



# Investor Presentation

## H1 2024

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# Executive Summary H1 2024 Results

## Key Highlights



Strong momentum with AED 1.7 bn profit up 37% y-o-y in H1 2024, highest ever half-year profit



Total income up 15% 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 8.5 bn in H1 2024. Record half-year growth supported by higher portfolio in CASA & Wakala. CASA balances at 73% of total deposit.

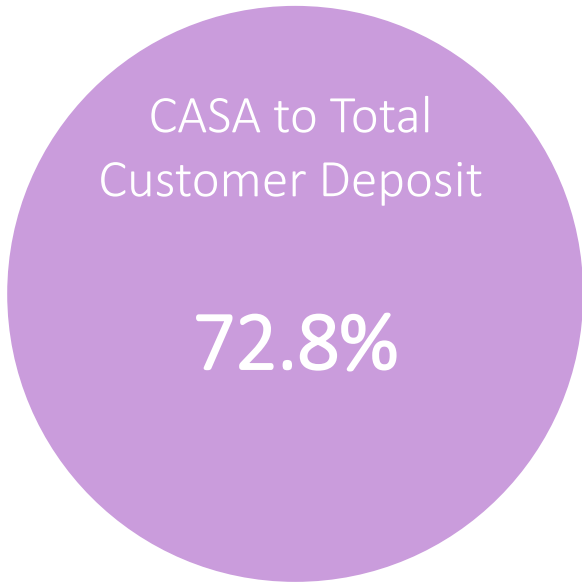
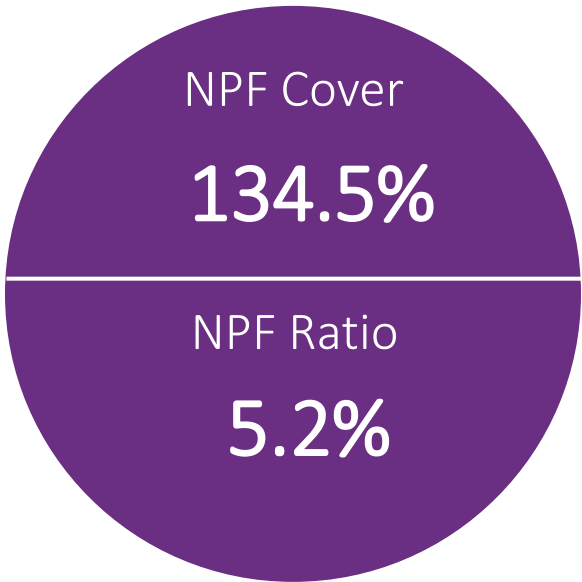
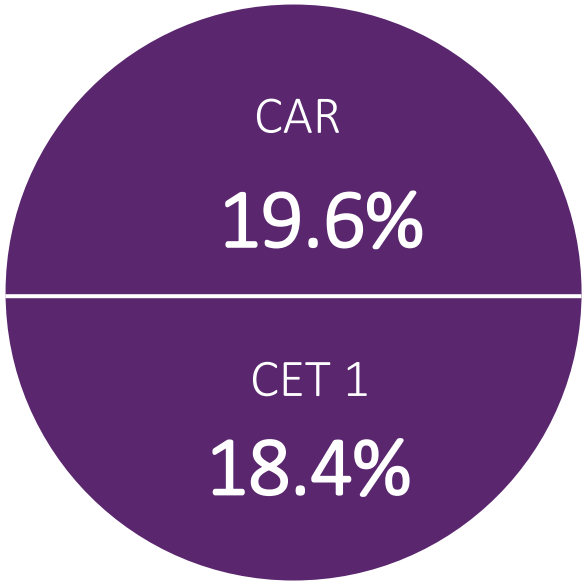
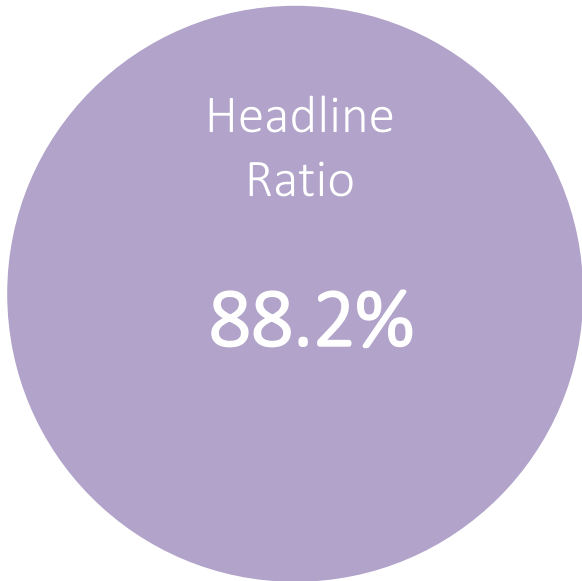
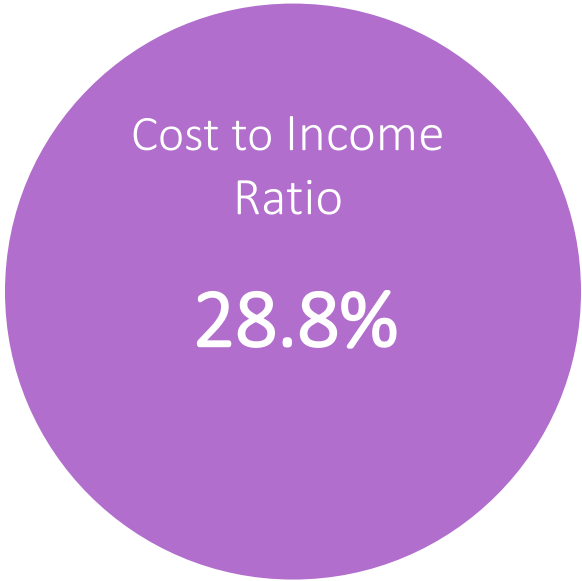
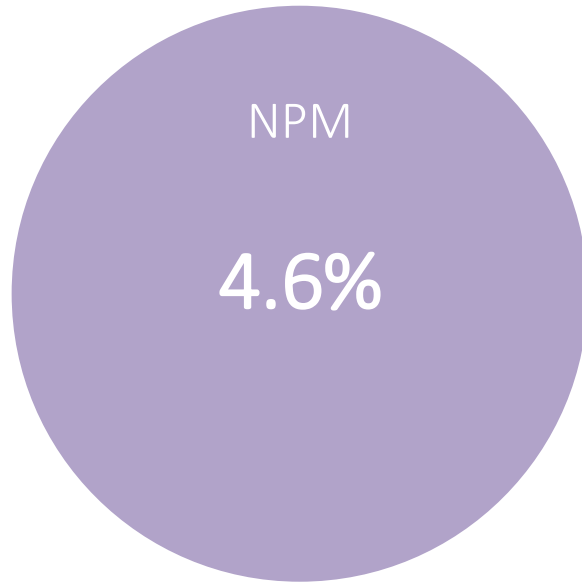


Record AED 8 bn Financing growth in H1 2024 with Corporate financing closing key deals and higher volumes for Retail disbursements

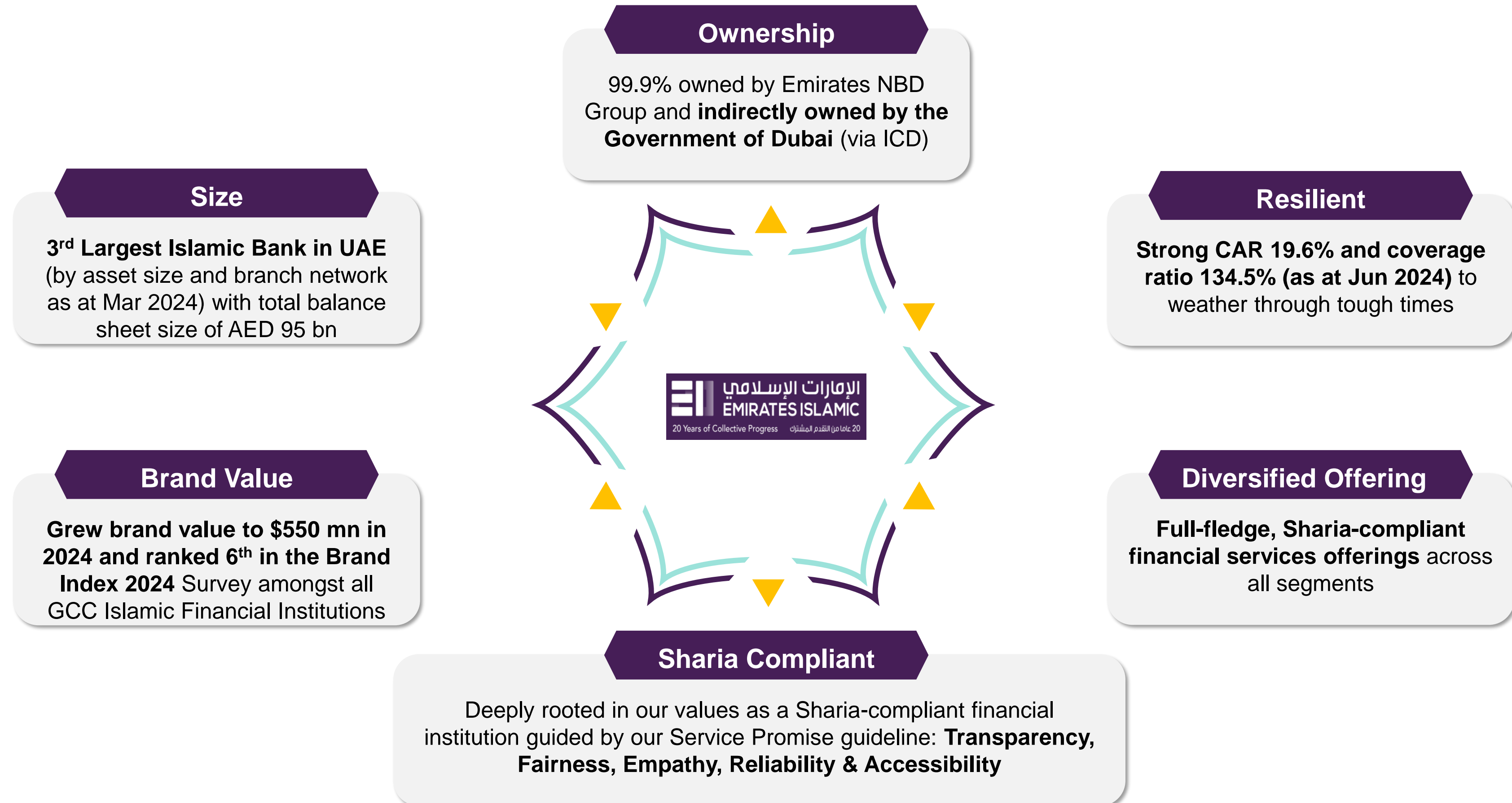


Total assets surpass AED 100 billion landmark; Solid balance sheet, Strong capital and liquidity position, combined with healthy deposit mix and strong operating profit remains our core strengths

## Key Metrics

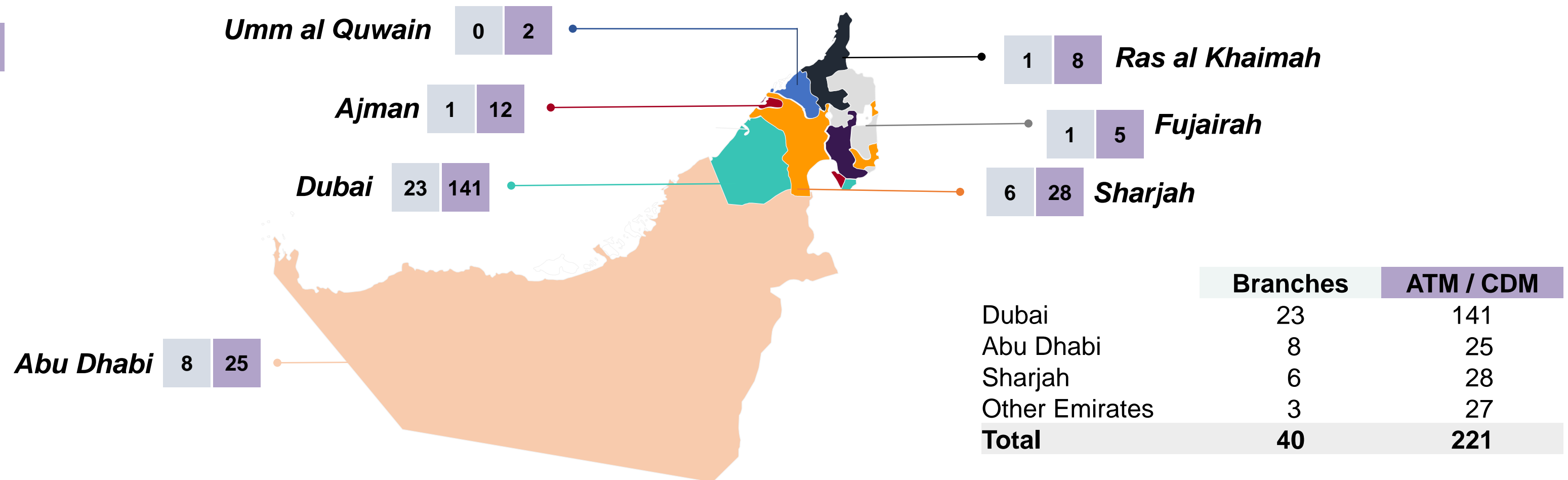


# EI, a young growing Islamic Bank



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

## Optimised Branch and Alternative Channel Footprint across UAE



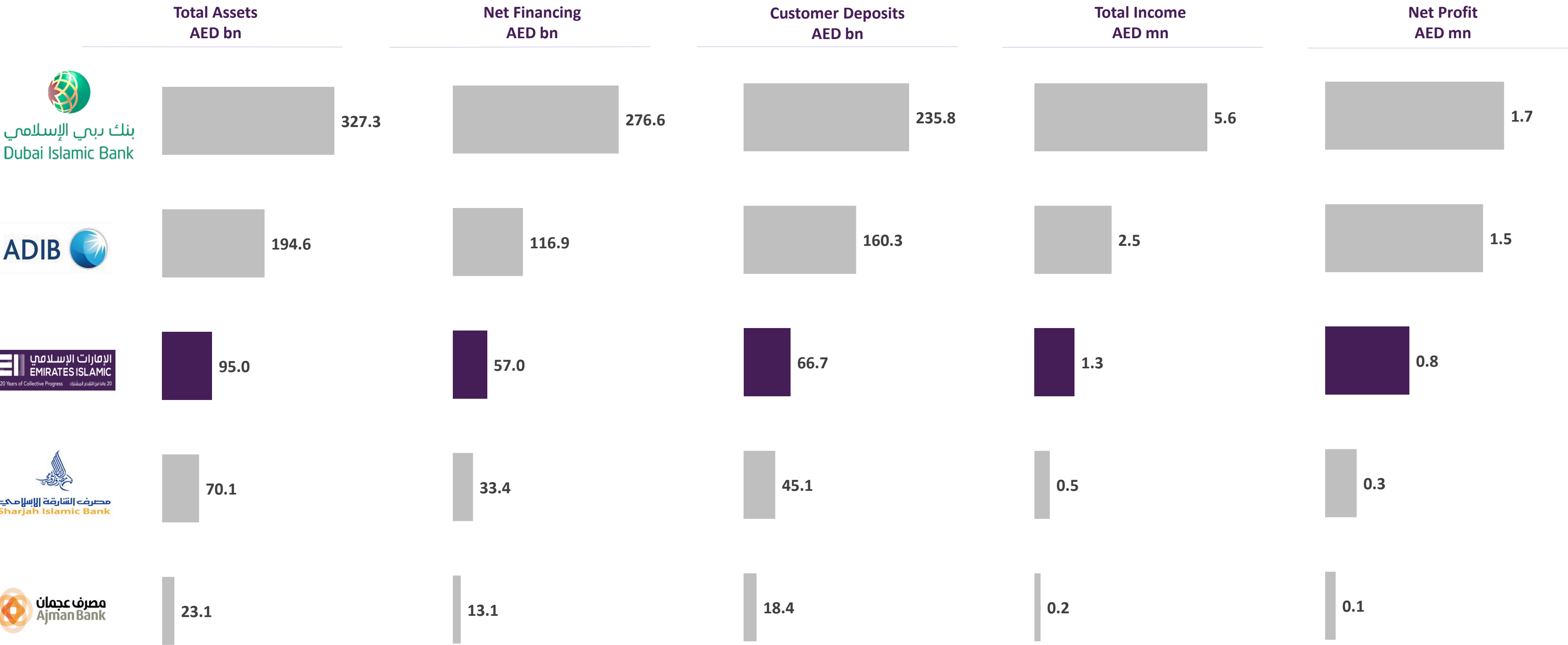
Superior Long Term and Short Term Credit Rating affirmed by Fitch since 2015

As at March 2024 (Affirmed)

	Long Term	Short Term	Outlook
<b>FitchRatings</b>	A+	F1	Stable

# EI is one of the largest Islamic banks in UAE

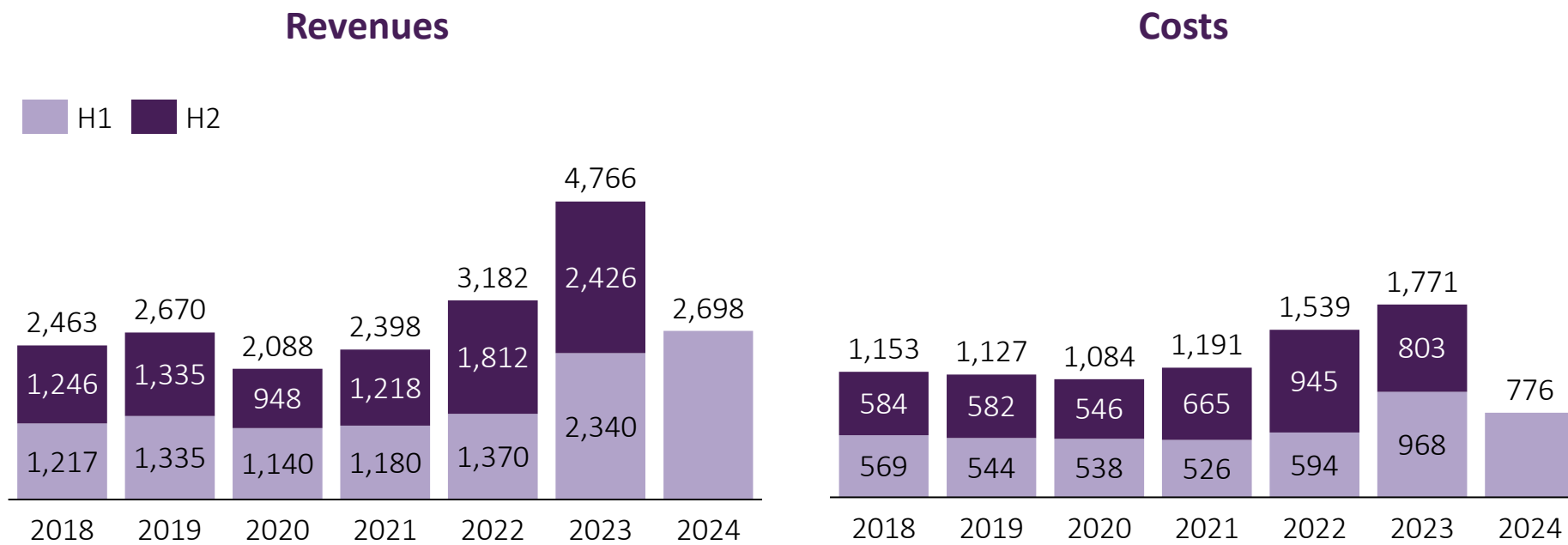
Q1 2024



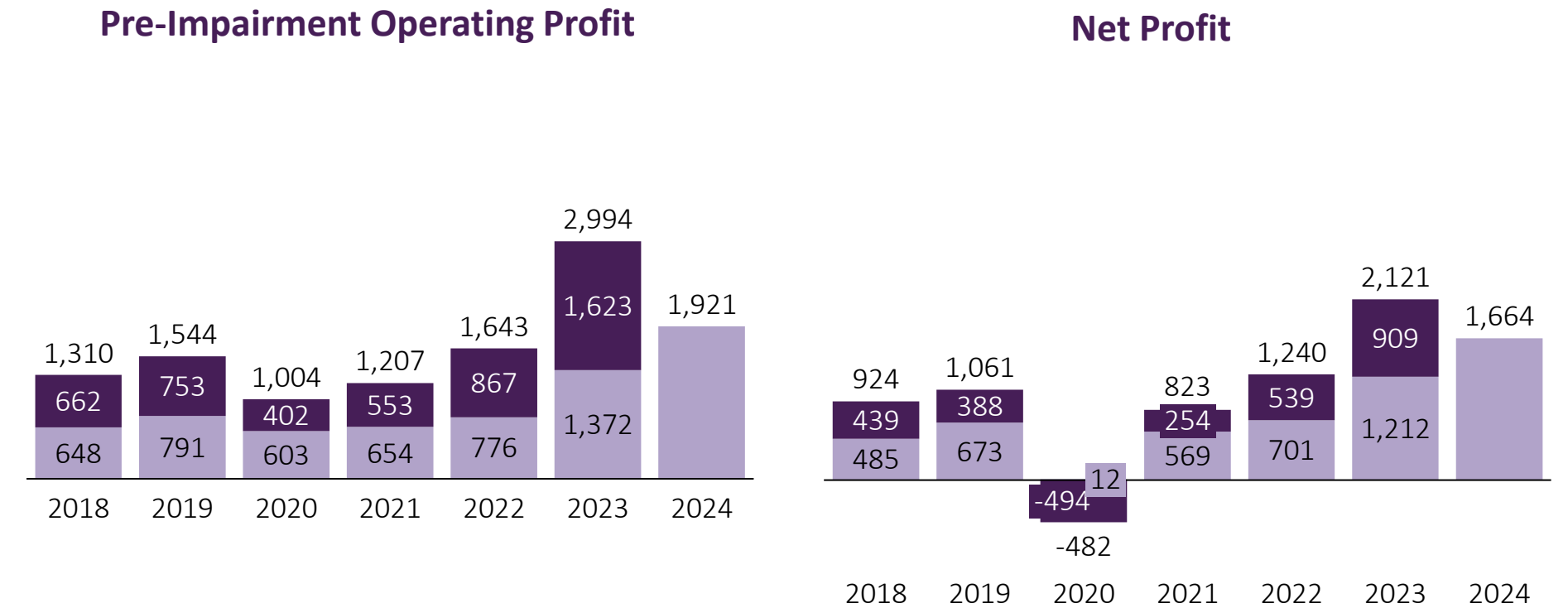
Note: Balance sheet numbers are at end of period

# P&L and Balance Sheet Trend

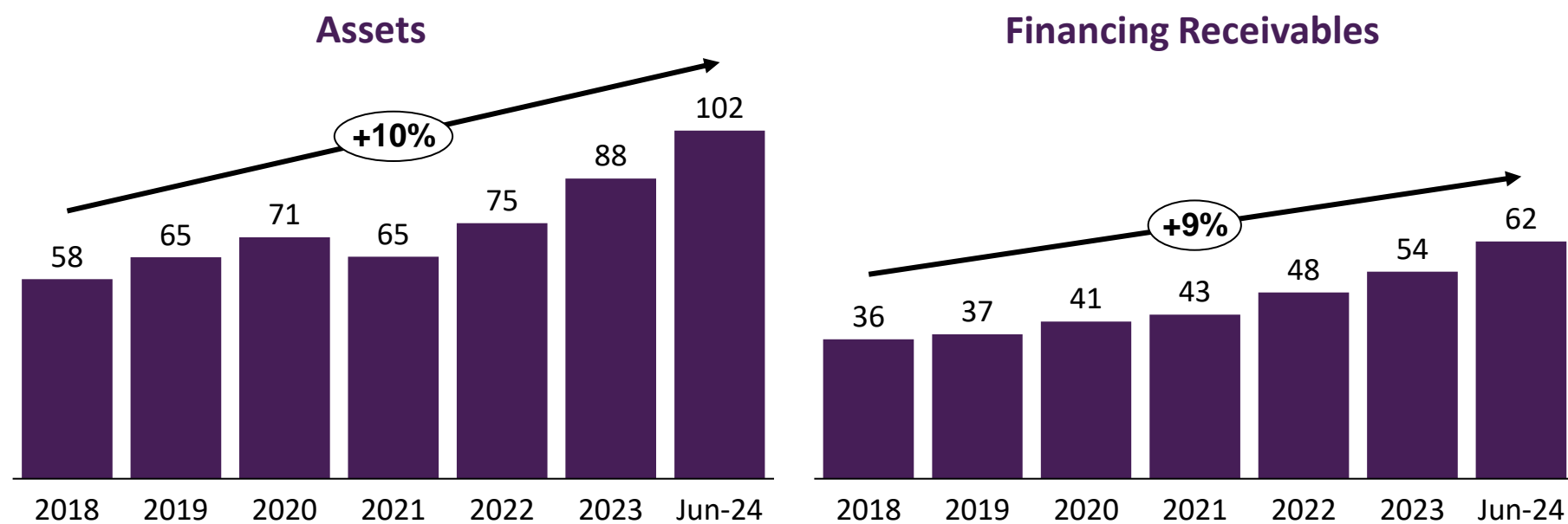
## Revenues and Costs (AED mn)



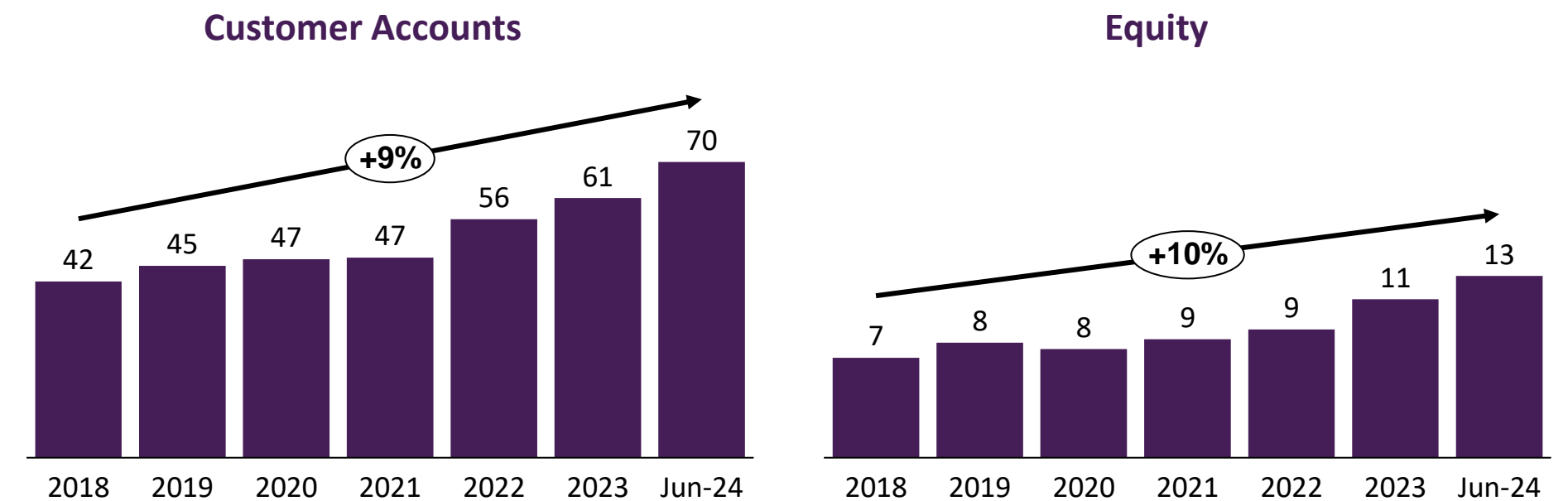
## Profits (AED mn)



## Assets and Financing (AED bn)



## Customer Accounts and Equity (AED bn)



# H1 2024 Financial Results Highlights — Profit rise 37% YoY to record AED 1.7 bn backed by strong growth trajectory and healthy recoveries

## Income Statement

	H1-2024	H1-2023	%Δ YoY	H2-2023	%Δ
<i>(All figures are in AED mn)</i>					
Net Funded income	2,107	1,774	19%	1,940	9%
Non-funded income	591	566	4%	485	22%
<b>Total income</b>	<b>2,698</b>	<b>2,340</b>	<b>15%</b>	<b>2,426</b>	<b>11%</b>
Operating expenses	(776)	(968)	20%	(803)	3%
<b>Pre-impairment operating profit</b>	<b>1,921</b>	<b>1,372</b>	<b>40%</b>	<b>1,623</b>	<b>18%</b>
Impairment allowances	(85)	(160)	46%	(713)	88%
Taxation Charge	(172)	-	-100%	-	-100%
<b>Net Profit for the Period</b>	<b>1,664</b>	<b>1,212</b>	<b>37%</b>	<b>909</b>	<b>83%</b>
Cost: income ratio	28.8%	41.4%	-	33.1%	-
Net Funded Income Margin	4.6%	4.7%	-	4.7%	-

## Balance Sheet

	30-Jun-24	30-Jun-23	%Δ YoY	31-Dec-23	%Δ
<i>(All figures are in AED bn)</i>					
Total assets	101.8	79.3	28.4%	87.8	16.0%
Financing Receivables, net	61.6	51.0	20.8%	53.7	14.6%
Customers' Accounts	69.8	58.2	19.9%	61.3	13.9%
Headline ratio (%)	88.2%	87.5%	-	87.7%	-
NPF ratio (%)	5.2%	7.2%	-	6.3%	-

## Key Highlights

- Net Profit sharply increased to **AED 1,664 mn, higher by 37%** compared to same period last year reflecting strong operating performance and healthy recoveries
- Total income **up 15%** compared to same period last year
  - Funded income **higher by 19%** due to improved financing and deposits mix, higher volumes partially offset by higher cost of funding
  - Non-Funded Income **higher by 4%** mainly due to higher transaction volumes & derivatives income
- Expenses **lower by 20%** compared to same period last year
- Impairment Allowance at AED 85 mn **lower by 46% y-o-y** reflects strong recoveries and robust operating environment
- Financing Receivables at **AED 61.6 bn, increased 15%** compared to end of 2023 resulting in strong growth momentum in Corporate and Retail financing
- Customer deposits at **AED 69.8 bn, increased 14%** compared to end of 2023 with CASA balances at 73% of total deposits
- Total Assets surpasses **AED 100 bn** for first time ever



# Q-o-Q Financial Results Highlights — Profit rise 39% YoY to record AED 0.85 bn backed by strong operating performance

## Income Statement

	Q2 24	Q2 23	%Δ YoY	Q1 24	%Δ QoQ
<i>(All figures are in AED mn)</i>					
Net Funded income	1,065	916	16%	1,042	2%
Non-funded income	287	291	-1%	303	-5%
<b>Total income</b>	<b>1,352</b>	<b>1,207</b>	<b>12%</b>	<b>1,346</b>	<b>0%</b>
Operating expenses	(394)	(591)	33%	(382)	-3%
<b>Pre-impairment operating profit</b>	<b>958</b>	<b>616</b>	<b>56%</b>	<b>964</b>	<b>-1%</b>
Impairment allowances	(17)	(5)	-263%	(68)	75%
Taxation Charge	(89)	0	-100%	(84)	-6%
<b>Net Profit for the Period</b>	<b>852</b>	<b>611</b>	<b>39%</b>	<b>811</b>	<b>5%</b>
Cost: income ratio	29.2%	49.0%	-	28.4%	-
Net Funded Income Margin	4.4%	4.8%	-	4.7%	-

## Balance Sheet

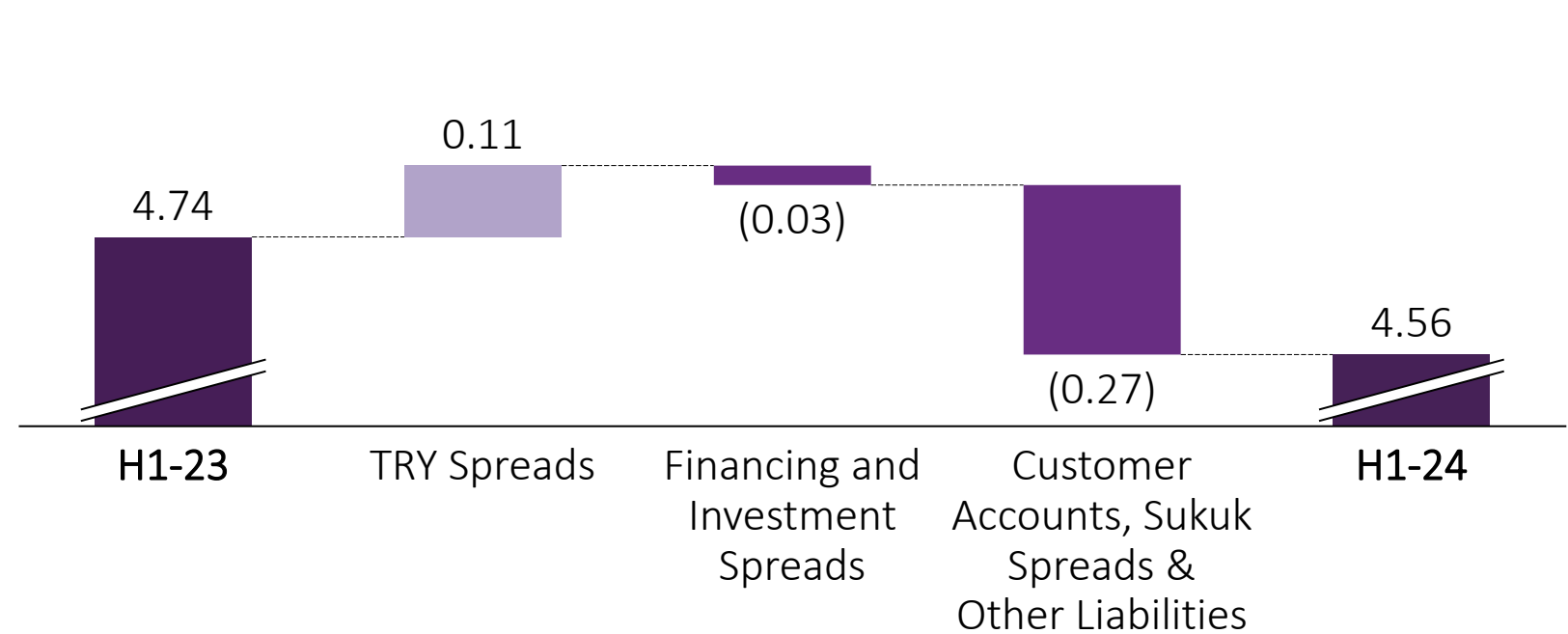
	30-Jun-24	30-Jun-23	%Δ YoY	31-Mar-24	%Δ QoQ
<i>(All figures are in AED bn)</i>					
Total assets	101.8	79.3	28.4%	95.0	7.2%
Financing Receivables, net	61.6	51.0	20.8%	57.0	8.1%
Customers' Accounts	69.8	58.2	19.9%	66.7	4.7%
Headline ratio (%)	88.2%	87.5%	-	85.5%	-
NPF ratio (%)	5.2%	7.2%	-	5.8%	-

## Key Highlights

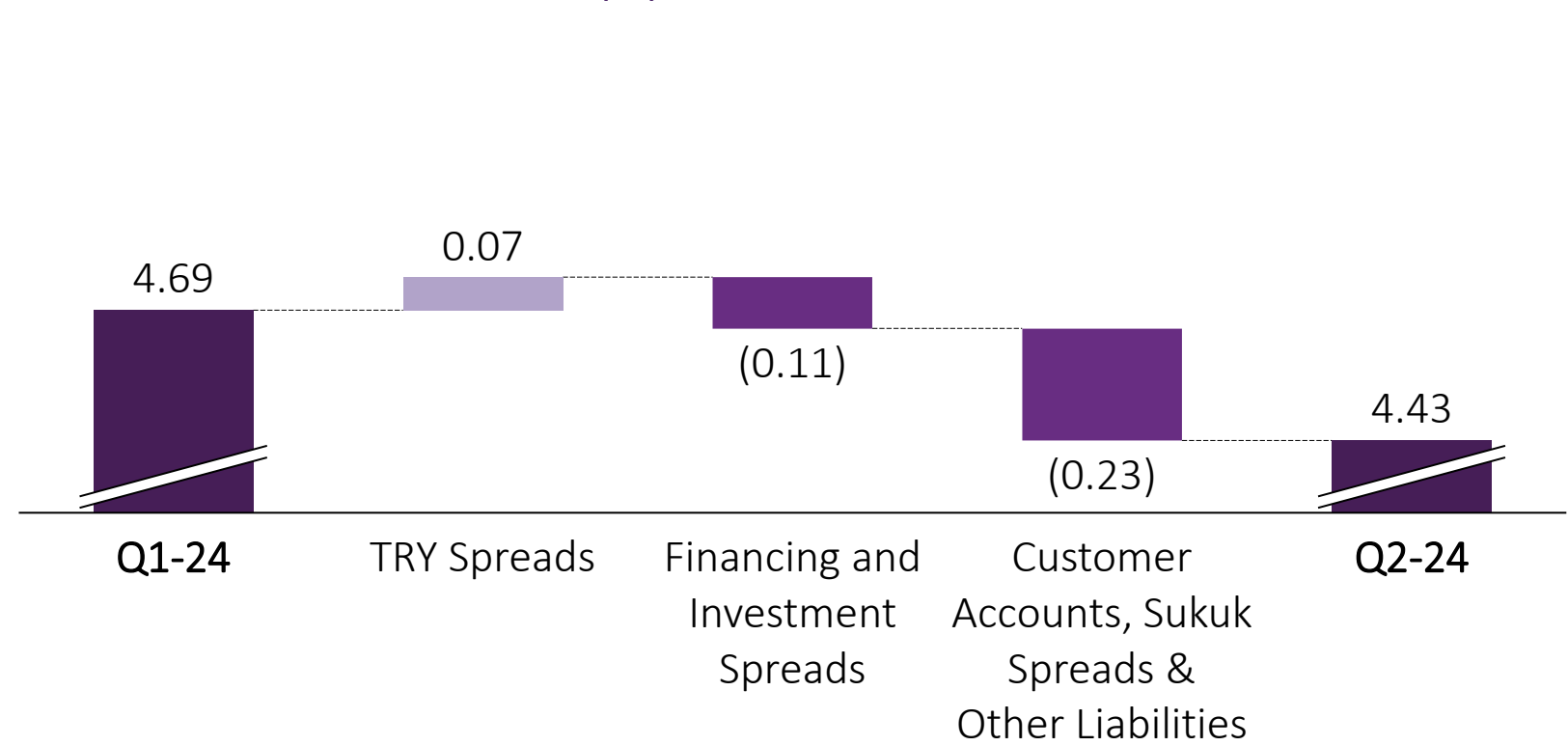
- Net Profit for Q2'24 at **AED 852 mn, higher by 39%** compared to same period last year reflecting strong operating performance
- Total income **up 12%** compared to same period last year
  - Funded income **higher by 16%** mainly due to improved financing and deposits mix, higher volumes partially offset by higher cost of funding
  - Non-Funded Income lower by 1% mainly due to lower investment income; partially offset by higher transaction volumes & derivative income
- Expenses **lower by 33%** compared to same period last year.
- Impairment Allowance at AED 17 mn higher by 263% y-o-y
- Financing Receivables at **AED 61.6 bn, increased 21% y-o-y** resulting in strong growth momentum in Corporate and Retail financing
- Customer deposits at **AED 69.8 bn, increased 20% y-o-y** with CASA balances at 73% of total deposits

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

NPM Drivers H1-24 vs H1-23 (%)



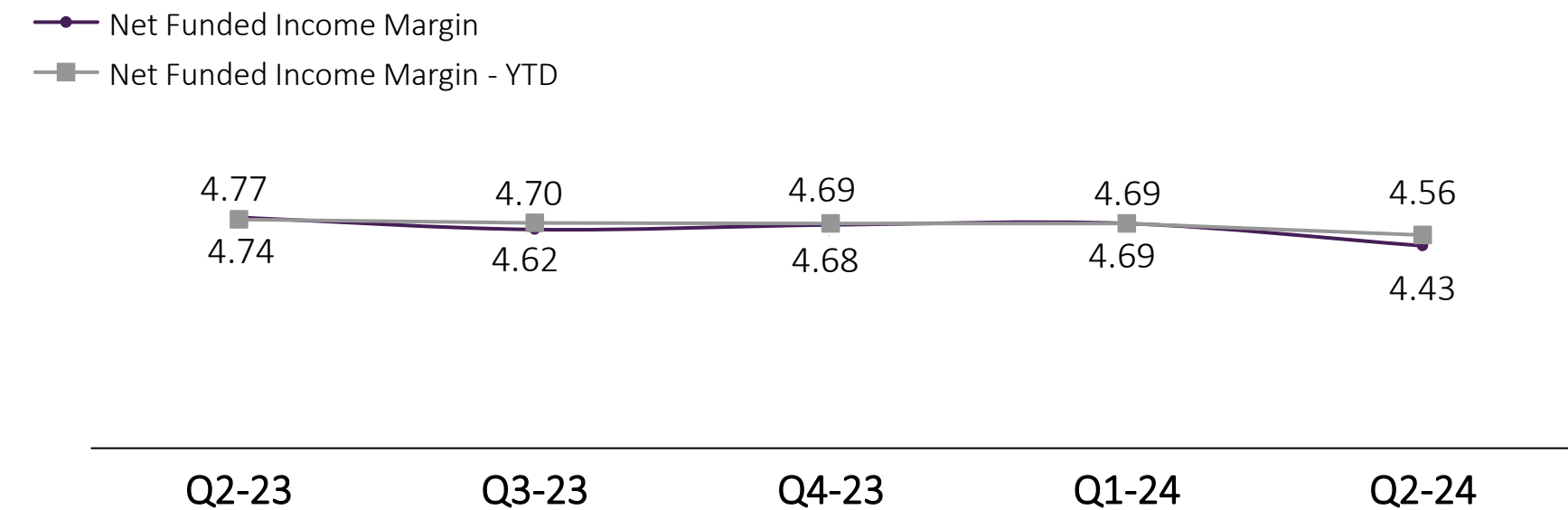
NPM Drivers Q2-24 vs Q1-24 (%)



## Key Highlights

- Net funded income margin for H1'24 at 4.56%, decreased by 19 bps compared to same period last year. The decrease is primarily on account of higher cost of funding, higher volume of customer deposits; partially offset by improved financing and deposit mix.
- Net funded income margin for Q2'24 at 4.43%, decreased by 26 bps q-o-q primarily on account of higher cost of funding and higher cost of deposits partially offset by improved financing and deposit mix, higher margins from Investment portfolio and bank placements

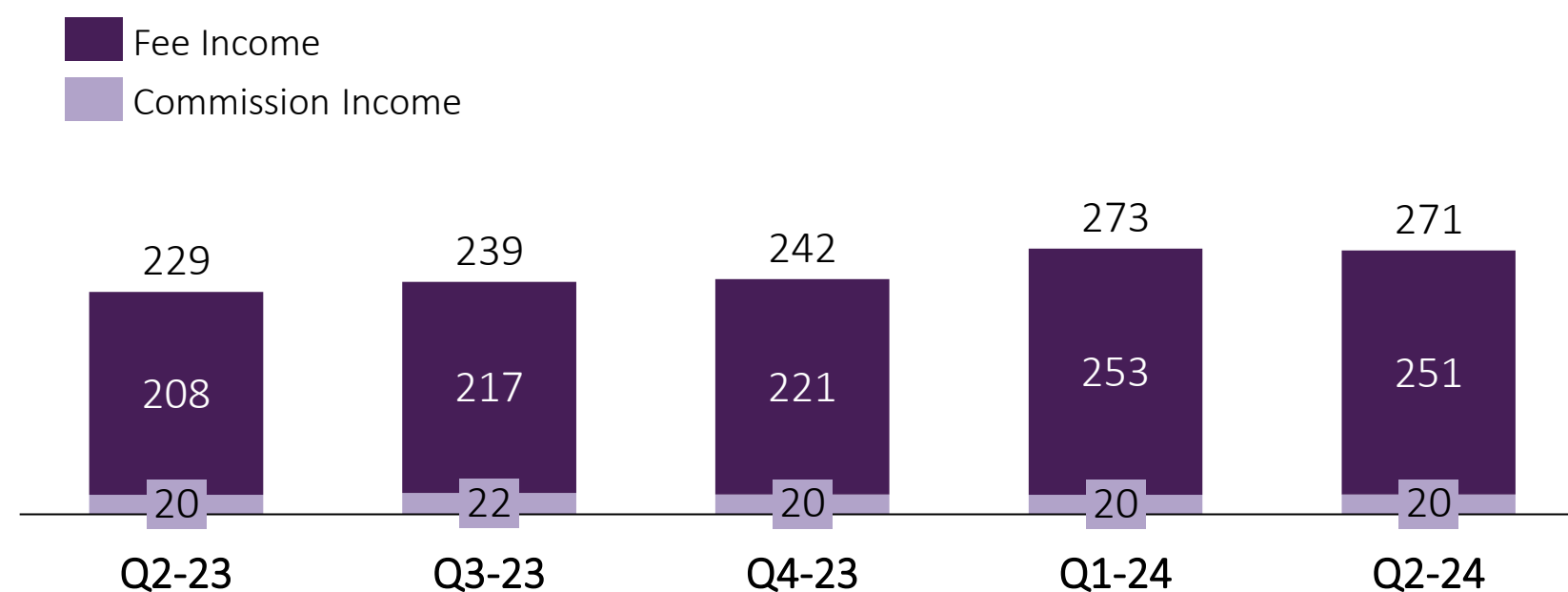
## Net Profit Margin (%)



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

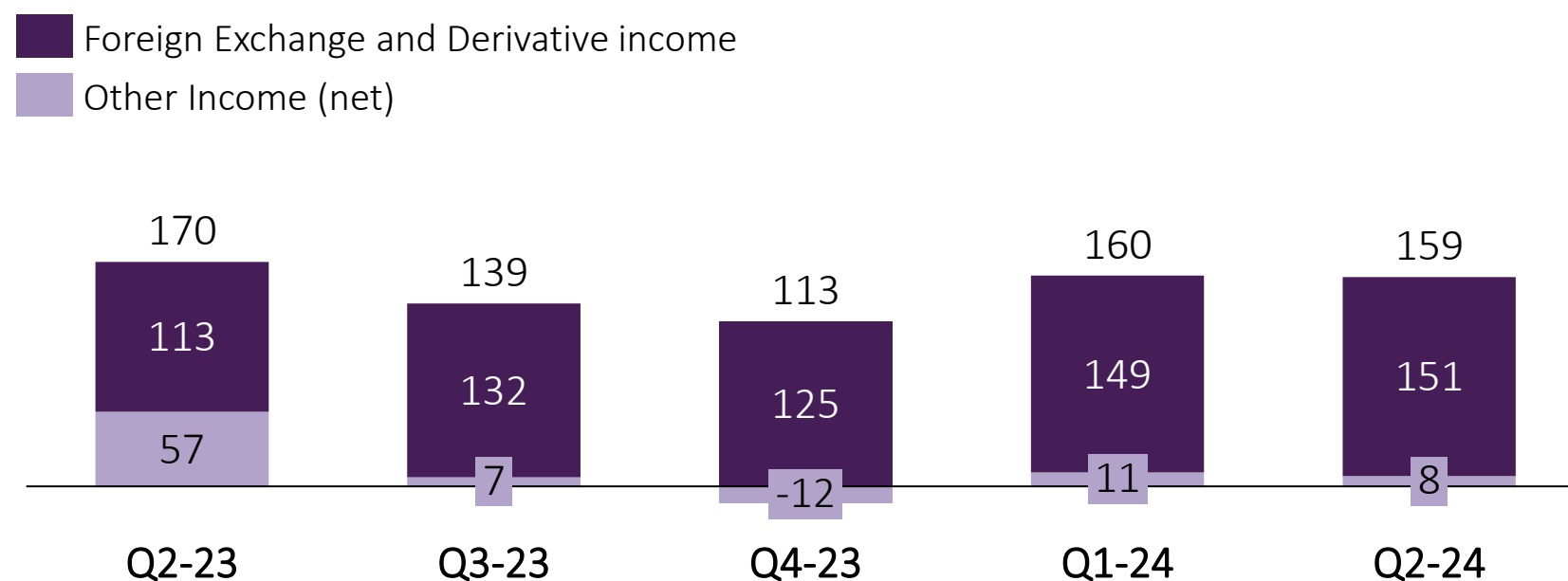
## Gross Fee and Commission Income

(All figures are in AED mn)



## Other Operating Income

(All figures are in AED mn)



## Key Highlights

- Non-Funded Income for H1'24 increased by 4% and decreased by 1% y-o-y
  - Healthy trend in Fee and Commission income for H1'24 higher by 10% and 6% y-o-y supported by growth trajectory
  - Other operating income for H1'24 decreased by 0.04% and 7% y-o-y

## Non-funded Income

(All figures are in AED mn)

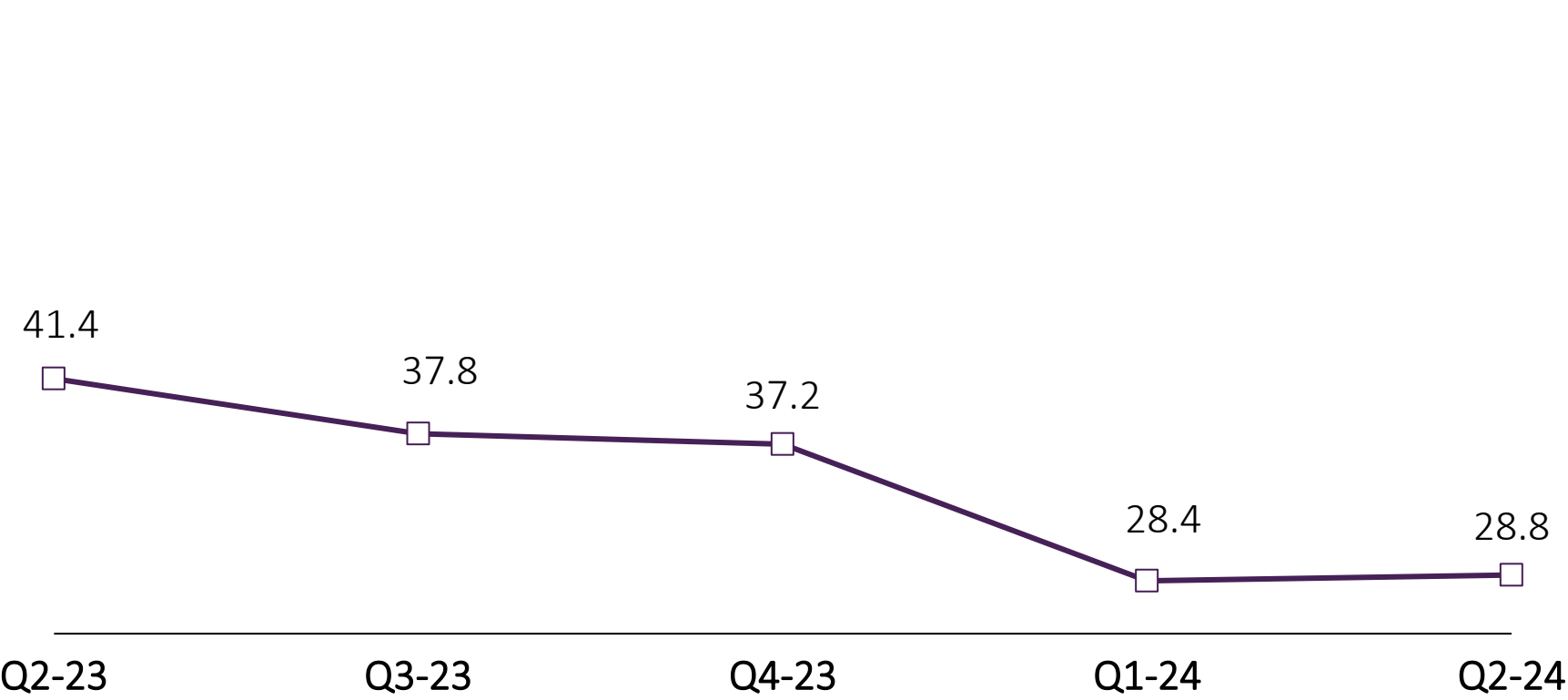
	Q2 24	Q2 23	%Δ YoY	Q1 24	%Δ QoQ
<b>Fee and Commission income</b>	271	229	19%	273	-1%
Fee and Commission expense	(143)	(107)	-33%	(129)	-10%
<b>Net Fee and Commission Income</b>	129	121	6%	144	-11%
Other operating income	159	170	-7%	160	-1%
<b>Total Non-funded income</b>	<b>287</b>	<b>291</b>	<b>-1%</b>	<b>303</b>	<b>-5%</b>

# Costs firmly controlled with focus on future growth

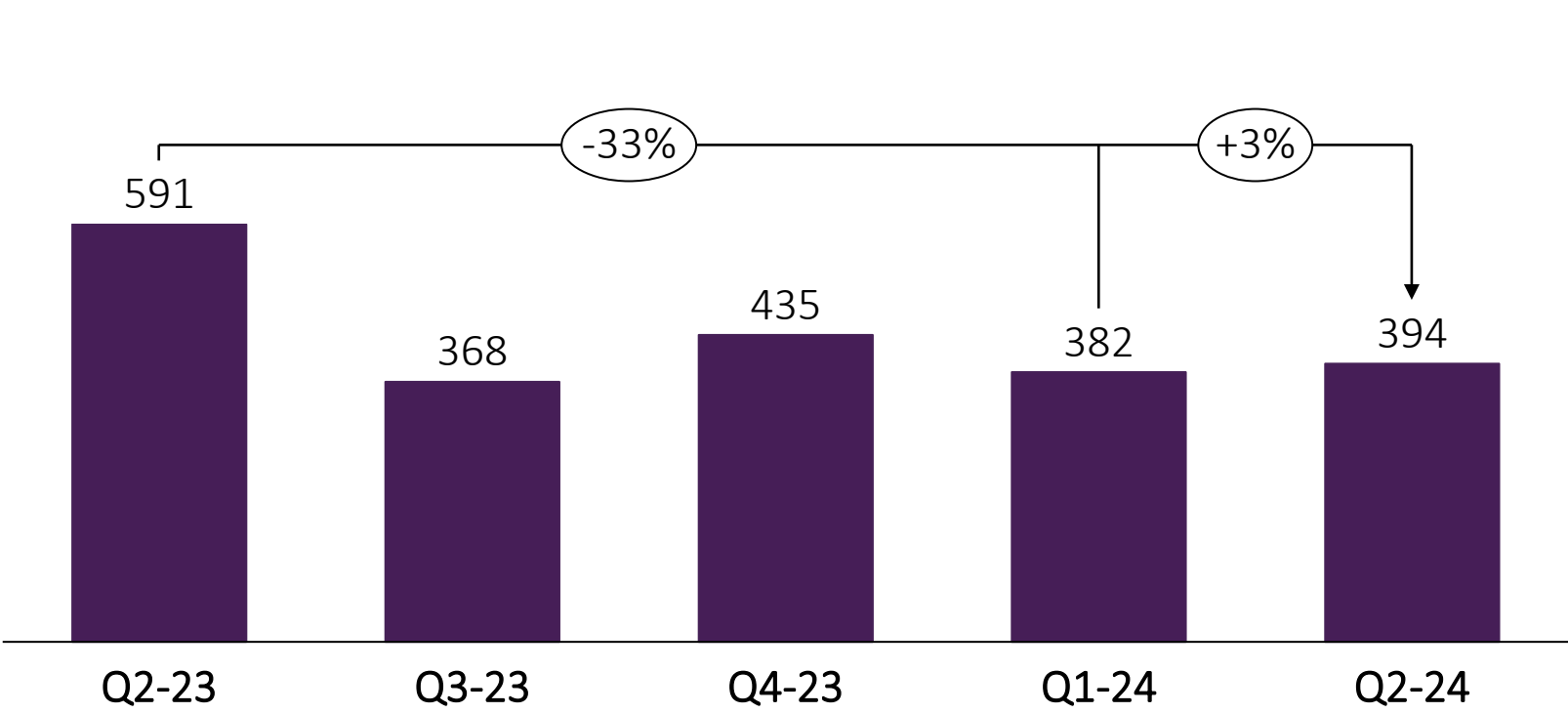
## Key Highlights

- Cost to Income ratio at **28.8% for H1'24**, decreased by 30% compared to same period last year as a result of:-
  - Increase in total income by 15%
  - Decrease in total cost by 20%

Cost to Income Ratio (%), YTD



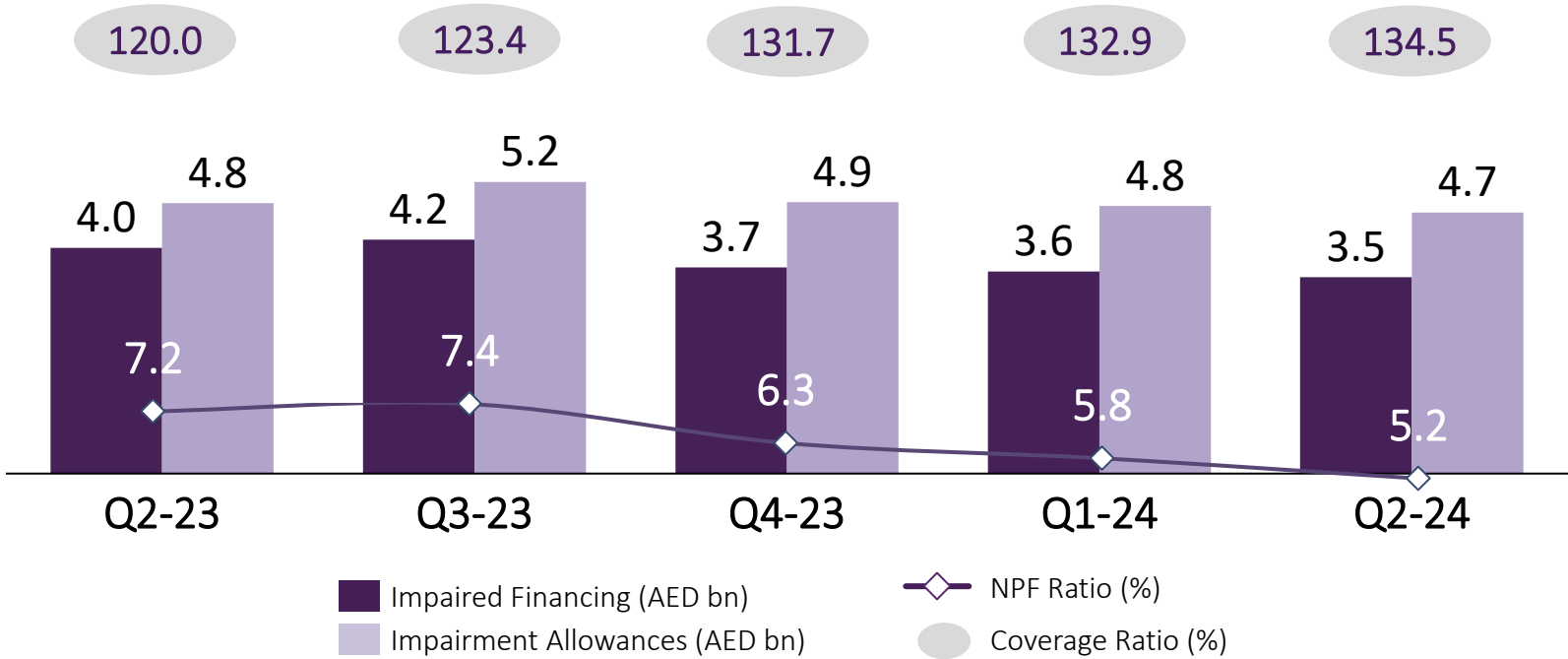
Operating Costs Trends  
*(All figures are in AED mn)*





# Credit Quality improving with market leading coverage

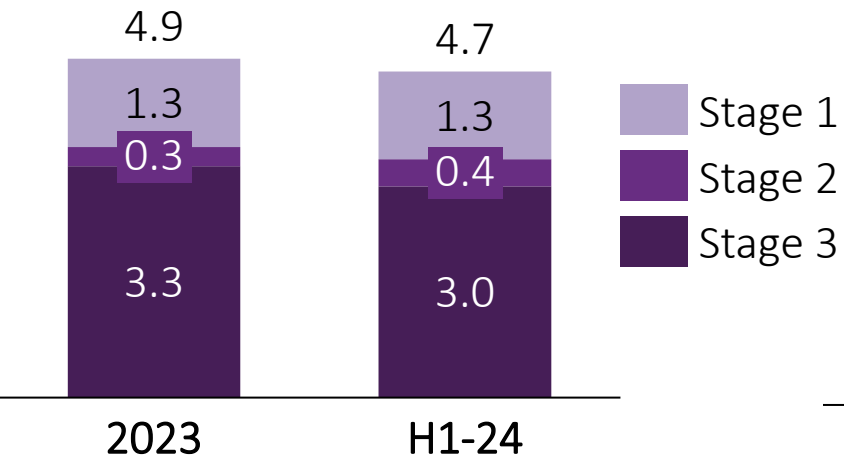
Impaired Financing and allowances  
(All figures are in AED bn)



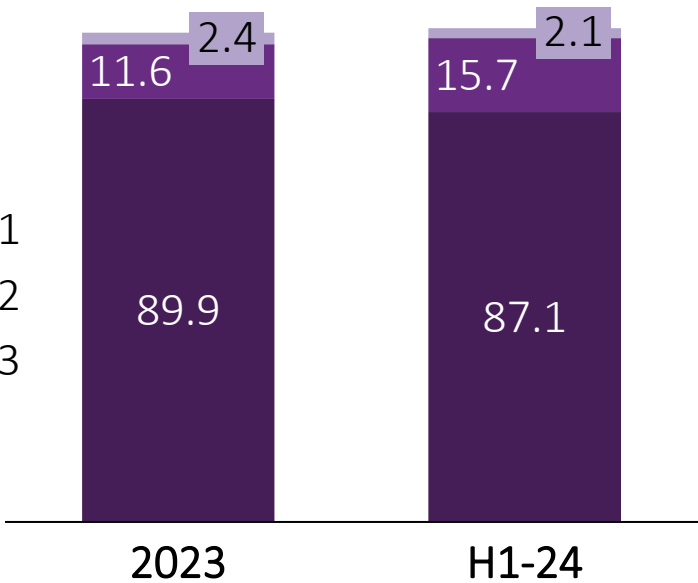
## Key Highlights

- Non Performing Financing (NPF) ratio improved to 5.2% from 6.3% at end of 2023 on strong writebacks and recoveries.
- Coverage ratio strengthened at 134.5% increased from 131.7% at end of 2023
- The Impairment allowance of AED 4.7 bn includes AED 3.0 bn (64%) of specific provisions and AED 1.7 bn (36%) of ECL provisions
- Stage 1 and Stage 2 Expected Credit Loss (ECL) represents 2.5% of total Credit Risk Weighted Assets (CRWA) at the end of Q1'24 (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%

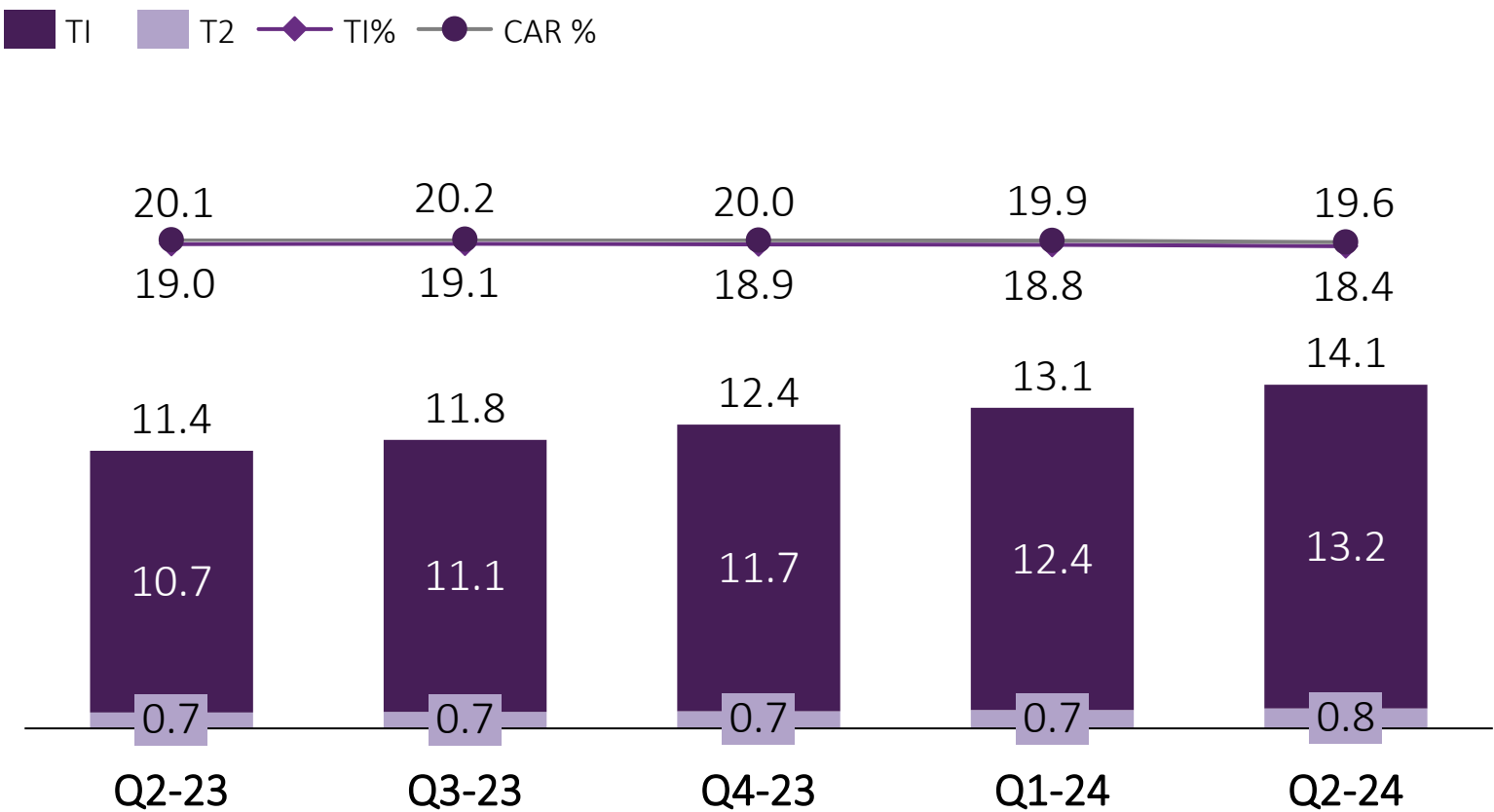


H1-24 | AED 66.3 bn

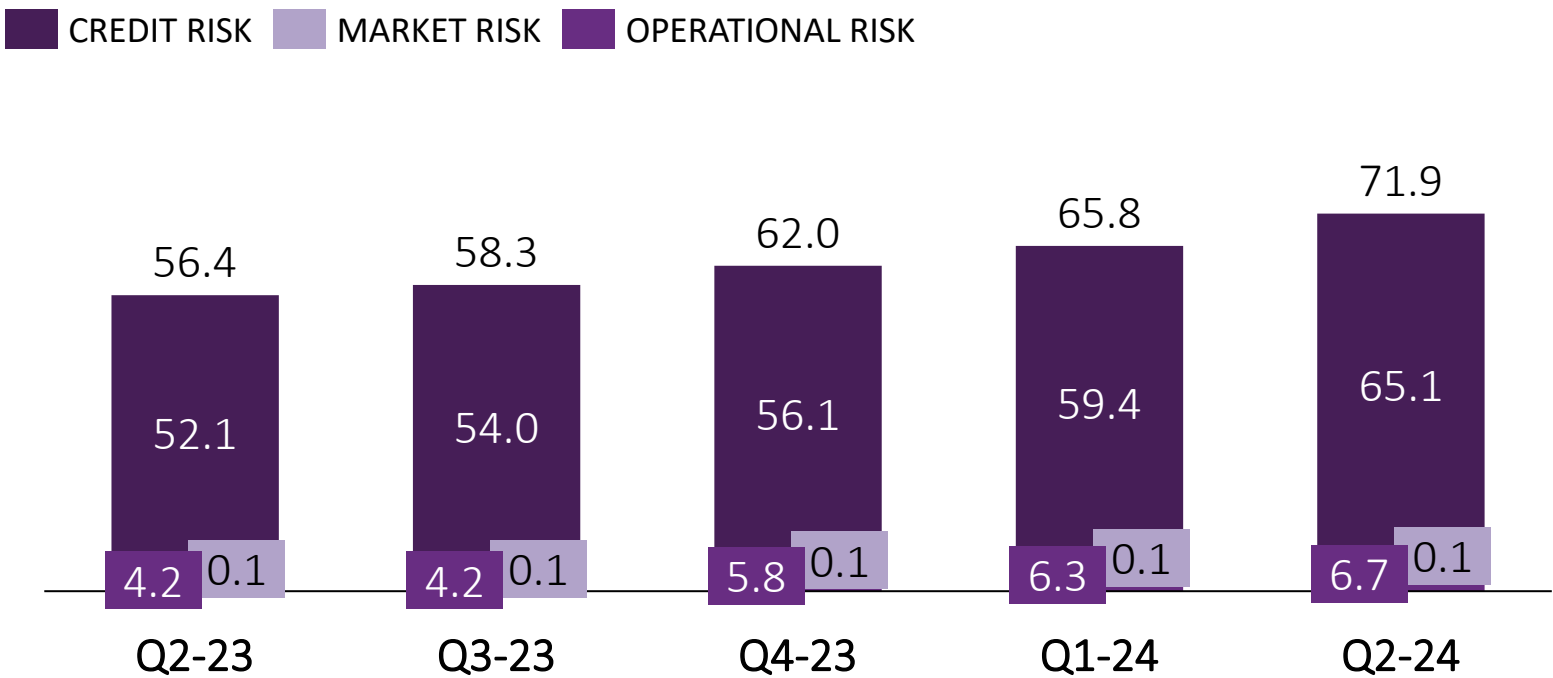
Stage 1 91.0%  
Stage 2 3.7%  
Stage 3 5.2%

# Capital ratio exceptionally strong at 19.6%

## Capitalisation (All figures are in AED bn)



## Risk Weighted Assets – Basel II (AED bn)



## Key Highlights

- CAR at 19.6% in Q2'24 decreased from 19.9% at the end of Q1'24, mainly due to –
  - Higher capital charge due to strong Retail and Corporate Financing growth coupled with higher Bank placements
- Tier I ratio at 18.4% in Q2'24 decreased from 18.8% at end of Q1'24
- Capital ratios well above CBUAE minimum requirement

## Capital Movements (as per Basel III)

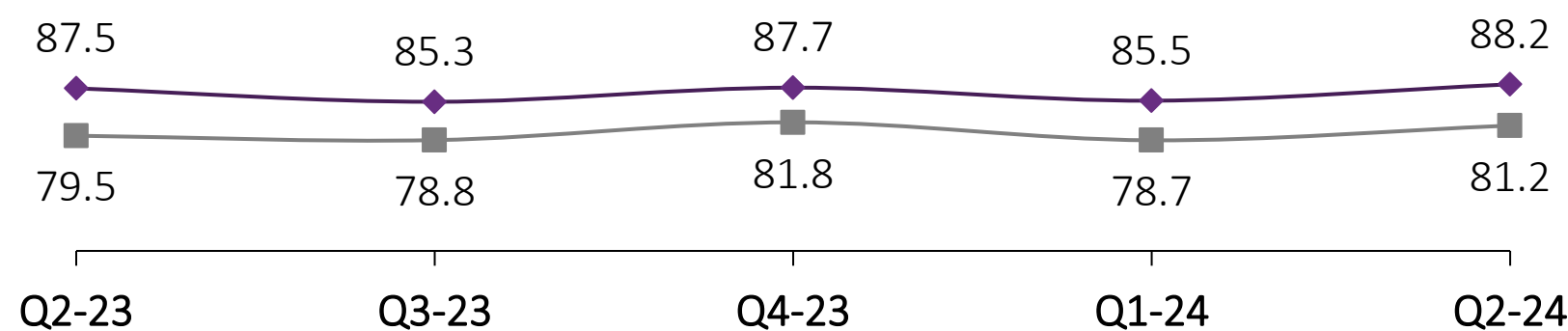
(All figures are in AED mn)

	Tier-1	Tier-2	Total
Capital as at 31 December 2023	11,726	700	12,426
Net Profits generated	1,664	-	1,664
ECL add-back	(139)	-	(139)
General Provisions	-	113	113
Others	(2)	-	(2)
<b>Capital as at 30 June 2024</b>	<b>13,249</b>	<b>813</b>	<b>14,062</b>

# Funding and Liquidity remains very healthy

## Headline Ratio (%)

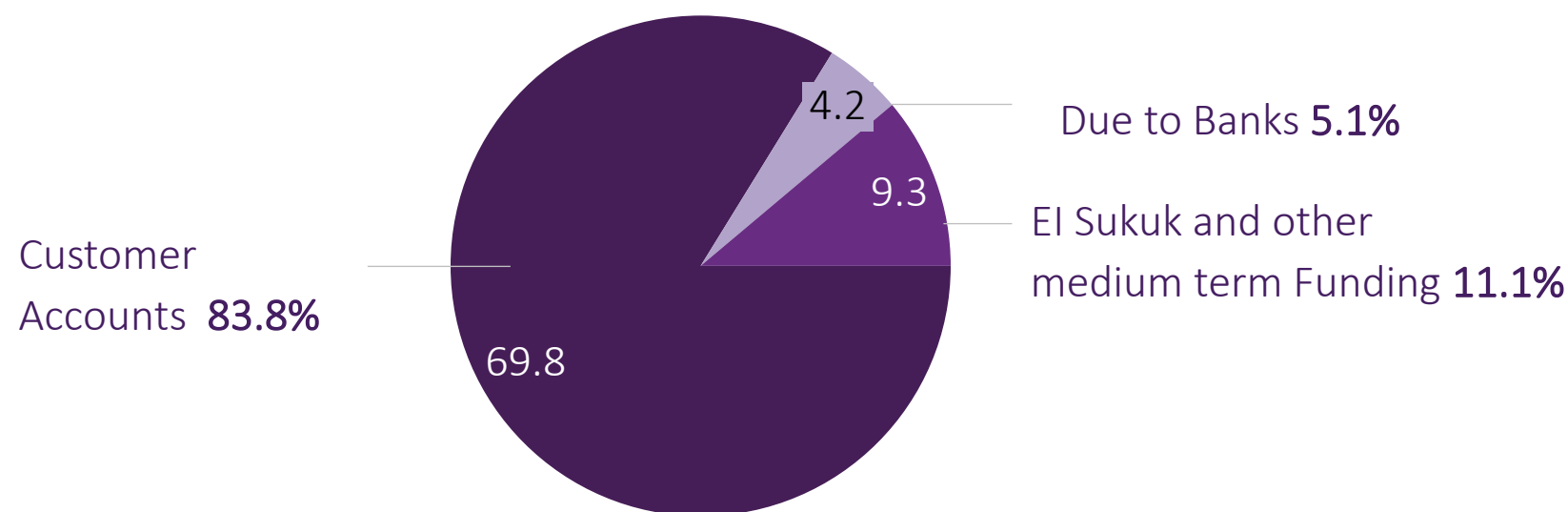
◆ FD Ratio (%) - Headline  
■ ASRR Ratio (%) - Reg.



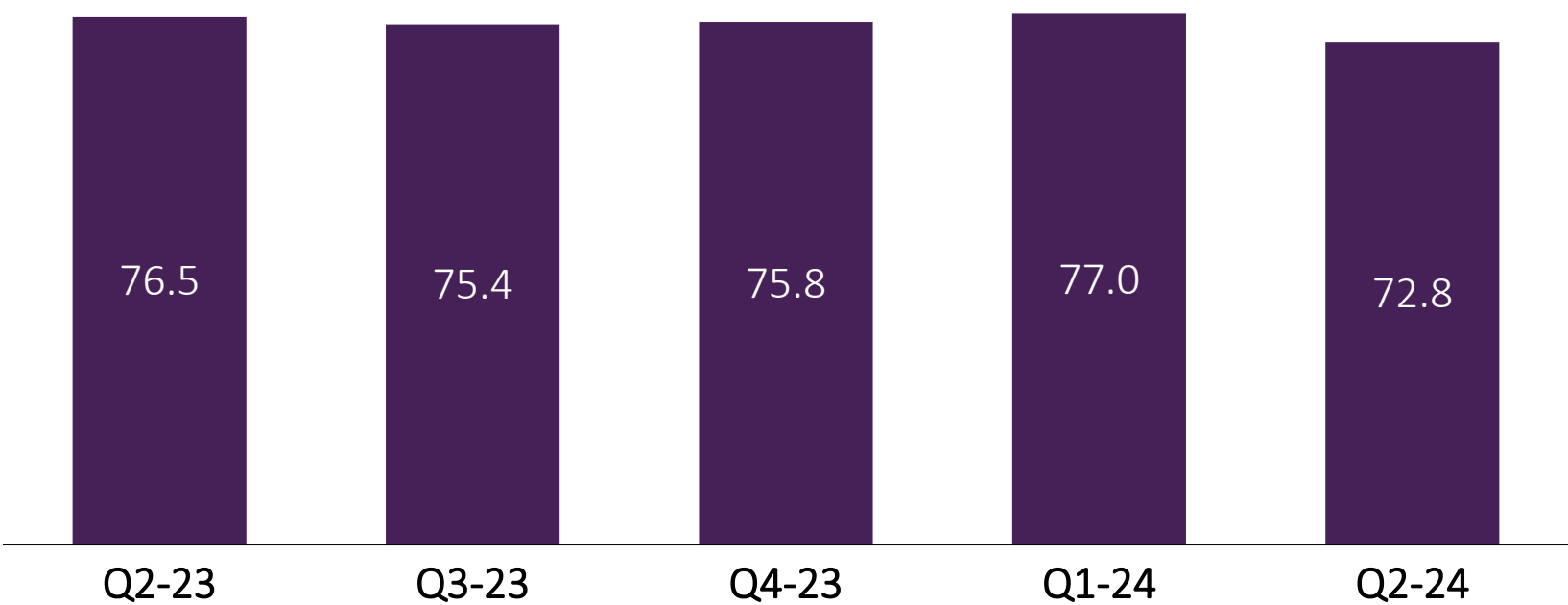
## Key Highlights

- Financing to Deposits ratio remains healthy at **88.2%**
- EI Sukuk and other medium-term funding represent 11.1% of total borrowings
- CASA to Total Customer Deposits ratio at end of **Q2'24 is 72.8%** (Dec'23 – 75.8%)

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



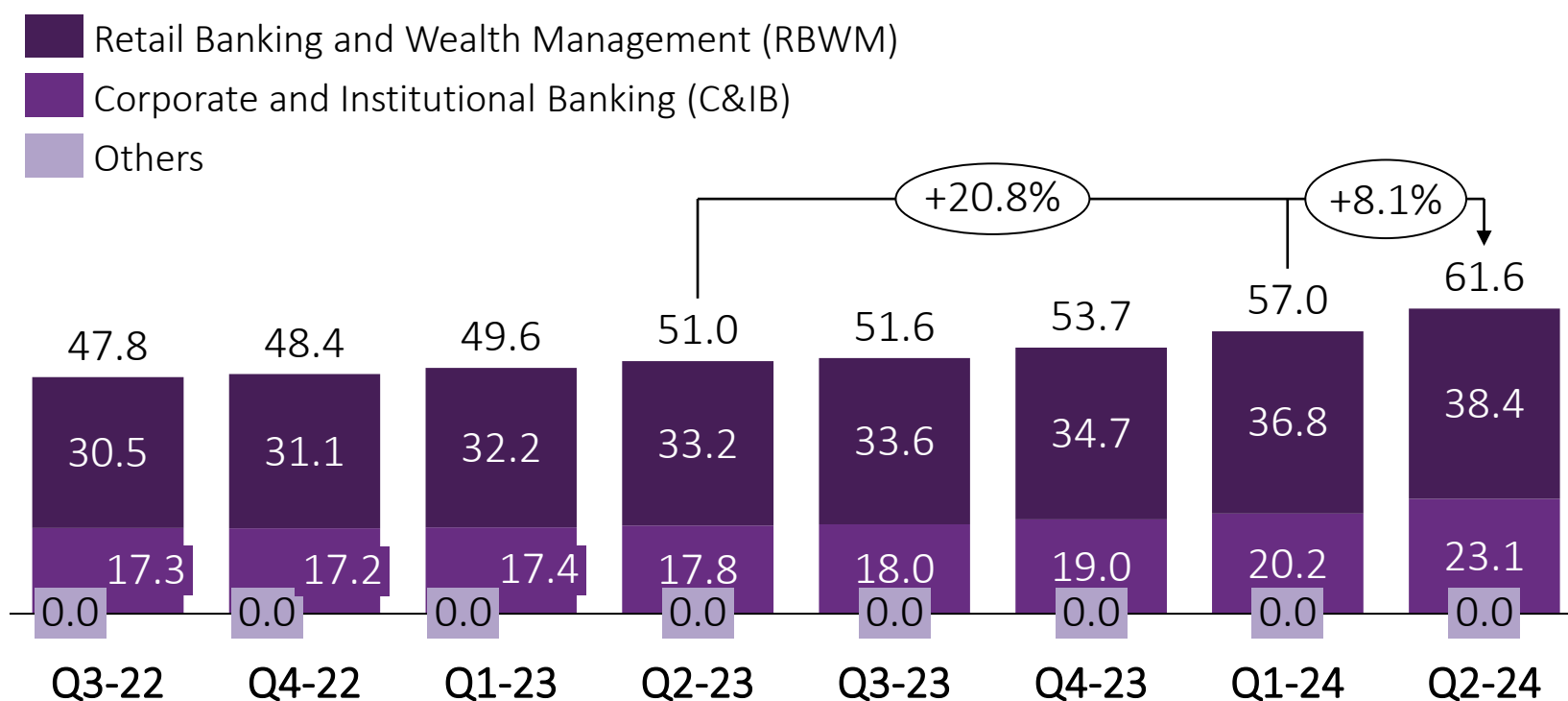
## CASA to Deposit Ratio (%)



# Financing and Customer Deposits reflects strong growth momentum

## Net Financing by Type

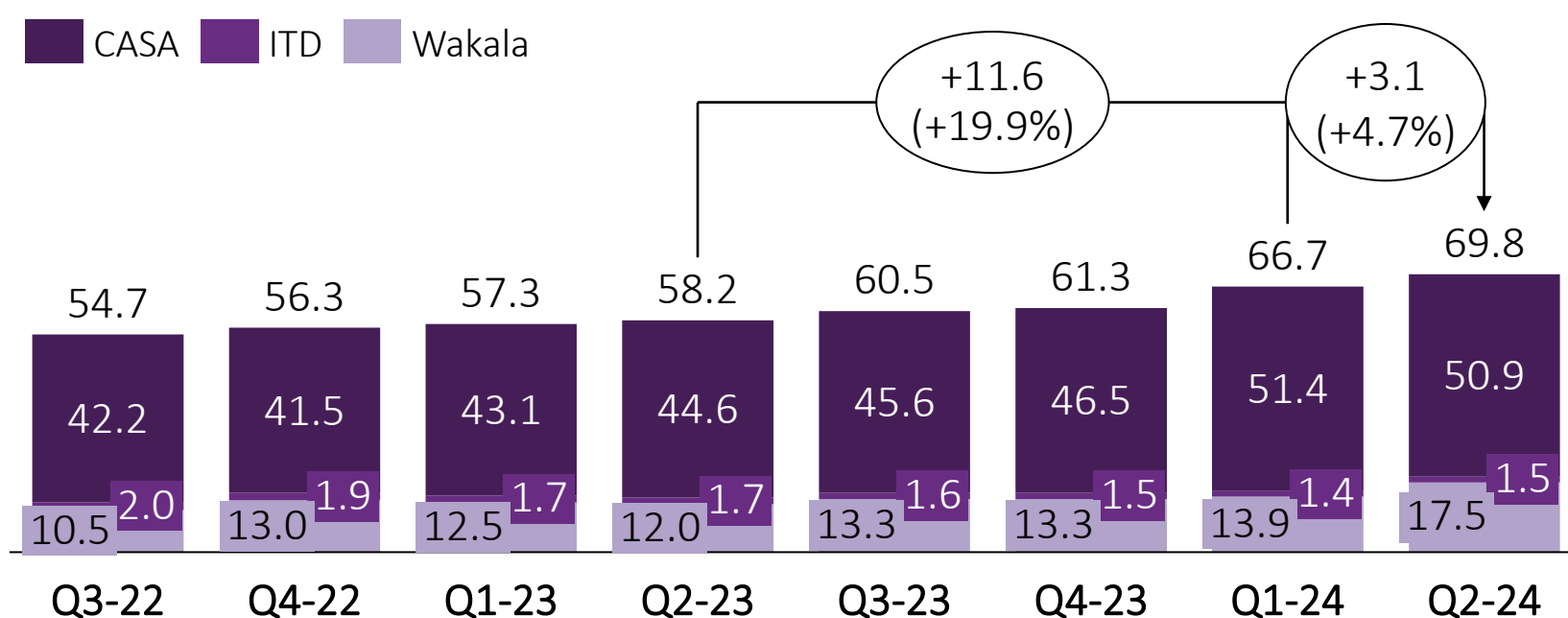
(All figures are in AED bn)



\* Financing is Net off Deferred Income and impairment provisions

## Customer Deposits by Type

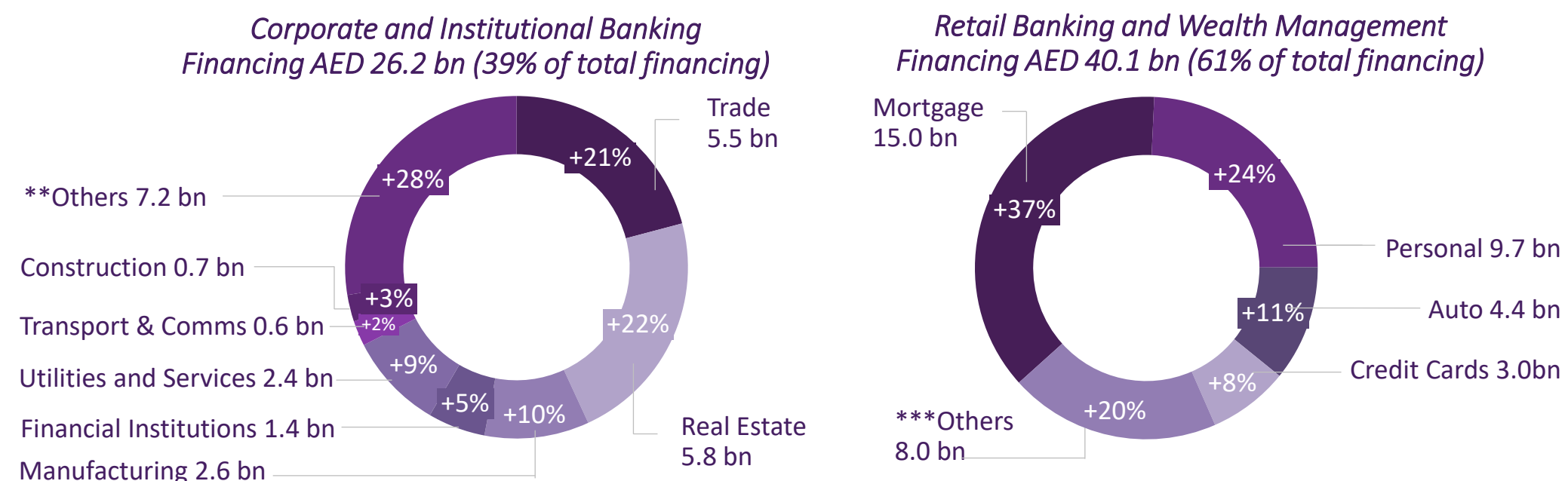
(All figures are in AED bn)



## Key Highlights

- Financing receivables increased 21% y-o-y and 8% q-o-q
  - Retail Banking and Wealth Management' financing receivable increased 16% y-o-y and 5% q-o-q with healthy demand across all products
  - Corporate and Institutional Banking' financing receivables increased 30% y-o-y and 15% q-o-q backed by growth in corporate financing portfolio
- Customer deposits increased 20% y-o-y and 5% q-o-q. Record half year growth of AED 8.5 bn in H1 2024 resulting in CASA balances at 73% of total deposit
  - Wakala increased 46% y-o-y and 26% q-o-q
  - CASA increased 14% y-o-y and decreased 1% q-o-q
  - ITD decreased 14% y-o-y and increased 2% q-o-q

## Gross Financing by Sector (AED bn, %)



\* 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	H1-24	H1-23	%Δ YoY
Retail Banking and Wealth Management	Income (mn)	1,714	1,445	19%
	Expense (mn)*	684	593	-15%
	Profit (mn)	822	514	60%
	Net Financing Receivable (bn)#	38	35	11%
	Deposits (bn)#	55	50	11%
Corporate and Institutional Banking	Income (mn)	522	402	30%
	Expense (mn)*	73	67	-8%
	Profit (mn)	530	418	27%
	Net Financing Receivable (bn)#	23	19	22%
	Deposits (bn)#	15	12	26%

## Key Highlights

### Retail Banking and Wealth Management

- Total income **increased by 19% y-o-y** with highest ever half-year revenue, driven by improved economic activity leading to book growth and supported by increase in Non funded income
  - Funded Income increased mainly on account of growth in financing book and customer deposits
  - Non-Funded Income increased mainly due to higher transaction volumes
- Net Financing **receivable increased 11%** from end of 2023
- Strong growth recorded in Customer deposits, **increased 11%** from end of 2023

### Corporate and Institutional Banking

- Total income **increased by 30% y-o-y** driven by improved economic activity and higher profit margin
  - Funded Income increased backed up by portfolio growth and improved financing and deposits mix
  - Non-Funded Income increased mainly due to higher transaction volumes and derivative income
- Net Financing **receivable increased 22%** from end of 2023 – highest ever half-year growth recorded
- Customer deposits **increased 26%** from end of 2023

Notes:  
1. # Dec'23 Balance Sheet numbers considered for H1'23  
2. \* '- %' reflects increase in expenses

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