

## Emirates Islamic reports record profit of AED 811 million for Q1 2024

Dubai, 25 April 2024

Emirates Islamic profit surged to a record AED 811 million in the first quarter of 2024, up 35% year-on-year. This remarkable financial success was underpinned by a robust 19% growth in total income, propelled by higher funded and non-funded income streams, which serves as a testament to the Bank's strengthened business sentiment and strategic financial management. Furthermore, the noteworthy 28% increase in operating profit not only underscores the Bank's operational efficiency but also mirrors the positive economic outlook within the buoyant regional economy.

<b>Total Income</b> AED 1.346 billion ↑ 19% y-o-y	<b>Expenses</b> AED 382 million ↑ 1% y-o-y	<b>Provisions</b> AED 68 million ↓ 56% y-o-y	<b>Net Profit</b> AED 811 million ↑ 35% y-o-y
<b>NFIM</b> 4.7%	<b>Cost: Income Ratio</b> 28.4%	<b>NPF Ratio</b> 5.8%	<b>CET-1 Ratio</b> 18.8%

### Key Highlights – Q1 2024

- **Strong operating performance on higher funded income and non-funded income**
  - **Total income** up 19% y-o-y driven by higher funded income and non funded income
  - **Operating expenses** increased by 1% y-o-y as the Bank invests for future growth. Cost to income ratio at 28.4%
  - **Impairment Allowances decreased** by 56% y-o-y
  - **Operating profit** showed an impressive growth of 28% y-o-y
  - **Net profit** increased to a record AED 811 million, up by 35% y-o-y
  - **Net profit margin** at 4.7%
  
- **Strong capital and liquidity combined with a healthy deposit mix enabled the Bank to continue supporting customers**
  - **Total assets** at AED 95.0 billion, increased 8% from end 2023
  - **Customer financing** at AED 57.0 billion, increased 6% from end 2023
  - **Customer deposits** at AED 66.7 billion, increased 9% from end 2023 with Current Account and Savings Account balances at 77% of total deposits
  - **Credit Quality:** Non-performing financing ratio improved to 5.8% with strong coverage ratio at 133%
  - **Capital:** Tier 1 ratio of 18.8% and 19.9% Capital adequacy ratio reflects Bank's strong capital position
  - **Headline Financing to Deposit ratio** at 85.5%, reflects continued healthy liquidity in the UAE



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

- We are very pleased to announce a strong performance by Emirates Islamic in the first quarter of 2024, with the Bank's net profit growing by 35% year-on-year to AED 811 million.
- The Bank's total income grew 19% compared to the first quarter of 2023, with customer deposits increasing by 9% from end 2023, with Current Account and Savings Account balances at 77% of total deposits.
- Our strong results are a reflection of our focus on providing innovative financial solutions to our customers while enhancing the overall customer experience.
- Emirates Islamic marks a significant milestone this year, celebrating 20 years of collective progress, affirming our position as one of the leading Shariah-compliant banks in the UAE. The Bank has made significant strides over the past two decades, across areas such as Emiratisation, diversity and inclusion, and sustainability, among others.
- As a prominent local Islamic bank, Emirates Islamic remains committed to contributing to the UAE's progress by spearheading innovations in the Islamic banking sector. The bank recently announced the successful conclusion of its debut USD 500 million syndicated Financing Facility. The landmark three-year term financing facility is the first of its kind raised by a Shariah-compliant financial institution.
- Demonstrating our long-term commitment to sustainability, Emirates Islamic signed a landmark ESG agreement with the Middle East's sustainability pioneer, BEEAH Group, for an ESG linked financing facility. As one of the leading Islamic banks in the region, this partnership reflects our commitment to continue offering customers alternative financing through innovative and carefully crafted Shariah-compliant financing solutions.
- Further, solidifying our position as a socially responsible entity and bolstering UAE's humanitarian profile, Emirates Islamic contributed AED 5 million in support of the Mothers' Endowment campaign, launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to honour mothers by establishing a AED 1 billion endowment fund that will support the education of millions of individuals around the world.



**Farid AlMulla, Chief Executive Officer, Emirates Islamic** said:

- Emirates Islamic has delivered record profitable growth in the first quarter of 2024, with total assets increasing by 8% to AED 95 billion. Strong capital and liquidity, combined with a healthy deposit mix, enabled the Bank to continue supporting customers. Further, operating profit showed an impressive growth of 28% year-on-year, underlying the success of Emirates Islamic's strategy.
- This year, Emirates Islamic proudly celebrates 20 years since our inception in the UAE. The Bank's commitment to innovation and digital excellence remains unwavering and Emirates Islamic continues to invest strategically in technology. Recognised as one of the UAE's leading Islamic banks, Emirates Islamic plays a crucial role in the country's progress. We are dedicated to pioneering Shariah-compliant products and services, in order to service the growing demand for ethical banking solutions.

- Emirates Islamic continues to be at the forefront of driving digital banking innovation in the Islamic financial services sector, providing our customers with best-in-class solutions through our digital banking channels. Earlier this year, in line with our digital-first approach, Emirates Islamic launched a Shariah-compliant digital wealth and equity trading platform on our EI + mobile banking App, becoming the first Islamic bank in the UAE to offer this feature to customers.
- In line with our vision to be the most innovative Shariah-compliant bank for our customers, people, and communities, Emirates Islamic became the first Islamic bank to sign a Shariah-compliant agreement with The Arab Investment and Export Credit Guarantee Corporation (Dhahran) to facilitate trade and foreign capital inflows within the Pan-Arab region.
- Staying true to our commitment to serve those in need, Emirates Islamic continued to carry out community initiatives through the holy month of Ramadan. In a partnership with Careem, the Bank facilitated deserving Captains to perform Umrah by covering their travel expenses, reflecting our core values of generosity and community support. Further, Emirates Islamic lent its support to Awqaf Dubai on the Sand banking card, designed to provide financial support to deserving members of the UAE community and organised a Ramadan food distribution drive in association with Tarahum Charity Foundation.

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#### **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 40 branches and 219 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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