD Group, is a leading Islamic financial institution 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'ah-compliant products and services across the Personal, Business and Corporate banking spectrum with a network of 42 branches and 211 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. In 2023, Emirates Islamic was awarded the 'Most Innovative Sukuk' award at The Banker Islamic Banking Awards for its AED 1 billion dirham-denominated sukuk, the first such dirham sukuk issuance by a UAE bank. The bank also won 'Best Islamic Real Estate Deal' at the prestigious Euromoney Islamic Finance Awards 2023 for facilitating a real estate financing deal for a leading Dubai-based conglomerate.

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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