

**For immediate release**

## Emirates Islamic's net profit grows to AED 823 million for FY 2021

Dubai, 26 January 2022

Emirates Islamic's net profit jumped to AED 823 million for 2021 on higher non-funded income and a significant reduction in the cost of risk reflecting the strong economic recovery.

<b>Total Income</b> AED 2,398 million ↑ 15% y-o-y	<b>Expenses</b> AED 1,191 million ↑ 10% y-o-y	<b>Provisions</b> AED 384 million ↓ 74% y-o-y	<b>Net Profit</b> AED 823 million ↑ 271% y-o-y
<b>NFIM</b> 2.62 %	<b>Cost: Income Ratio</b> 49.7 %	<b>NPF Ratio</b> 8.2 %	<b>CET-1 Ratio</b> 18.6 %

### **Key Highlights – 2021**

- **Strong operating performance on higher non-funded income coupled with a reduction in cost of risk**
  - **Total income** up 15% y-o-y driven by higher non funded income
  - **Operating expenses increased** 10% y-o-y
  - **Impairment Allowances** reduced 74% y-o-y with a lower cost of risk at 91 bps
  - **Operating profit** improved 20% y-o-y
  - **Net profit** increased to AED 823 million
  - **Net profit margin** at 2.62%, following stable profit rates in 2021
  
- **Strong capital and liquidity combined with a healthy deposit mix enables the Bank to continue supporting customers**
  - **Total assets** remained robust at AED 65 billion, maintaining a strong asset base
  - **Customer financing** at AED 42.6 billion, increased 4% from 2020
  - **Customer deposits** at AED 47.3 billion, increased 1% from 2020 with CASA balances at 78% of total deposits
  - **Credit Quality:** Non-performing financing ratio improved to 8.2% with strong coverage ratio at 115%
  - **Capital:** Tier 1 ratio of 18.6% and 19.7% Capital adequacy ratio reflects Bank's strong capital position
  - **Headline Financing to Deposit ratio** at 90%, remaining within the management's target range



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

- We are delighted to announce a strong set of financial results with Emirates Islamic delivering a net profit of AED 823 million for 2021.
- Emirates Islamic maintained healthy liquidity and strong capital ratios, enabling the Bank to grow Customer Financing by 4% in line with improved economic activity.
- During 2021, one of Emirates Islamic's major achievements was the successful issuance of a US\$500 million 5-year Sukuk. This issue was well received by the global investment community, demonstrating strong investor confidence in our financials and growth outlook, as well as the favourable outlook for the UAE economy.
- We remain grateful to the leadership of our great nation for their ongoing swift and extraordinary response to the global pandemic.
- 2021 was a milestone year for the UAE as the nation proudly celebrated its golden jubilee and successfully, safely and responsibly welcomed the world to Expo 2020 Dubai. Emirates Islamic is proud to be the official Islamic banking partner of Expo 2020 Dubai and showcase the ethical values of Islamic Banking, the world's oldest and most relevant banking system.
- 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 Islamic economy.



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

- Emirates Islamic has again reaffirmed its position as a leading financial institution in the UAE as evidenced by our strong financial performance.
- The Bank improved its capital, liquidity and credit profile, enabling further Customer Financing growth. With an increase in business activity in 2021, we accelerated our sales momentum across our Retail, Business and Wholesale segments.
- The Bank's customer deposits grew 1% during 2021 to AED 47.3 billion, with current and saving account balances up by 9.4% improving the efficiency of the diversified funding base.
- A superior customer experience is at the heart of everything we do at Emirates Islamic. As Covid-19 continued to alter the way we live, work and bank, we further enhanced our digital solutions which helped increase customer adoption of digital banking. As the official Islamic banking partner of Expo 2020 Dubai, Emirates Islamic was proud to launch our limited-edition, free-for-life co-branded Mastercard World Credit Card with unique benefits to enhance the Expo experience for UAE residents.
- We continued to develop our local Emirati talent, empowering them to play a leading role in shaping the industry's future.
- We are proud of our Islamic heritage, and as part of our commitment to the society, we contributed over AED 51 million in 2021 through the Emirates Islamic Charity Fund for a range of humanitarian causes across the UAE. In order to support the UAE's mission to ensure a respectable life for all Emiratis and the

highest possible standard of social stability, Emirates Islamic co-operated with UAE's Non-performing Debt Relief Fund to waive debts of over AED 4 million for 84 disadvantaged UAE National customers.

### Key Highlights

- Issuance of a US\$500 million 5-year Sukuk from the Bank's US\$ 2.5 billion Certificate Issuance Programme.
- Launch of Emirates Islamic branch at Expo 2020 Dubai
- Launch of Emirates Islamic Expo 2020 Dubai Mastercard Credit Card
- Launch of digital account opening through tablets in branches
- The Bank was proud to win the following awards in 2021:
  - **'Best Credit Card'** award for Emarati Visa Signature credit card by International Finance magazine
  - **'Best Islamic Bank in Customer Experience, UAE'** – World Finance Islamic Finance Awards
  - **'Best Credit Card in the UAE'** award for Skywards Black Credit Card – World Finance Islamic Finance Awards
  - **'Best Digital Innovation in Islamic Banking – MEA Finance Banking Technology Summit & Awards**
  - **'Best Islamic Bank for SMEs'** – MEA Finance
  - **'Best Islamic Digital Banking Service'** – MEA Finance

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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 42 branches and 194 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. The bank was named 'Best Islamic Bank in Customer Experience, UAE, 2020' at the World Finance Islamic Finance Awards 2021 and received the 'Best Digital Innovation in Islamic Banking' award at MEA Finance Banking Technology Summit & Awards, in recognition of its commitment to service excellence and digitisation. It was awarded 'Best Credit Card in the UAE' for its Skywards Black Credit Card and also received the 'Best Credit Card' award for its Emarati Visa Signature credit card at the 2021 International Finance Awards.

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. Emirates Islamic is the Official Banking Partner to Expo 2020 Dubai.

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

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