

Investor Presentation FY 2024



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Executive Summary FY 24 Results

Key Highlights



Strong momentum with record Profit before tax AED 3.1 bn (↑ 46% y-o-y) driven by healthy profit margin and lower cost of risk



Total income up 13% y-o-y propelled by superior level of both funded and non-funded income, underlining the Bank's consistent growth trajectory



Deposits grew by AED 15.5 bn in 2024 (↑ 25% y-o-y) supported by higher Wakala & CASA. CASA represents 70% of total Deposit.



Record AED 17 bn Financing growth in 2024 with Corporate financing enhancing ESG funding and higher volumes for Retail



Total assets at AED 111 billion; Solid balance sheet, Strong capital and liquidity position, combined with healthy deposit mix and strong operating profit remains our core strengths

Key Metrics

Net Profit

AED 2.8 bn

+32%

Income

AED 5.4 bn

+13%

NPM

4.3%

Cost to Income Ratio

30.7%

Headline Ratio

91.8%

CAR

19.1%

CET 1

18.0%

NPF Cover

142.3%

NPF Ratio

4.4%

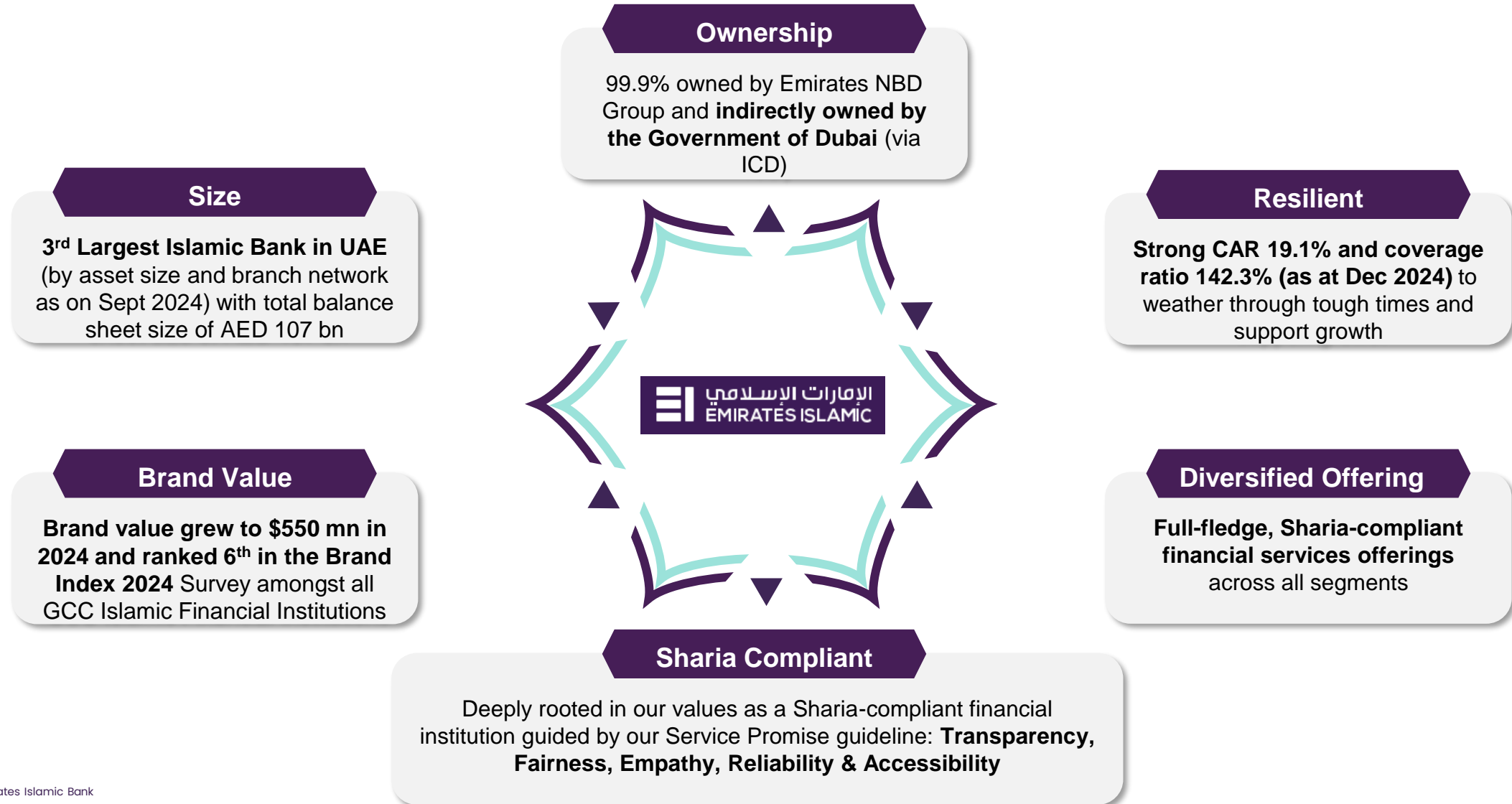
CASA to Total Customer Deposit

70.0%

Financing Growth

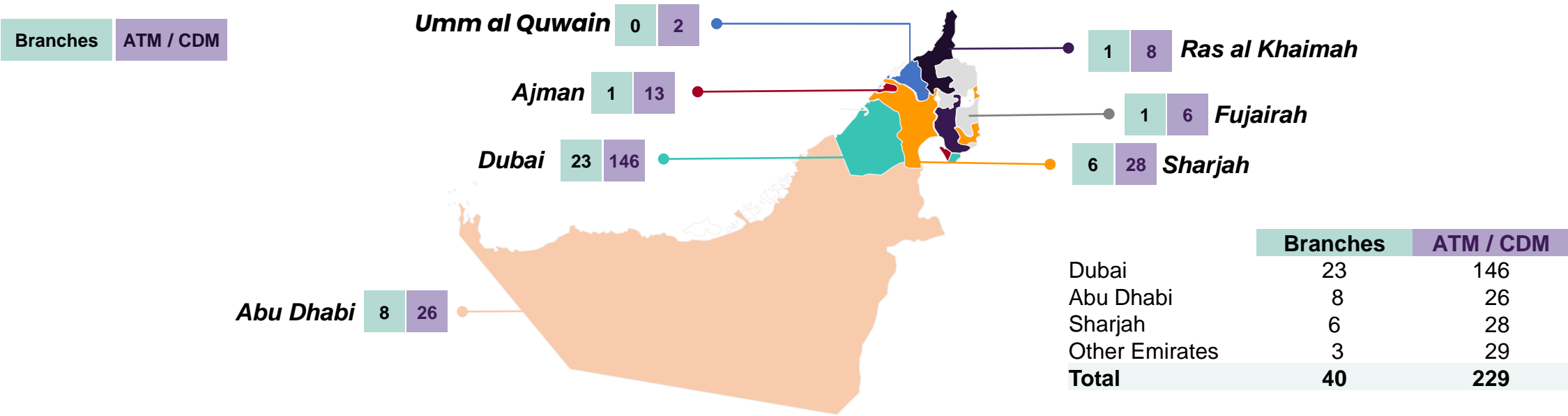
31.1%

EI, a young growing Islamic Bank



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

Optimised Branch and Alternative Channel Footprint across UAE



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

<div>As at March 2024 (Affirmed)</div> <div>FitchRatings</div>	Long Term	Short Term	Outlook
	A+	F1	Stable

EI is one of the largest Islamic banks in UAE

9M 2024

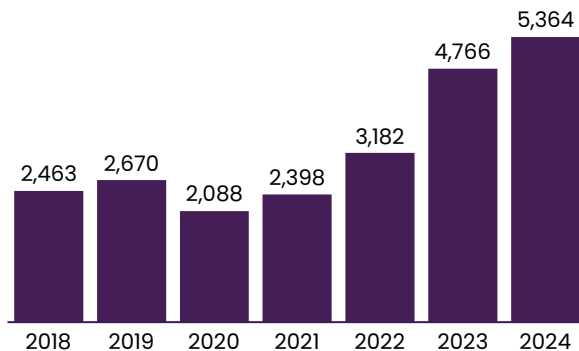


Note: Balance sheet numbers are at end of period

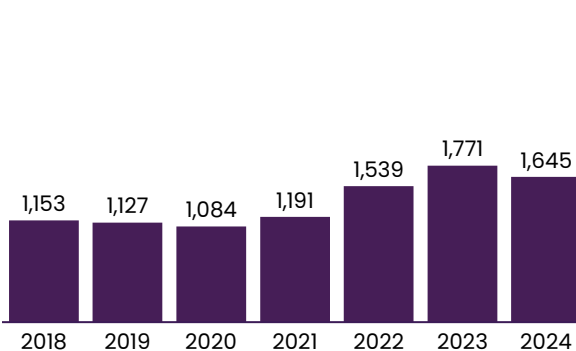
P&L and Balance Sheet Trend

Revenues and Cost (AED mn)

Revenues

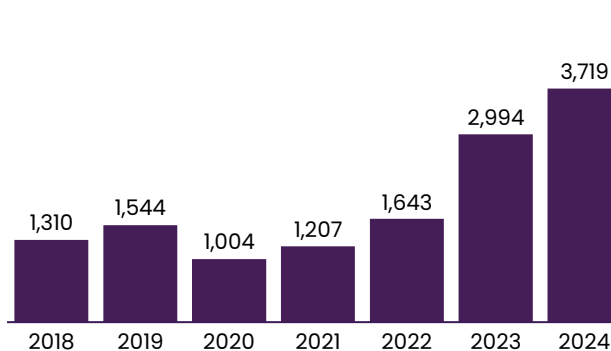


Costs

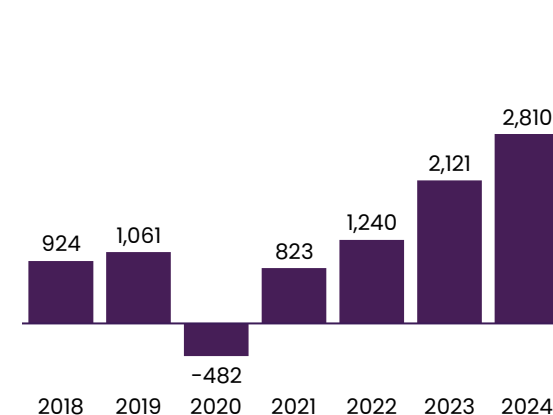


Profits (AED mn)

Pre-Impairment Operating Profit

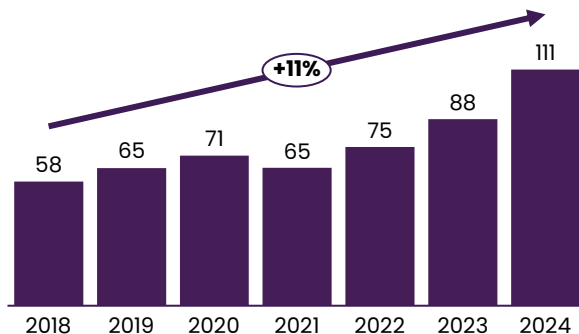


Net Profit

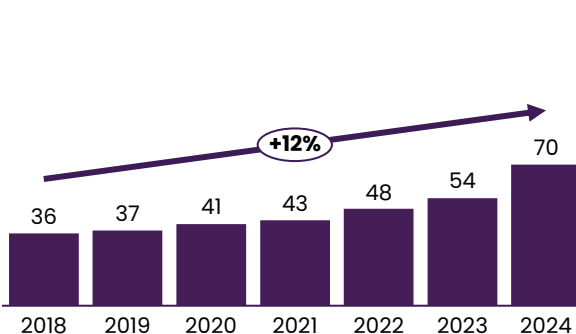


Asset and Financing (AED bn)

Assets

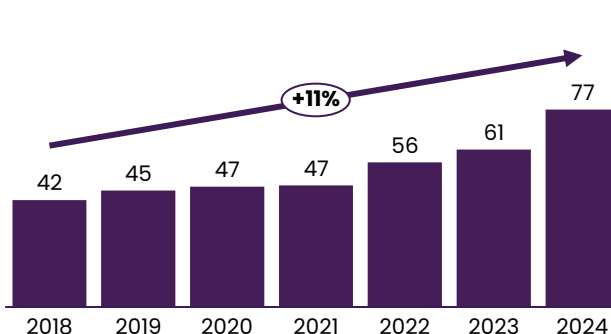


Financing Receivables (Net)

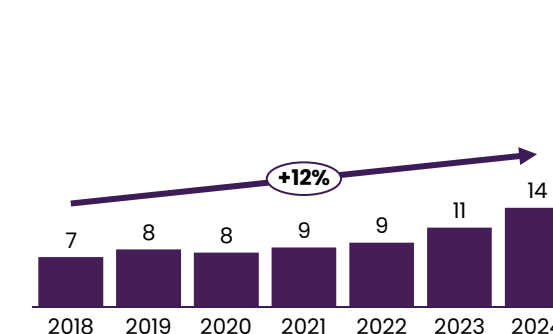


Customer Accounts and Equity (AED bn)

Customer Accounts



Equity



Source: Financial Statements

YTD 2024 Financials – Profit rise 32% YoY to record AED 2.8 bn backed by strong growth trajectory and healthy recoveries

Income Statement

	FY24	FY23	%Δ YoY
<i>(All figures are in AED mn)</i>			
Net Funded income	4,230	3,714	14%
Non-funded income	1,134	1,052	8%
Total income	5,364	4,766	13%
Operating expenses	(1,645)	(1,771)	7%
Pre-impairment operating profit	3,719	2,994	24%
Impairment allowances	(631)	(873)	28%
Taxation Charge	(278)	-	-100%
Net Profit for the Period	2,810	2,121	32%
Cost: income ratio	30.7%	37.2%	-
Net Funded Income Margin	4.3%	4.7%	-

Balance Sheet

	31-Dec-24	31-Dec-23	%Δ
<i>(All figures are in AED bn)</i>			
Total assets	111.1	87.8	26.6%
Financing Receivables, net	70.5	53.7	31.1%
Customers' Accounts	76.8	61.3	25.2%
Headline ratio (%)	91.8%	87.7%	-
NPF ratio (%)	4.4%	6.3%	-

Key Highlights

- Net Profit sharply increased to **AED 2,810 mn, higher by 32%** compared to same period last year reflecting strong operating performance and healthy recoveries
- Total income **up 13%** compared to same period last year
 - Funded income **higher by 14%** due to improved financing and deposits mix, higher volumes partially offset by higher cost of funding
 - Non-Funded Income **higher by 8%** mainly due to higher transaction volumes & derivatives income
- Expenses **lower by 7%** compared to same period last year
- Impairment Allowance at AED 631 mn, **lower by 28% y-o-y**, reflects strong recoveries and robust operating environment
- Financing Receivables at **AED 70.5 bn, increased 31%** compared to end of 2023 resulting in strong growth momentum in Corporate and Retail financing
- Customer deposits at **AED 76.8 bn, increased 25%** compared to end of 2023 with CASA balances at 70% of total deposits
- Total Assets at record-high **AED 111 bn**

Q-o-Q Financials – Total Income higher by 4%

Income Statement

	Q4 24	Q4 23	%Δ YoY	Q3 24	%Δ QoQ
<i>(All figures are in AED mn)</i>					
Net Funded income	1,026	999	3%	1,097	-6%
Non-funded income	255	234	9%	289	-11%
Total income	1,281	1,233	4%	1,385	-7%
Operating expenses	(445)	(435)	-2%	(424)	-5%
Pre-impairment operating profit	836	798	5%	962	-13%
Impairment allowances	(494)	(324)	-52%	(52)	-853%
Taxation Charge	(31)	-	-100%	(75)	59%
Net Profit for the Period	311	474	-34%	835	-63%
Cost: income ratio	34.7%	35.3%		30.6%	
Net Funded Income Margin	3.8%	4.6%		4.4%	

Balance Sheet

(All figures are in AED bn)

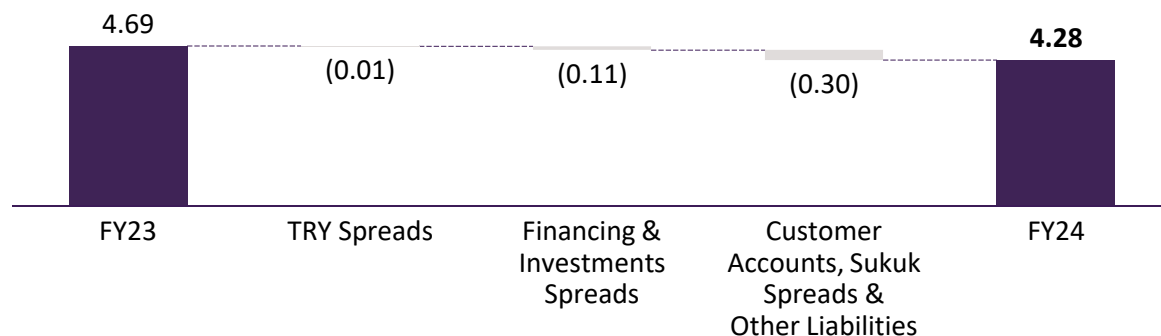
	31-Dec-24	31-Dec-23	%Δ	30-Sep-24	%Δ
Total assets	111.1	87.8	26.6%	106.6	4.2%
Financing Receivables, net	70.5	53.7	31.1%	66.5	6.0%
Customers' Accounts	76.8	61.3	25.2%	74.2	3.5%
Headline ratio (%)	91.8%	87.7%	-	89.6%	-
NPF ratio (%)	4.4%	6.3%	-	4.9%	-

Key Highlights

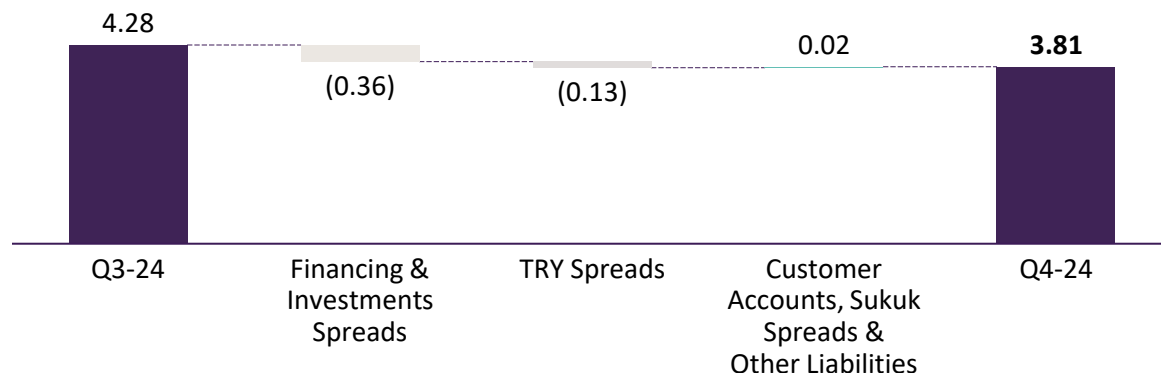
- Net Profit for Q4'24 at **AED 311 mn, lower by 34%** compared to same period last year
- Total income **up 4%** compared to same period last year
 - Funded income **higher by 3%** mainly due to improved financing and deposits mix, higher volumes partially offset by higher cost of funding
 - Non-Funded Income **higher by 9%** mainly due to higher transaction volumes & derivative income
- Expenses higher by 2% compared to same period last year.
- Impairment Allowance at AED 494 mn, higher by 52% y-o-y

Net Funded Income Margin – CASA growth and favorable financing deposit mix offsetting higher cost of funding

NPM Drivers YTD(%)



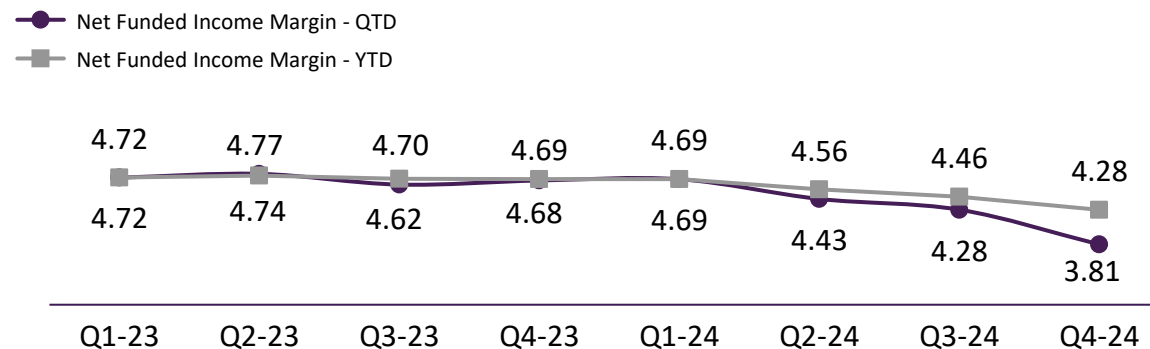
NPM Drivers Q4-24 vs Q3-24 (%)



Key Highlights

- Net funded income margin for 2024 at **4.28%**, **decreased by 41 bps** compared to last year. The decrease is primarily on account of higher cost of funding, lower margin from financing partially offset by higher margin on bank placements and investment portfolio
- Net funded income margin for Q4'24 at **3.81%**, **decreased by 47 bps q-o-q** primarily on account of lower margin on customer financing, bank placements and CDs; partially offset by higher margins on investment portfolio and lower cost of funding and lower cost of deposits

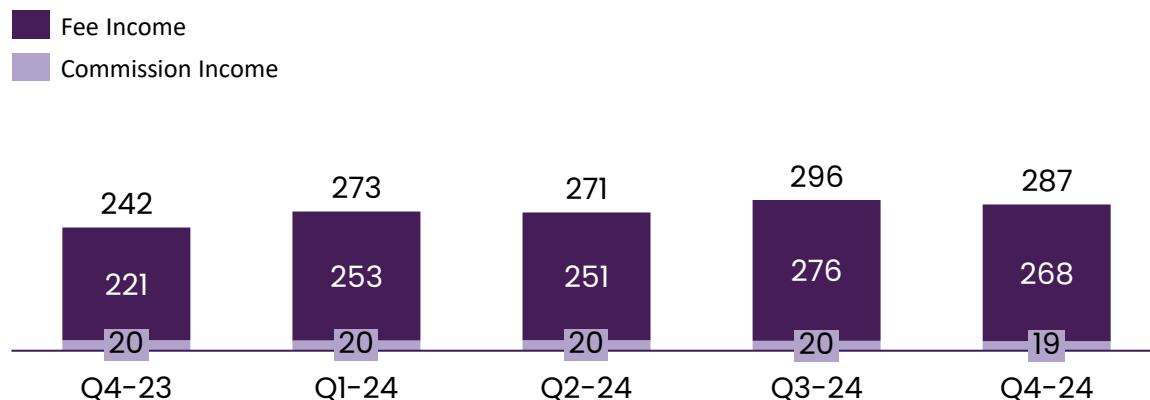
Net Profit Margin (%)



Non-Funded Income – strong transaction volumes driving fee & commission income growth

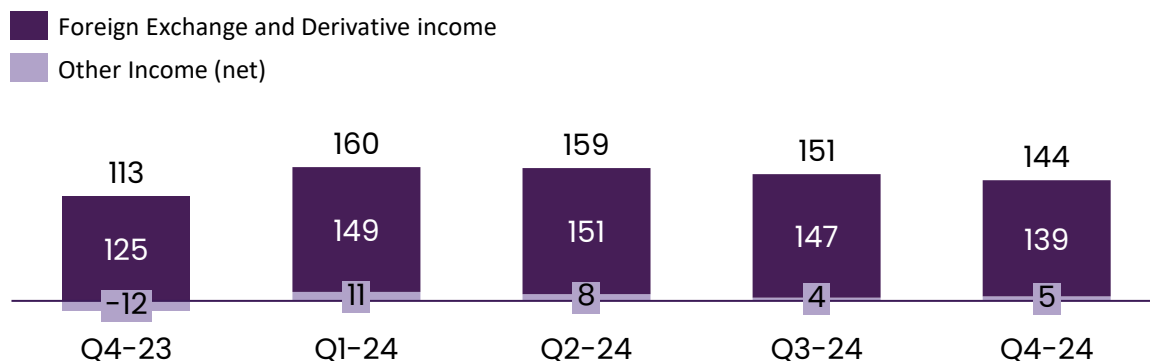
Gross Fee and Commission Income

(All figures are in AED mn)



Other Operating Income

(All figures are in AED mn)



Key Highlights

Non-Funded Income for 2024 **increased by 8% y-o-y**

- Healthy trend in Fee and Commission income for 2024, higher 20% y-o-y supported by growth trajectory
- Other operating income for 2024 increased by 8% y-o-y

Non-funded Income

(All figures are in AED mn)

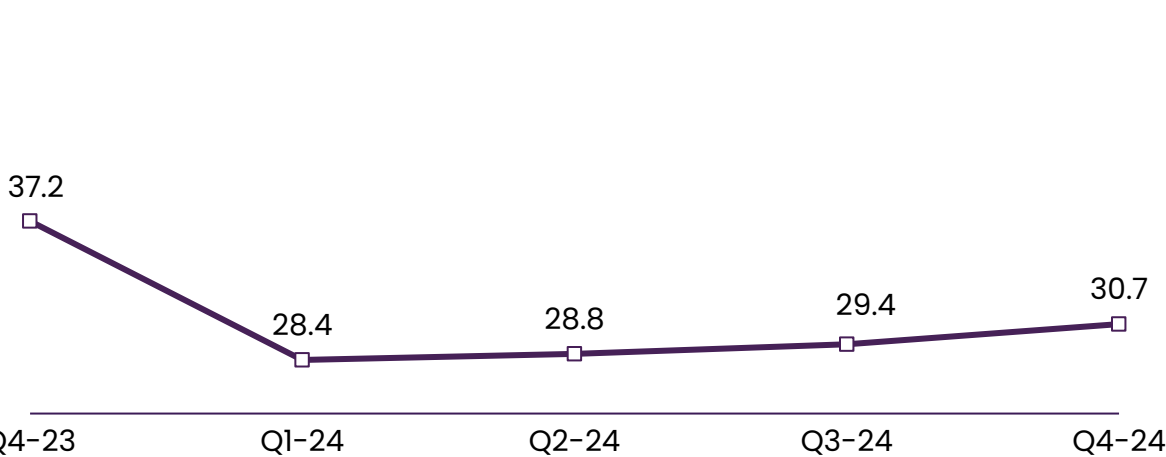
	FY24	FY23	%Δ YoY
Fee and Commission income	1,127	937	20%
Fee and Commission expense	(606)	(455)	-33%
Net Fee and Commission Income	521	482	8%
Other operating income	613	569	8%
Total Non-funded income	1,134	1,052	8%

Costs firmly controlled with focus on future growth

Key Highlights

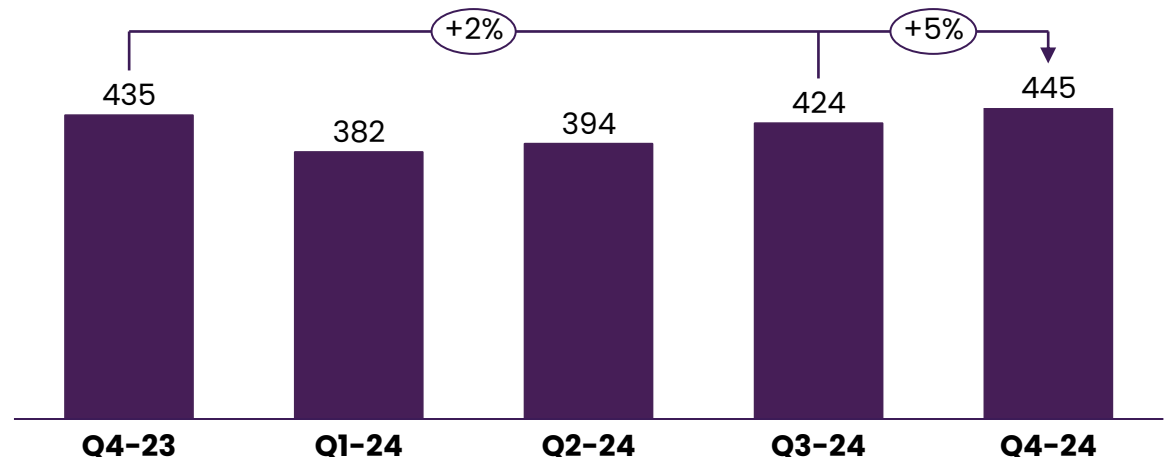
- Cost to Income ratio at **30.7%** for 2024, improved by 6.5% compared to same period last year as a result of-
 - Increase in total income by 13%
 - Decrease in total cost by 7%

Cost to Income Ratio (%), YTD



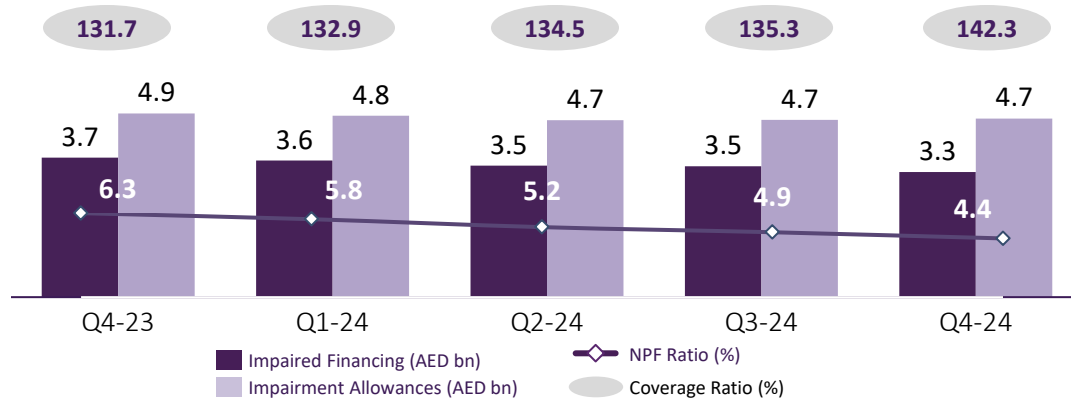
Operating Costs Trends

(All figures are in AED mn)



Credit Quality improving with market leading ratio

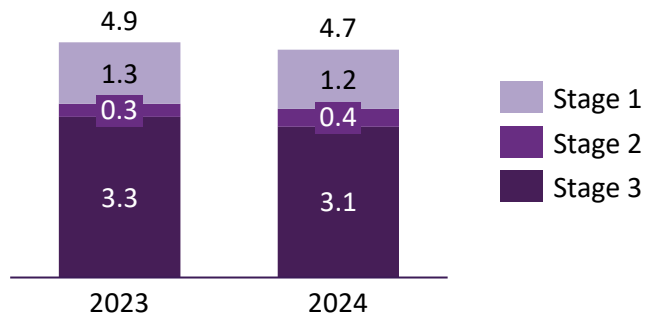
Impaired Financing and allowances



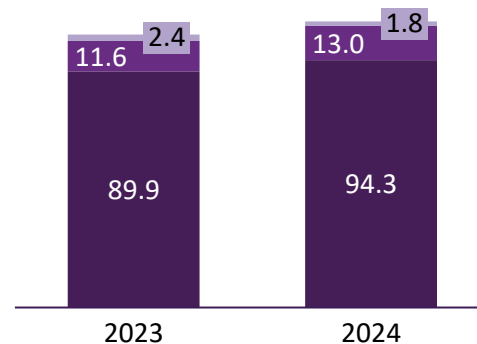
Key Highlights

- Non-Performing Financing (NPF) ratio decreased to 4.4% from 6.3% at end of 2023
- Coverage ratio at 142.3% increased from 131.7% at end of 2023
- The Impairment allowance of AED 4.7 B includes AED 3.1 B (66%) of specific provisions and AED 1.6 B (34%) of ECL provisions
- Stage 1 and stage 2 Expected Credit Loss (ECL) represents 2.2% of total Credit Risk Weighted Assets (CRWA) at the end of Q4'24 (Dec-23 : 2.7%)

ECL Allowances (AED bn)



ECL to Financing Coverage %



Total Gross Financing

FY-23 | AED 58.6 bn

Stage 1 **89.7%**
Stage 2 **4.0%**
Stage 3 **6.3%**

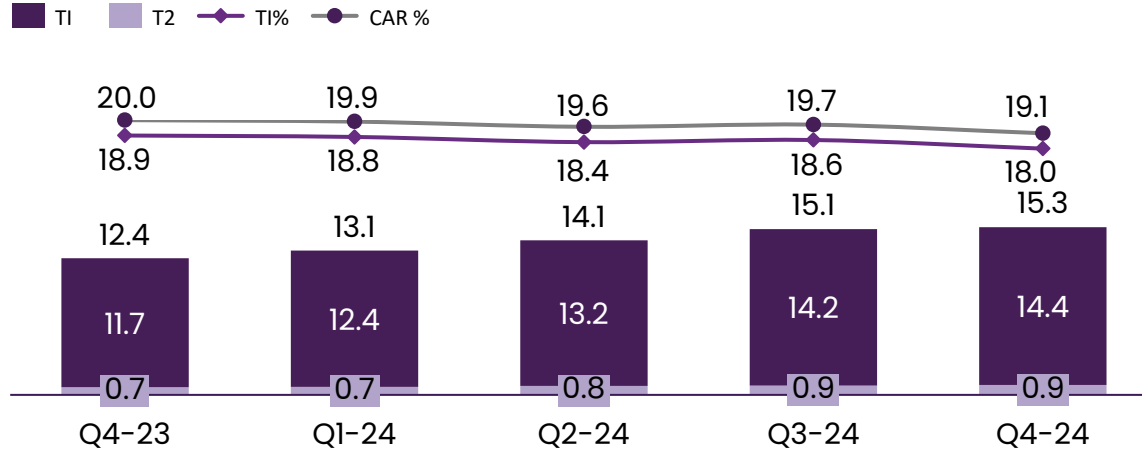


FY-24 | AED 75.2 bn

Stage 1 **91.9%**
Stage 2 **3.7%**
Stage 3 **4.4%**

Capital ratio exceptionally strong at 19.1%

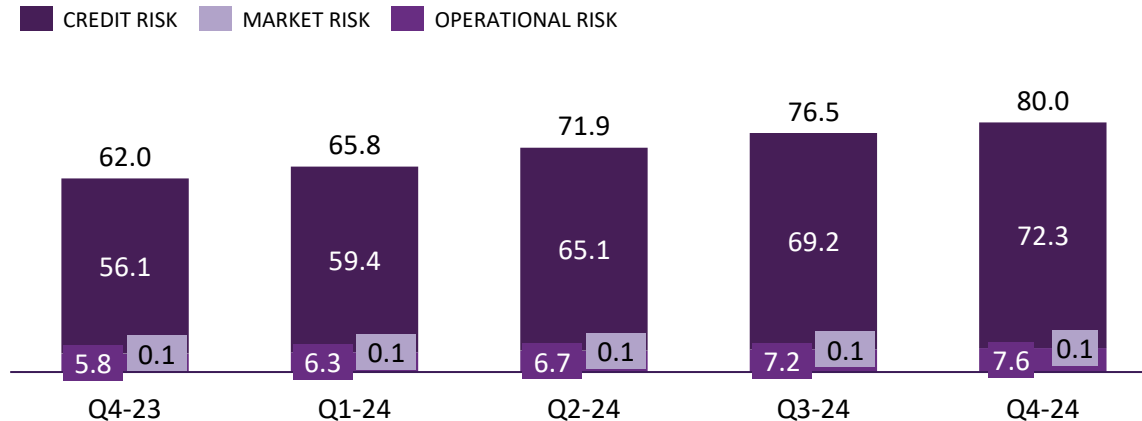
Capitalisation *(All figures are in AED bn)*



Key Highlights

- **CAR at 19.1%** in Q4'24 decreased from 20.0% at the end of 2023, mainly due to higher capital charge on account of strong Retail and Corporate Financing growth coupled with higher Investment portfolio
- Tier I ratio at 18.0% in 2024 decreased from 18.9% at end of 2023
- Capital ratios well above CBUAE minimum requirement

Risk Weighted Assets – Basel II (AED bn)



Capital Movements (as per Basel III)

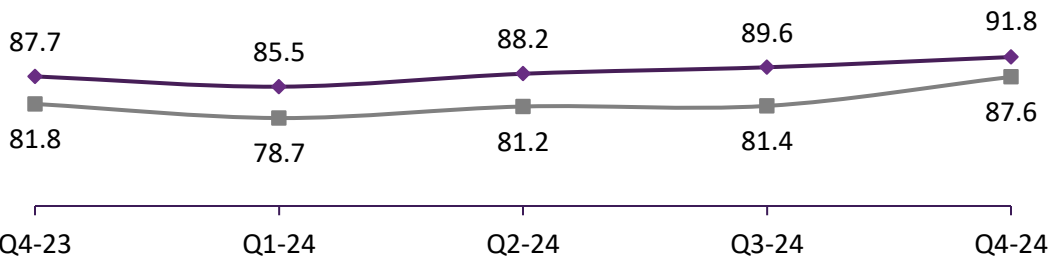
(All figures are in AED mn)

	Tier-1	Tier-2	Total
Capital as at 31 December 2023	11,726	701	12,427
Net Retained Earnings- Profit & Appropriation	2,493	-	2,493
ECL add-back	(196)	-	(196)
General Provisions	-	203	203
Others	335	-	335
Capital as at 31 December 2024	14,358	904	15,262

Funding and Liquidity remains very healthy

Headline Ratio (%)

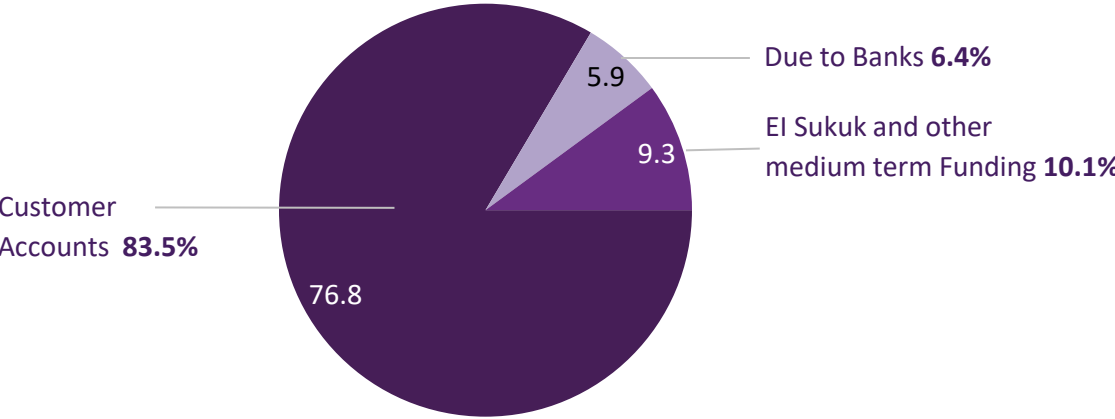
◆ FD Ratio (%) - Headline
■ ASRR Ratio (%) - Reg.



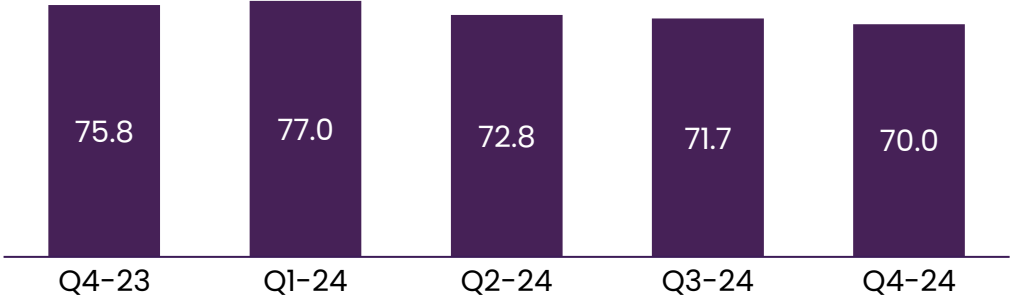
Key Highlights

- Financing to Deposits ratio remains healthy at **91.8%**
- EI Sukuk and other medium-term funding represent **10.1%** of total borrowings
- CASA to Total Customer Deposits ratio at end of 2024 is **70.0%** (Dec'23 – 75.8%)

Composition of Liabilities / Sukuk Issued (AED bn, %)



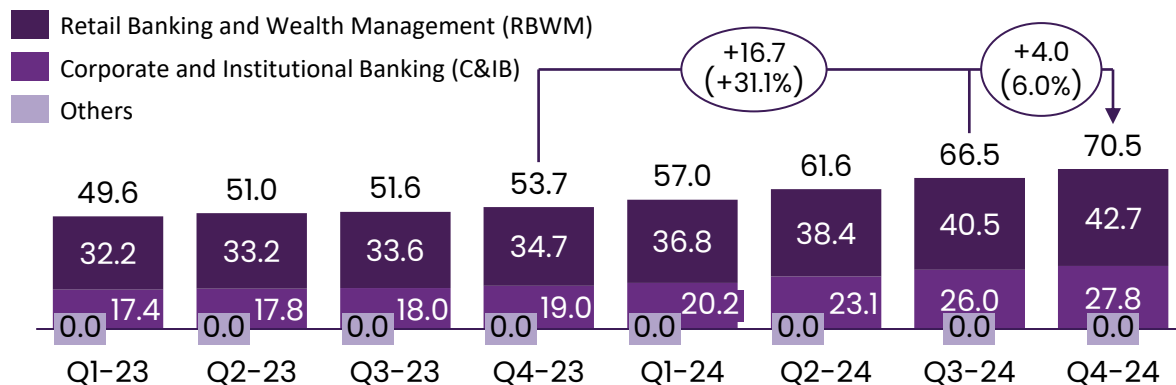
CASA to Deposit Ratio (%)



Financing and Customer Deposits reflects strong growth momentum

Net Financing by Type

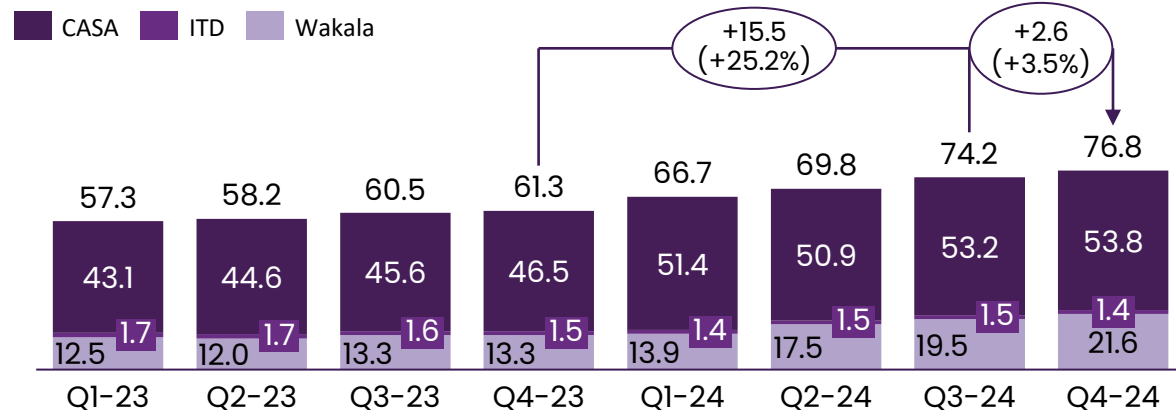
(All figures are in AED bn)



* Financing is Net off Deferred Income and impairment provisions

Customer Deposits by Type

(All figures are in AED bn)

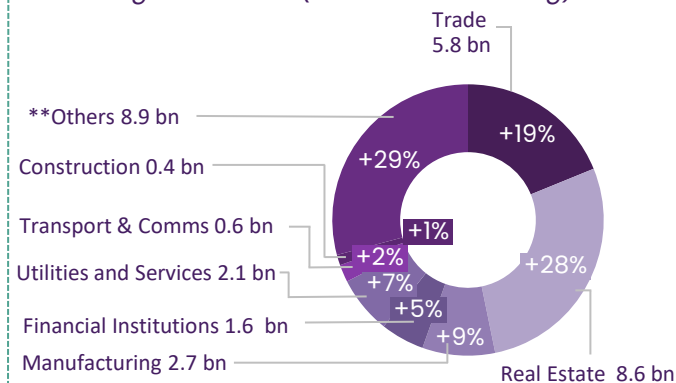


Key Highlights

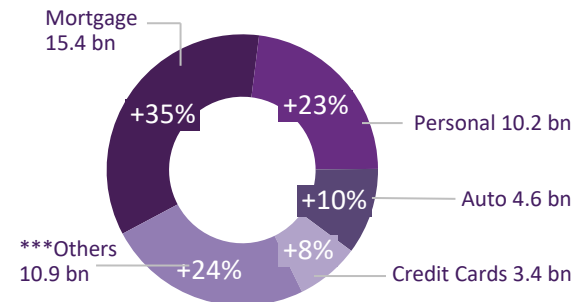
- Financing receivables **increased 31% y-o-y and 6% q-o-q**
 - Retail Banking and Wealth Management' financing receivable increased 23% y-o-y and 5% q-o-q with healthy demand across all products
 - Corporate and Institutional Banking' financing receivables increased 46% y-o-y and 7% q-o-q backed by growth in corporate financing portfolio
- Customer deposits **increased 25% y-o-y and 3% q-o-q**
 - Wakala increased 62% y-o and 10% q-o-q
 - CASA increased 16% y-o-y and 1% q-o-q
 - ITD decreased 5% y-o-y and 2% q-o-q

Gross Financing by Sector (AED bn, %)

Corporate and Institutional Banking
Financing AED 30.7 bn (41% of total financing)



Retail Banking and Wealth Management
Financing AED 44.5 bn (59% of total financing)



* Gross Financing net off Deferred Income

** Others under 'Corporate and Institutional Banking' includes Management of companies and enterprises and Sovereign

***Others under 'Retail Banking and Wealth Management' includes SME products held by retail customers

Divisional Performance

Operating Segment	Metrics	FY24	FY23	%Δ YoY
Retail Banking and Wealth Management	Income (mn)	3,399	2,973	14%
	Expense (mn)*	1,458	1,232	-18%
	Profit (mn)	1,457	864	69%
	Net Financing Receivable (bn)	43	35	23%
	Deposits (bn)	58	50	16%
Corporate and Institutional Banking	Income (mn)	1,031	831	24%
	Expense (mn)*	151	144	-5%
	Profit (mn)	683	561	22%
	Net Financing Receivable (bn)	28	19	46%
	Deposits (bn)	19	12	67%

Notes:
1.* '-' %' reflects increase in expenses

Key Highlights

Retail Banking and Wealth Management

- Total income **increased by 14% y-o-y**. Net Income of AED 3.40Bn in 2024 with 15% growth in Net funded income & 12% in Non-Funded income.
 - Funded income increased as a result of higher customer liabilities supported by highest growth in Islamic financing
 - Non-Funded Income increased mainly due to FX, credit card fees & wealth commission.
- Net Financing receivable **increased 23% y-o-y** mainly due to higher volumes on both retail and non-retail financing
- Strong growth recorded in Customer deposits, **increased 16% y-o-y** mainly due to CASA and Wakala portfolio

Corporate and Institutional Banking

- Total income **increased by 24% y-o-y** driven by improved economic activity leading to growth in Financing book & supported by increase in Non-Funded income
 - Funded Income increased backed up by portfolio growth and improved financing and deposits mix
 - Non-Funded Income increased primarily due to higher transaction volumes and derivative income
- Net Financing receivable **increased 46% y-o-y** through a successful execution of a focused strategy on asset growth including Sustainability-Linked / Sustainable assets
- Customer deposits **increased 67% y-o-y** mainly due to growth in CASA and Wakala portfolio

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