



Investor Presentation

Q1 2024

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الإمارات الإسلامية
EMIRATES ISLAMIC

20 Years of Collective Progress

20 عاما من التقدم المشترك

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Executive Summary Q1 2024 Results

Key Highlights



Strong momentum with AED 0.8 bn profit up 35% in Q1 2024, the highest ever quarterly profit



Total income up 19% y-o-y driven by improved financing & deposit mix coupled with higher profit margin and higher non-funded income



Deposits grew by AED 5.4 bn in Q1 2024 due to AED 4.9 bn growth in CASA and AED 0.6 bn increase in Wakala; partially offset by drop in ITD by AED 0.1 bn



Financing increased by AED 3.3 bn in Q1 2024 comprising of AED 2.1 bn from RBWM and AED 1.2 bn from C&IB



Solid balance sheet, strong capital and liquidity position combined with healthy deposit mix, strong operating profit remains our core strengths

Key Metrics

Net Profit

AED 0.8 bn

+35%

Income

AED 1.3 bn

+19%

NPM

4.7%

Cost to Income Ratio

28.4%

Headline Ratio

85.5%

CAR

19.9%

CET 1

18.8%

NPF Cover

132.9%

NPF Ratio

5.8%

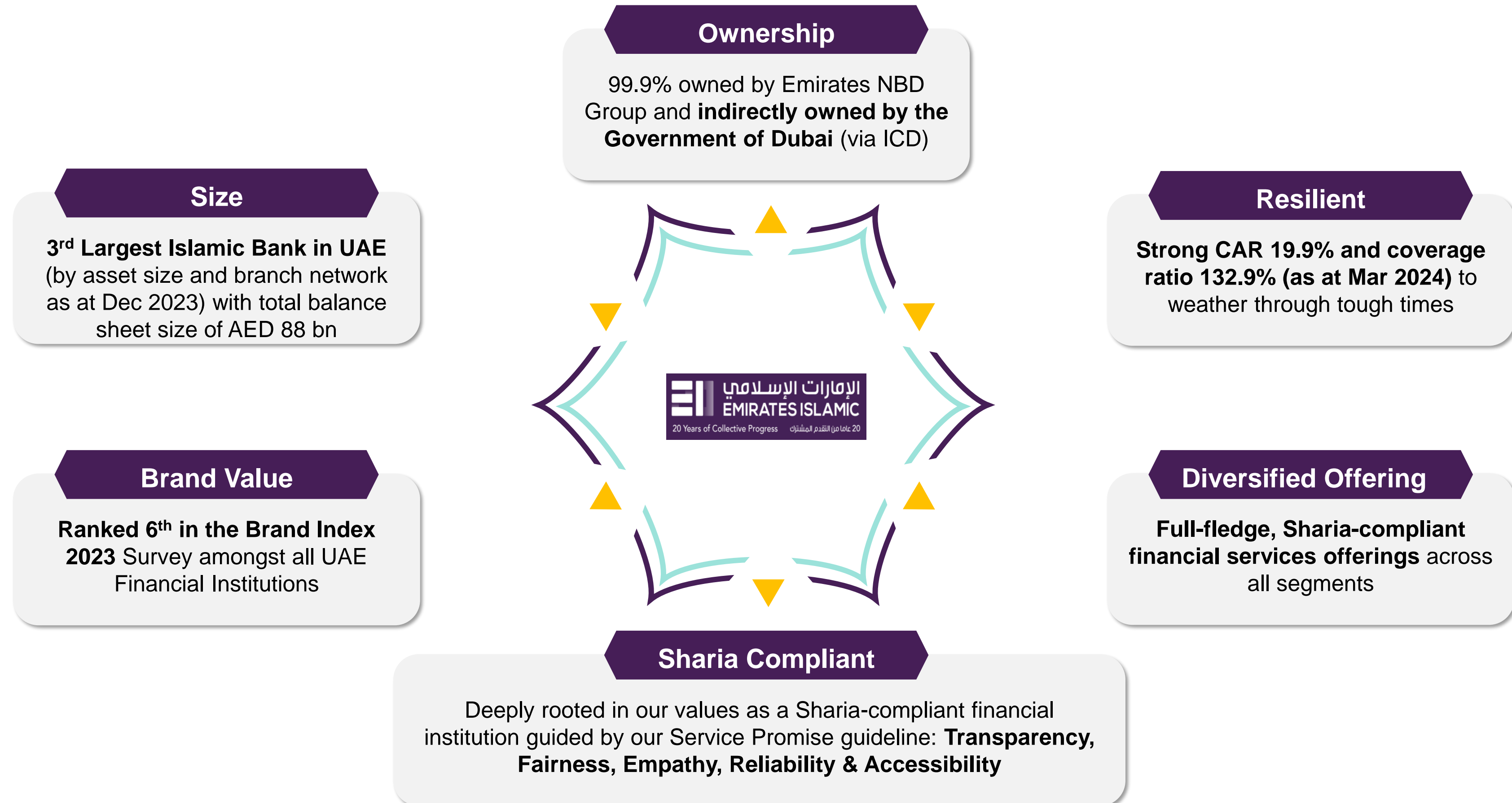
CASA to Total Customer Deposit

77.0%

Financing Growth

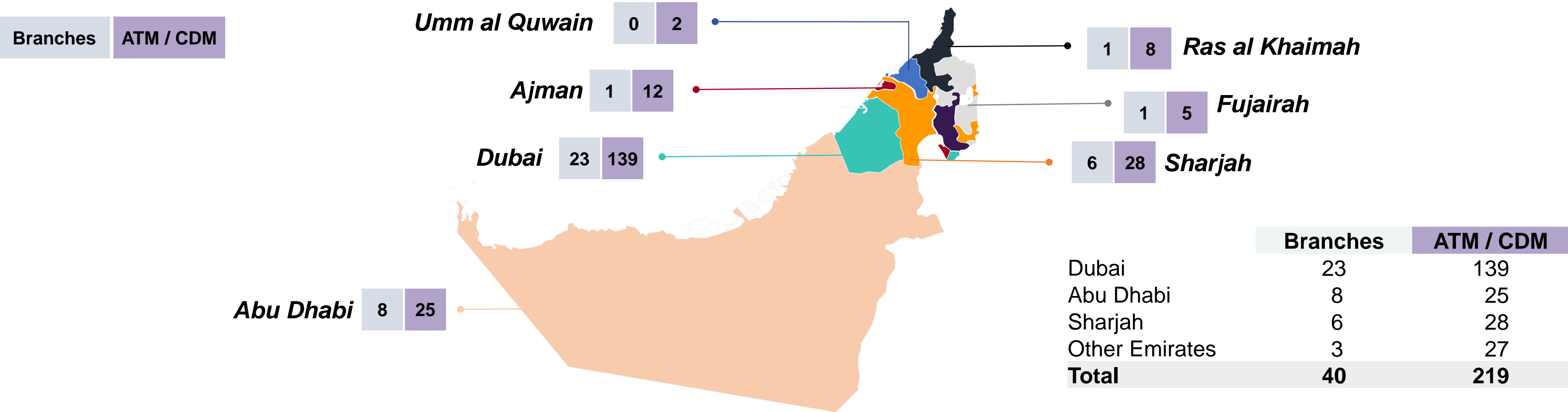
6.1%

El, 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



As at March 2024 (Affirmed)

	Long Term	Short Term	Outlook
FitchRatings	A+	F1	Positive

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

EI is one of the largest Islamic banks in UAE

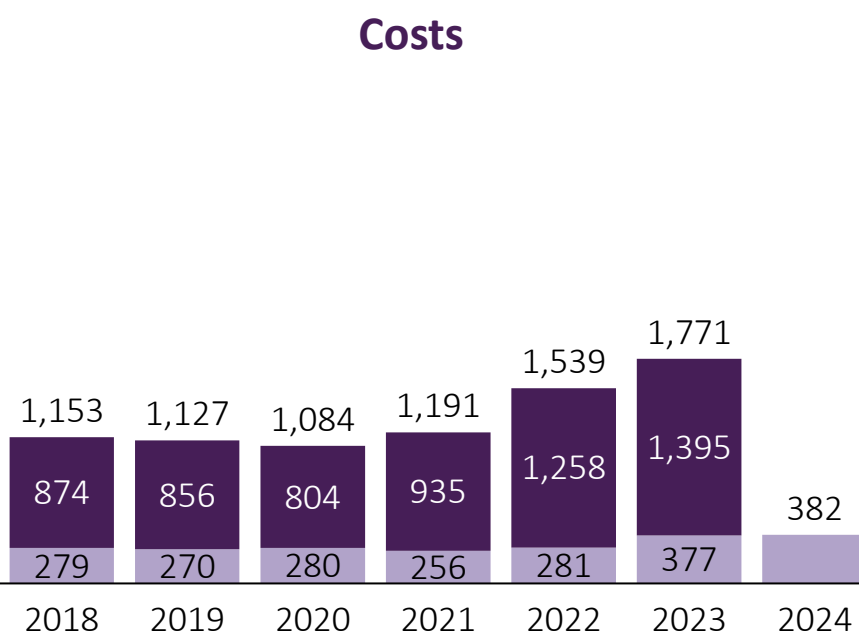
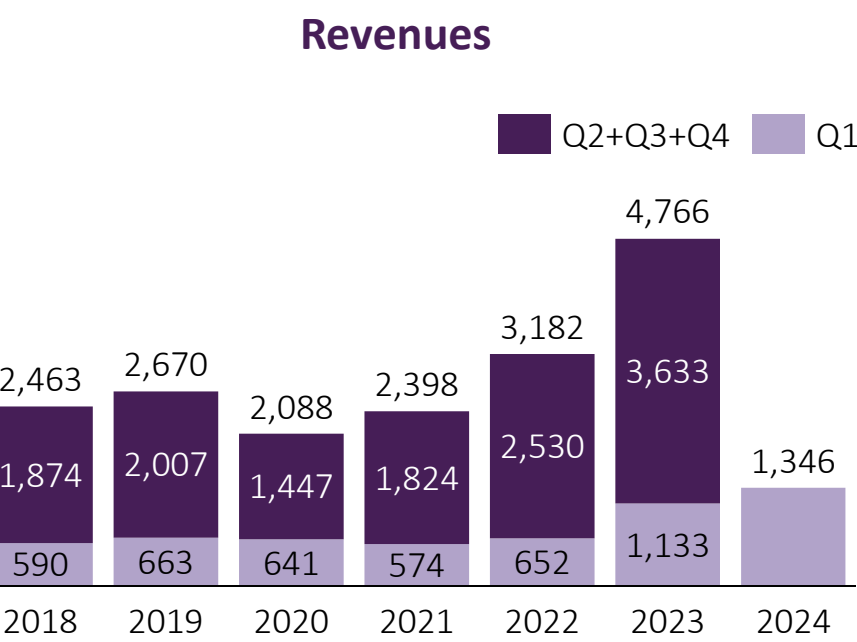
Q4 2023



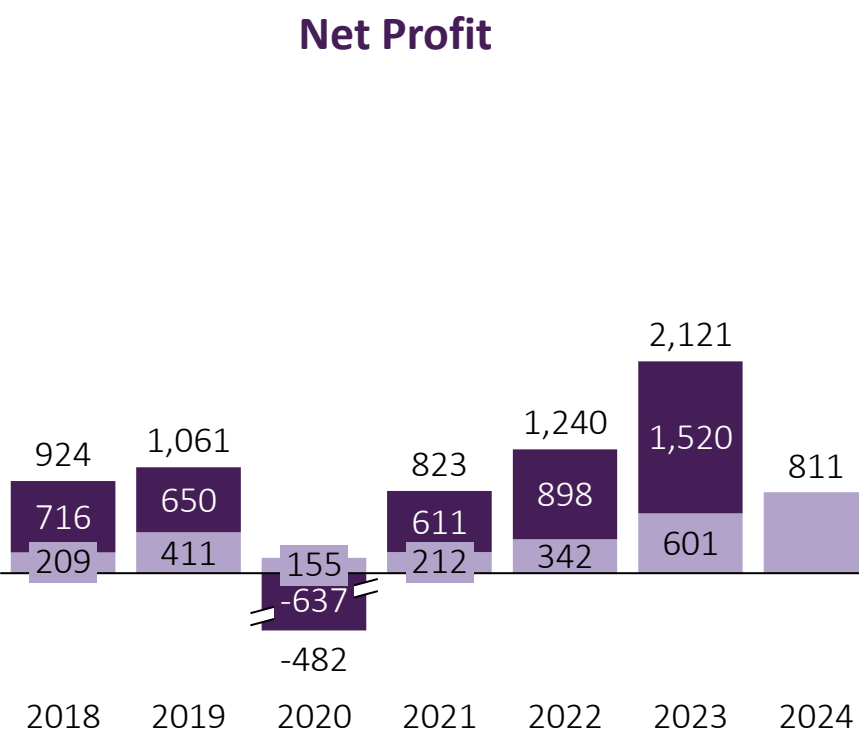
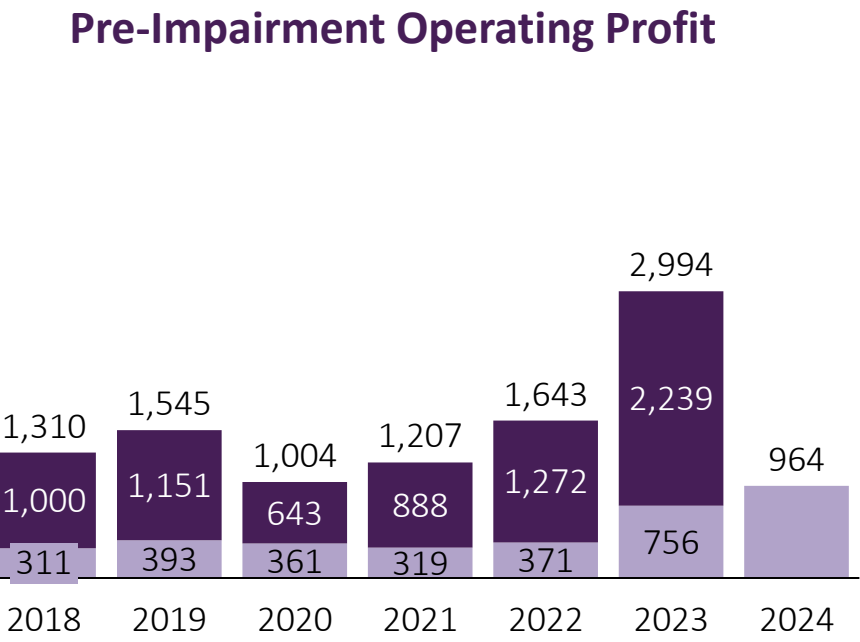
Note: Balance sheet numbers are at end of period

P&L and Balance Sheet Trend

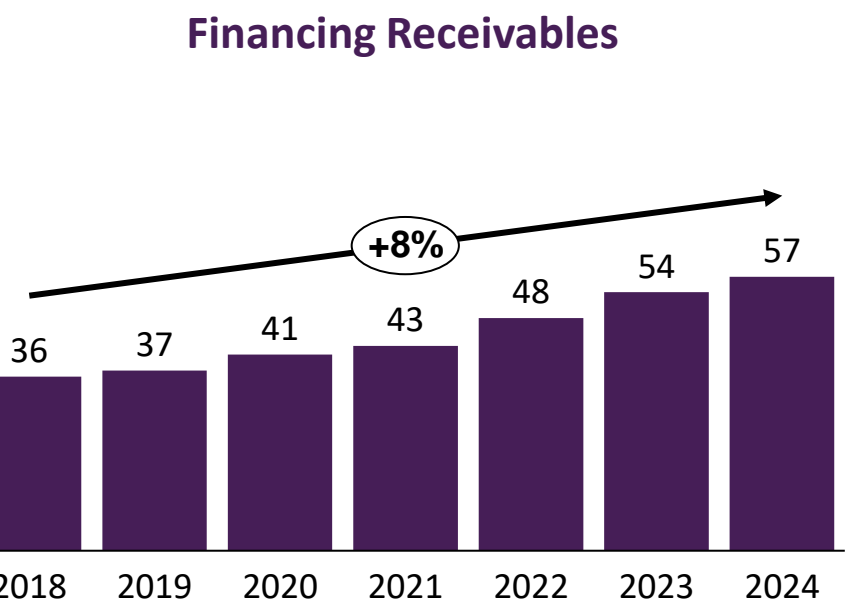
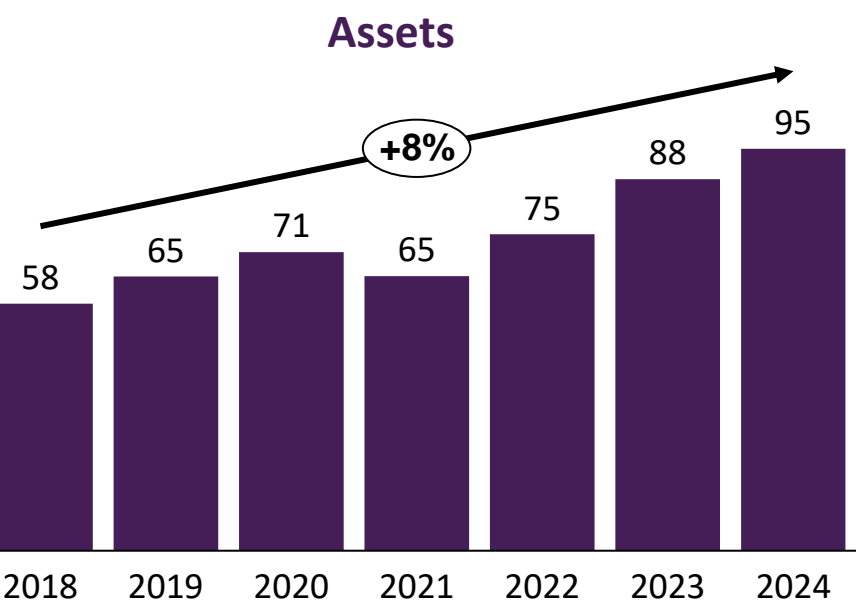
Revenues and Costs (AED mn)



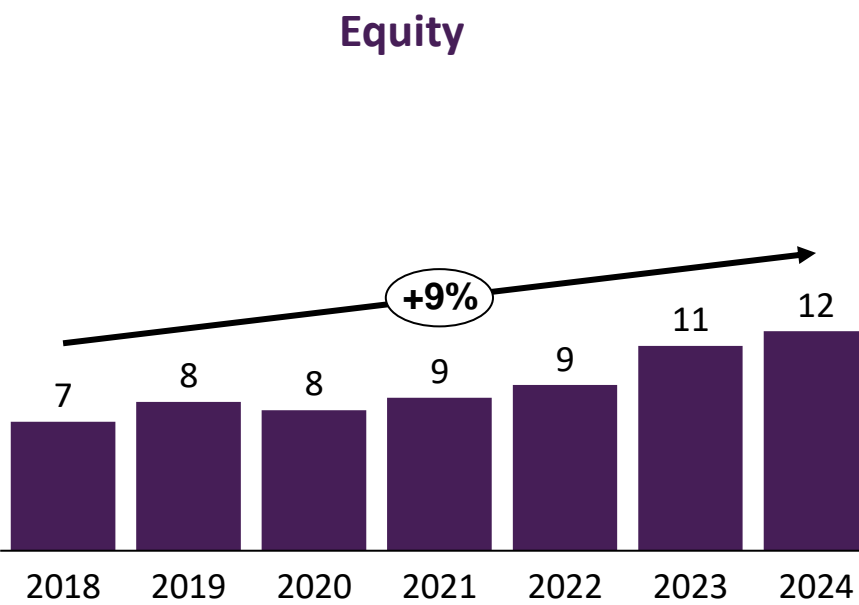
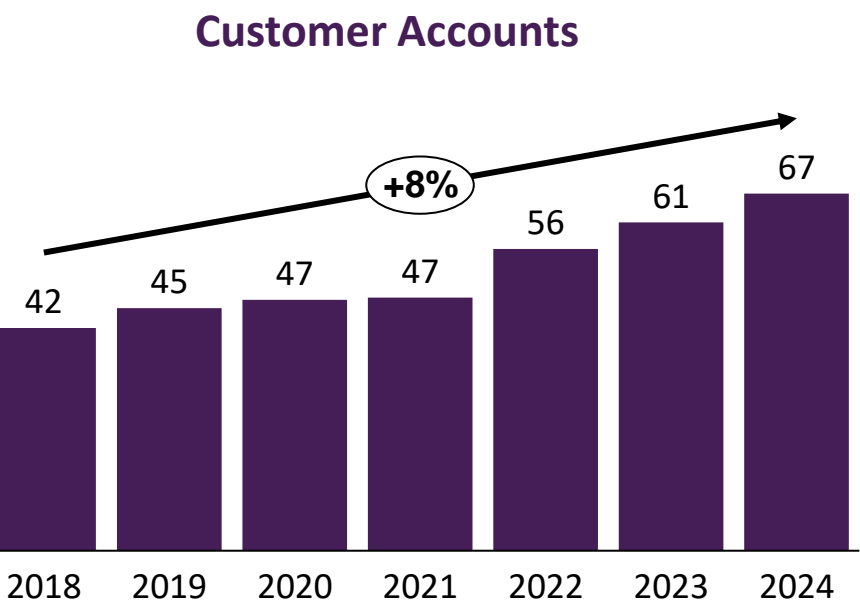
Profits (AED mn)



Assets and Financing (AED bn)



Customer Accounts and Equity (AED bn)



Source: Financial Statements

Q-o-Q Financial Results Highlights

Income Statement

	Q1 24	Q1 23	%Δ YoY	Q4 23	%Δ QoQ
<i>(All figures are in AED mn)</i>					
Net Funded income	1,042	858	22%	999	4%
Non-funded income	303	275	10%	234	30%
Total income	1,346	1,133	19%	1,233	9%
Operating expenses	(382)	(377)	-1%	(435)	12%
Pre-impairment operating profit	964	756	28%	798	21%
Impairment allowances	(68)	(155)	56%	(324)	79%
Taxation Charge	(84)	-	-100%	-	-100%
Net Profit for the Period	811	601	35%	474	71%
Cost: income ratio	28.4%	33.3%		35.3%	
Net Funded Income Margin	4.7%	4.7%		4.6%	

Balance Sheet

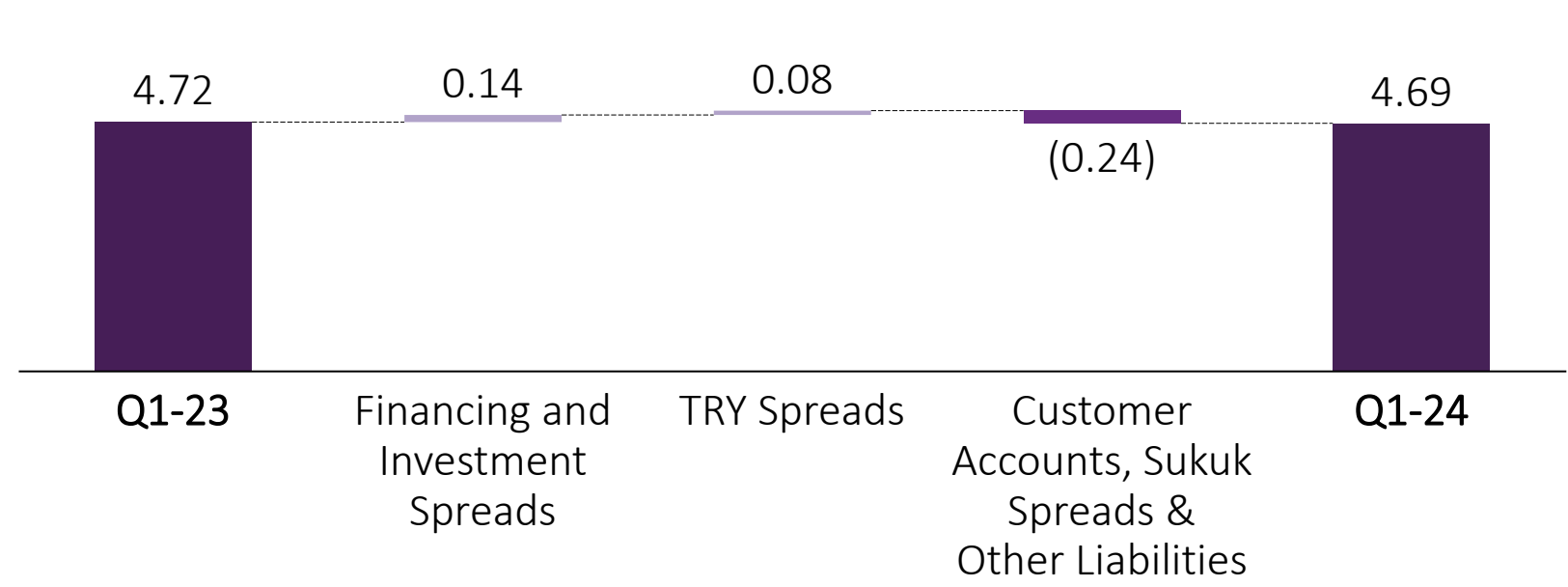
	31-Mar-24	31-Mar-23	%Δ	31-Dec-23	%Δ
<i>(All figures are in AED bn)</i>					
Total assets	95.0	77.9	22.0%	87.8	8.2%
Financing Receivables, net	57.0	49.6	14.9%	53.7	6.1%
Customers' Accounts	66.7	57.3	16.5%	61.3	8.8%
Headline ratio (%)	85.5%	86.6%	-	87.7%	-
NPF ratio (%)	5.8%	6.8%	-	6.3%	-

Key Highlights

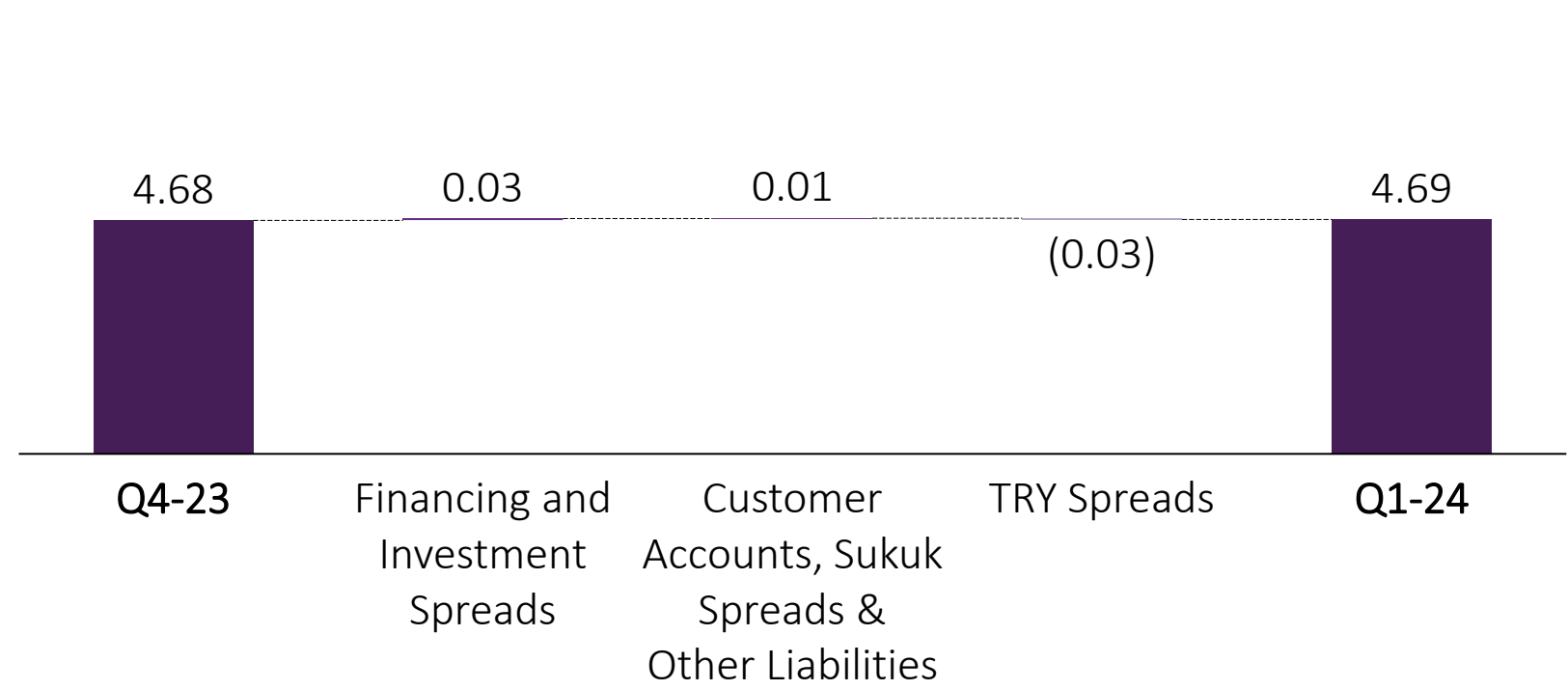
- Net Profit for Q1'24 at AED 811 mn, higher by 35% compared to same period last year reflecting strong operating performance
- Total income up 19% compared to same period last year
 - Funded income higher by 22% mainly driven by financing growth and higher profit margin
 - Non-Funded Income higher by 10% mainly due to higher Fx & Derivative income, higher Fees income; partially offset by lower other banking income
- Expenses higher by 1% compared to same period last year.
- Impairment Allowance at AED 68 mn lower by 56% y-o-y
- Financing Receivables at AED 57.0 bn, increased 6% compared to end of 2023
- Customer deposits at AED 66.7 bn, increased 9% compared to end of 2023 with CASA balances at 77% of total deposits

Net Funded Income Margin

NPM Drivers Q1-24 vs Q1-23 (%)



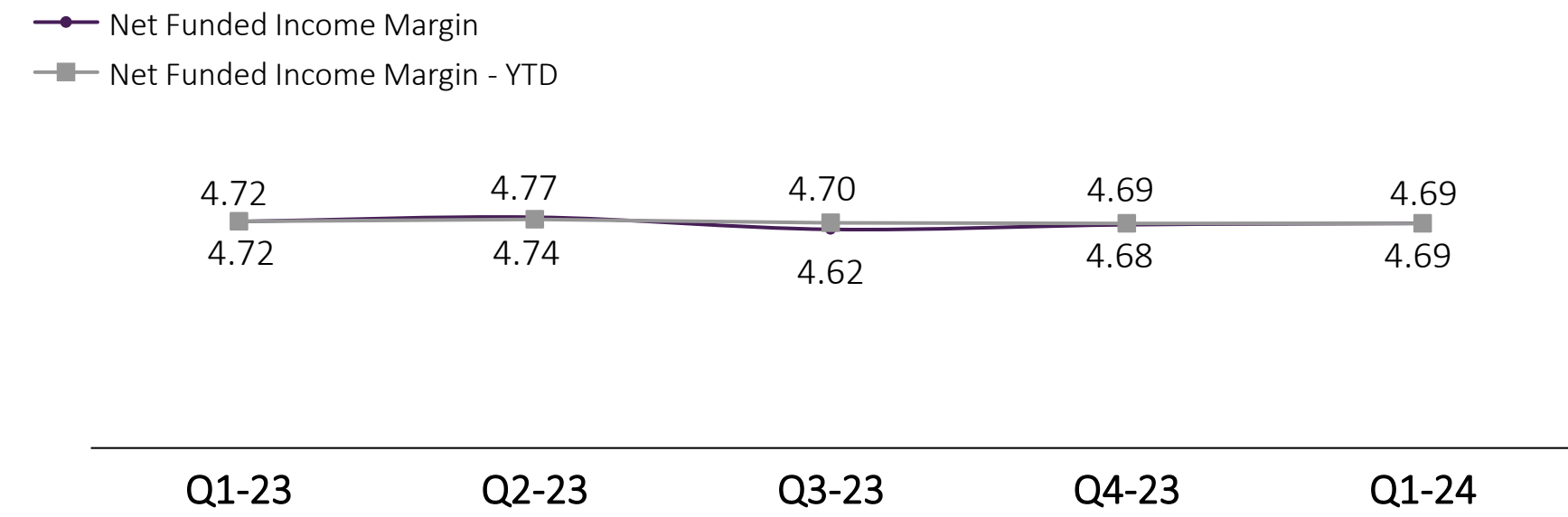
NPM Drivers Q1-24 vs Q4-23 (%)



Key Highlights

- Net funded income margin for Q1'24 at 4.69%, decreased by 2 bps compared to same period last year. The decrease is primarily on account of
 - Higher cost of customer deposits
 - Higher cost of Sukuk due to new issuancePartially offset by
 - Higher spread on Financing and Investment book due to increase in margins
 - Higher yield on Due from banks and CDs due to increase in margins
- Net funded income margin for Q1'24 at 4.69%, increased by 2 bps q-o-q primarily on account of higher income on customer financing / Investments / CDs; Partially offset by higher cost of deposits, sukuk and other funding mainly on account of higher volumes

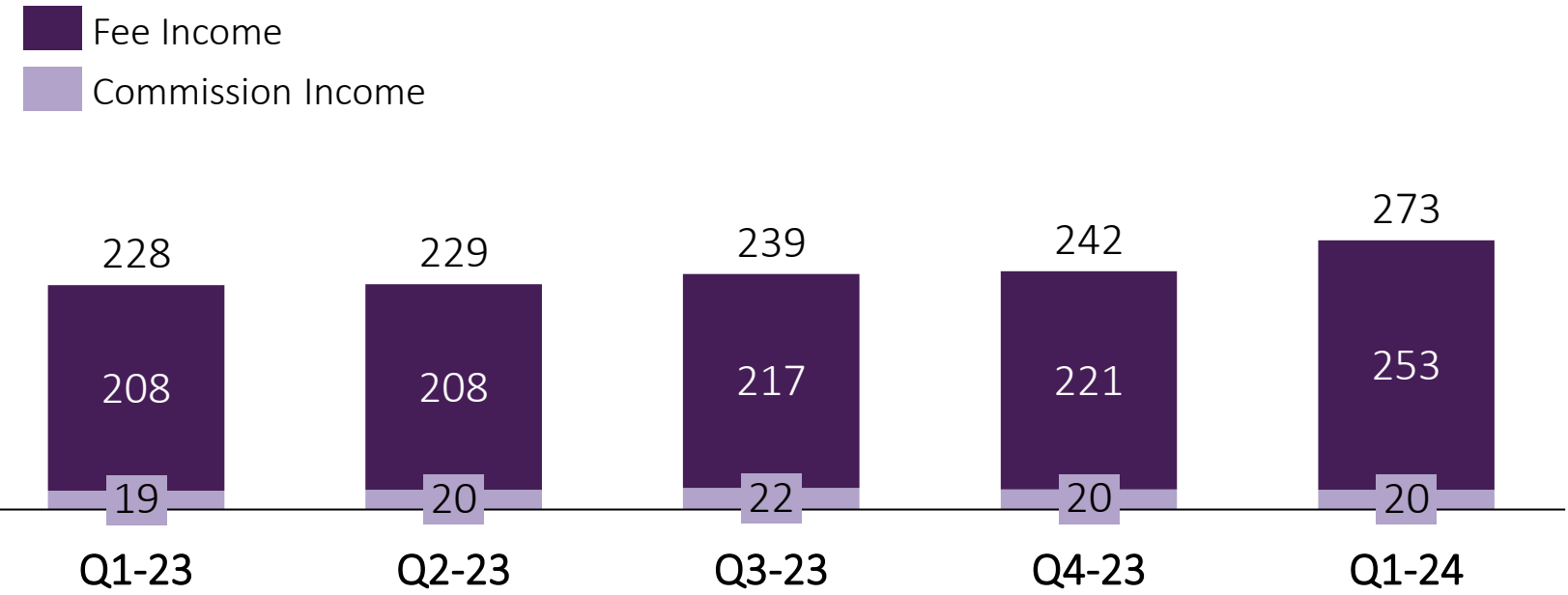
Net Profit Margin (%)



Non-Funded Income

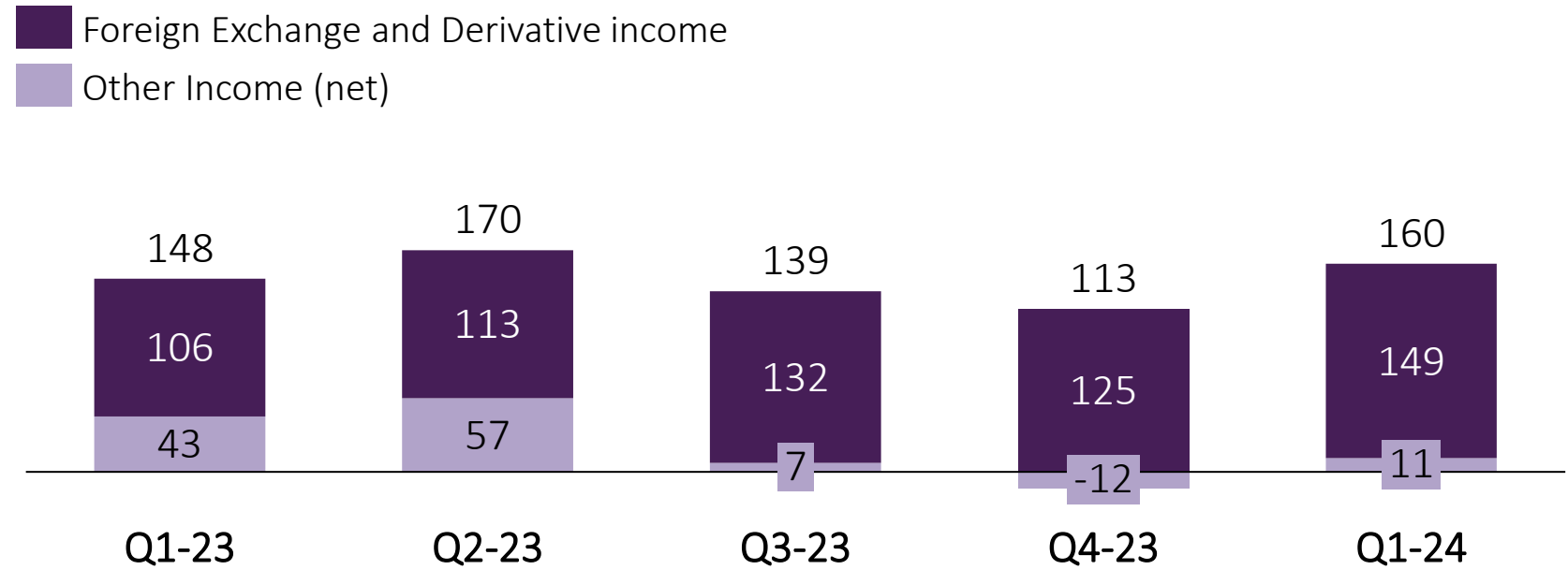
Gross Fee and Commission Income

(All figures are in AED mn)



Other Operating Income

(All figures are in AED mn)



Key Highlights

- Non-Funded Income increased 10% y-o-y
 - Net Fee and Commission income increased by 13% y-o-y
 - Other operating income increased by 8% primarily due to higher FX & derivatives income

Non-funded Income

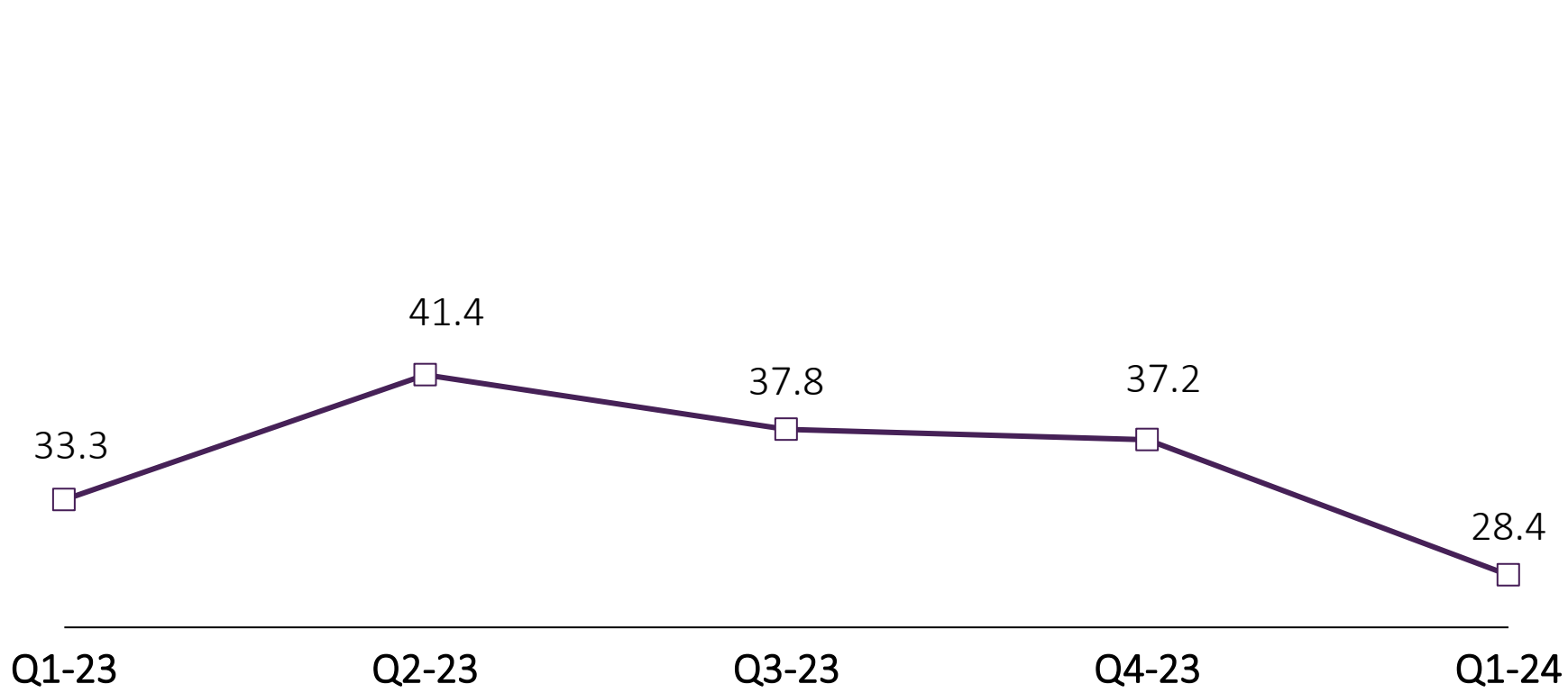
(All figures are in AED mn)

	Q1 24	Q1 23	%Δ YoY	Q4 23	%Δ QoQ
Fee and Commission income	273	228	20%	242	13%
Fee and Commission expense	(129)	(101)	-28%	(121)	-7%
Net Fee and Commission Income	144	127	13%	121	19%
Other operating income	160	148	8%	113	42%
Total Non-funded income	303	275	10%	234	30%

Key Highlights

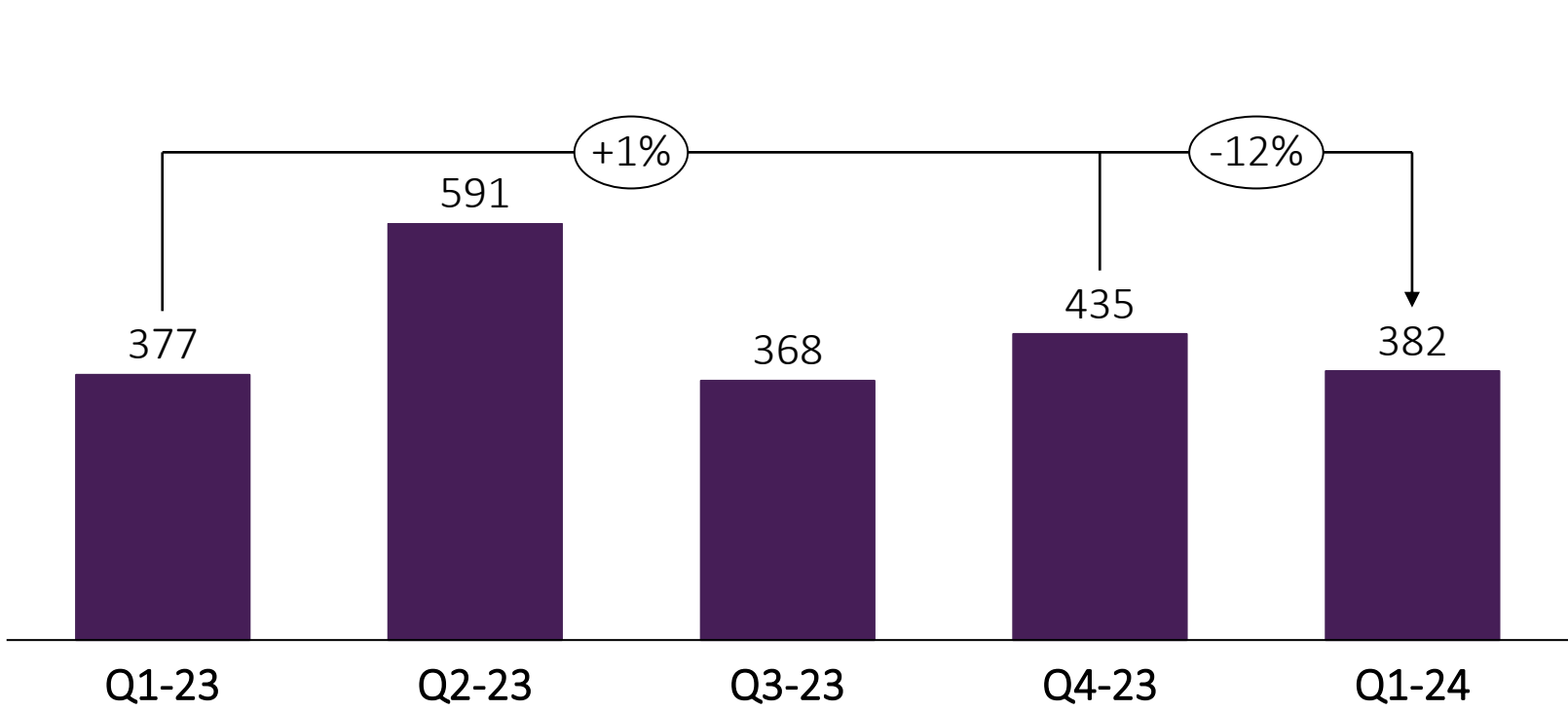
- Cost to Income ratio at 28.4% for Q1'24, decreased by 4.9% compared to same period last year as a result of:-
 - Increase in total income by 19%Partially offset by
 - Increase in total cost by 1%

Cost to Income Ratio (%), YTD



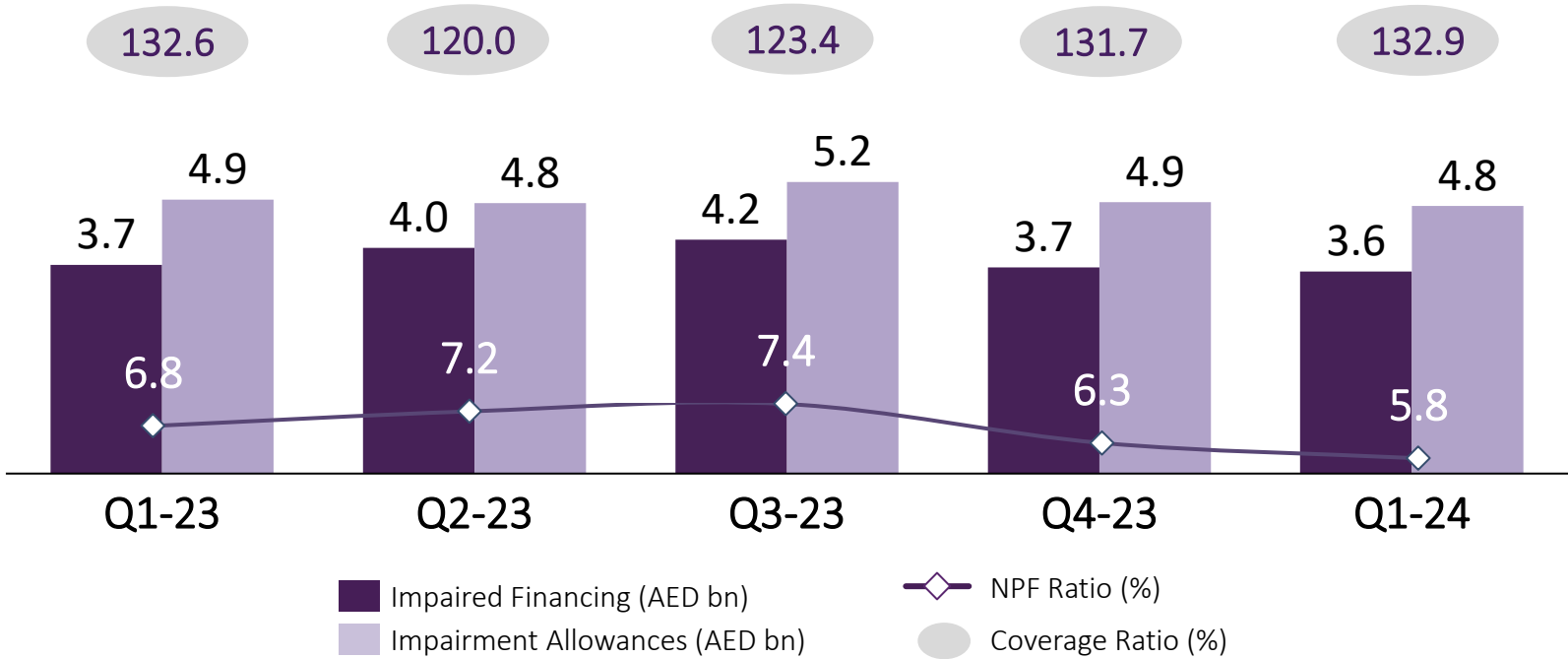
Operating Costs Trends

(All figures are in AED mn)



Impaired Financing and allowances

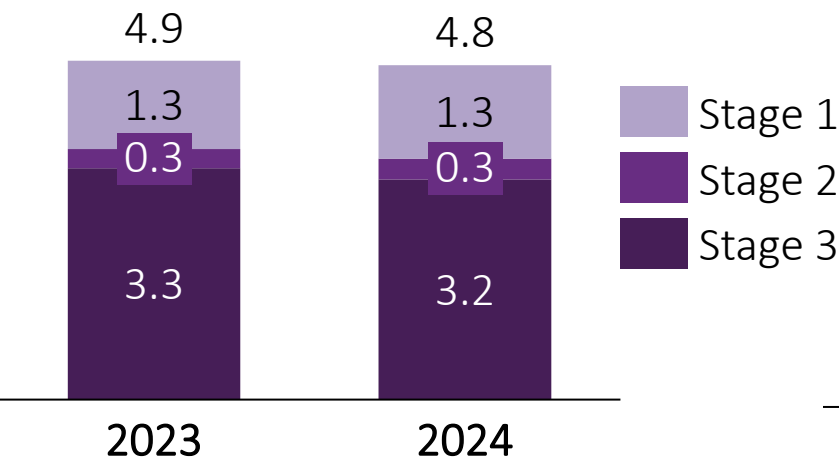
(All figures are in AED bn)



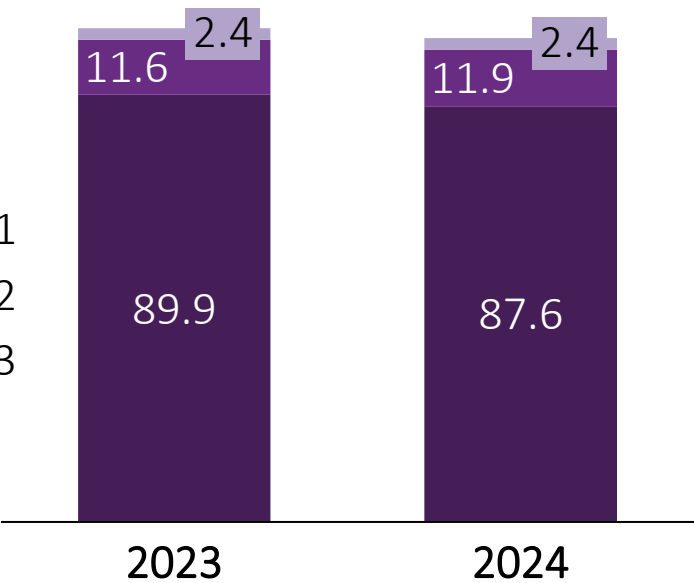
Key Highlights

- Non Performing Financing (NPF) ratio decreased to 5.8% from 6.3% at end of 2023.
- Coverage ratio at 132.9% increased from 131.7% at end of 2023
- The Impairment allowance of AED 4.8 bn includes AED 3.2 bn (66%) of specific provisions and AED 1.6 bn (34%) of ECL provisions
- Stage 1 and Stage 2 Expected Credit Loss (ECL) represents 2.7% 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

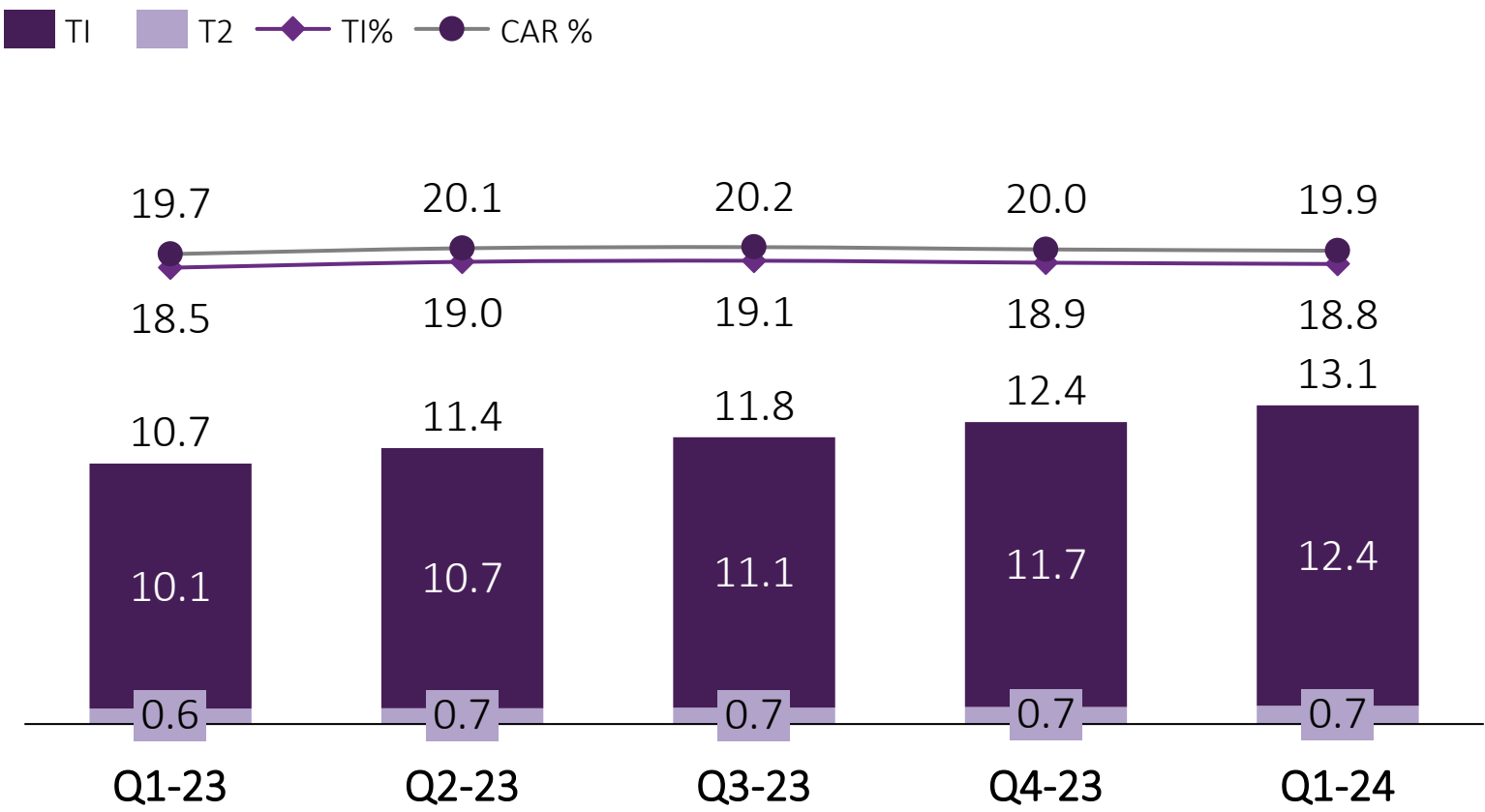
Stage 1 89.7%
Stage 2 4.0%
Stage 3 6.3%



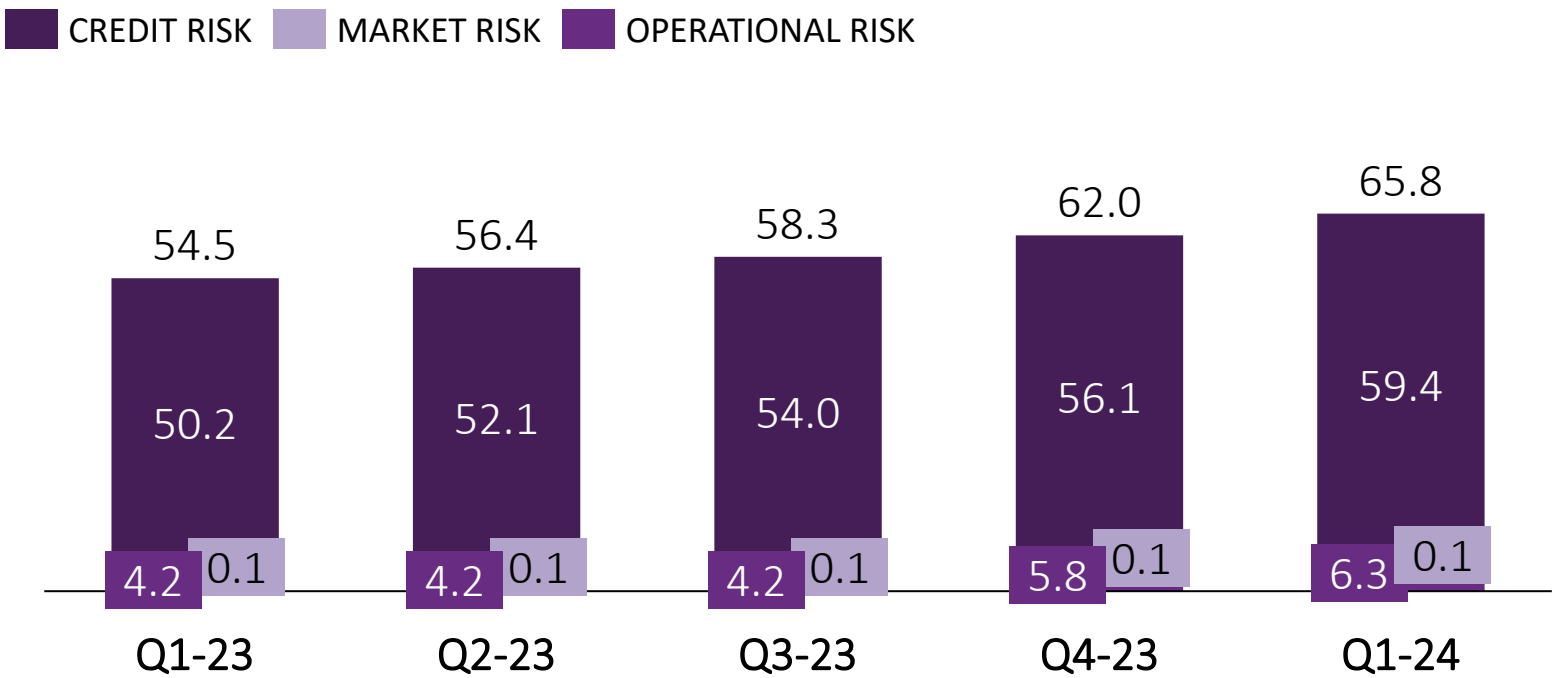
Q1-24 | AED 61.8 bn

Stage 1 90.1%
Stage 2 4.0%
Stage 3 5.8%

Capitalisation *(All figures are in AED bn)*



Risk Weighted Assets – Basel II (AED bn)



Key Highlights

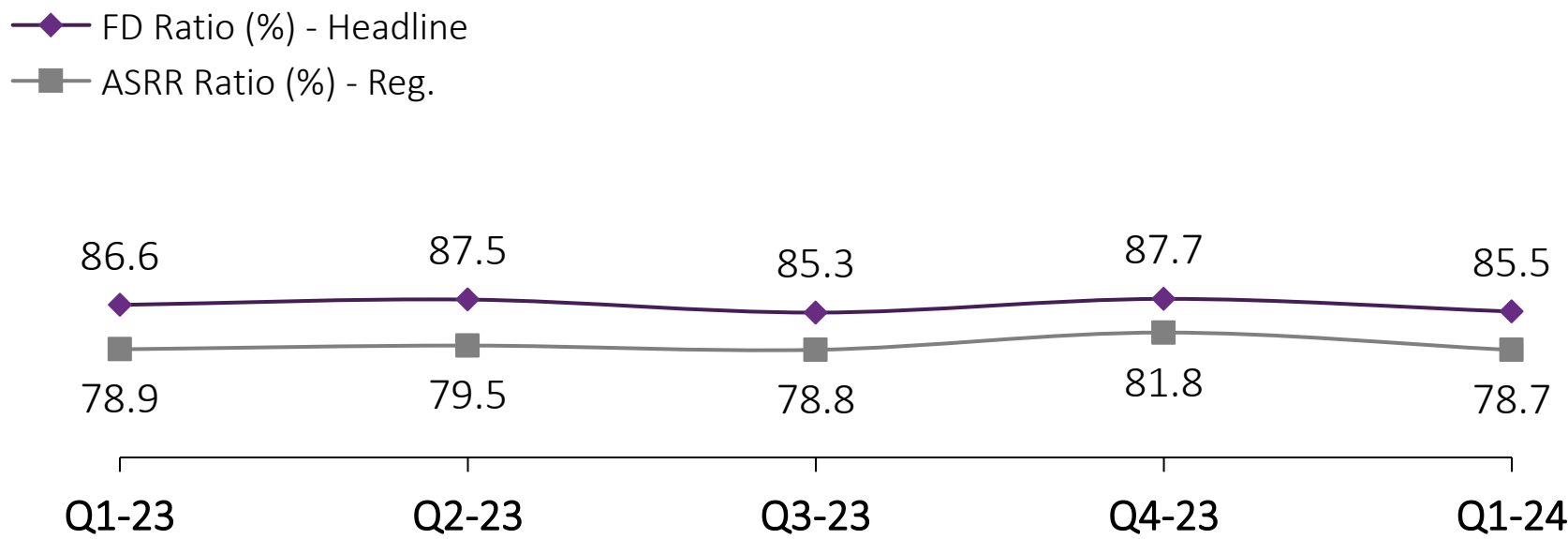
- CAR at 19.94% in Q1'24 decreased from 20.05% at the end of 2023, mainly due to –
 - Higher capital charge due to increase in due from banks portfolio
 - Higher capital charge due to growth in customer financingOffset by
 - Increase in capital base on account of profit for the year
- Tier I ratio at 18.8% decreased from 18.9% at end of 2023

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	811	-	811
ECL add-back	(156)	-	(156)
Other	(7)	42	35
Capital as at 31 March 2024	12,374	742	13,116

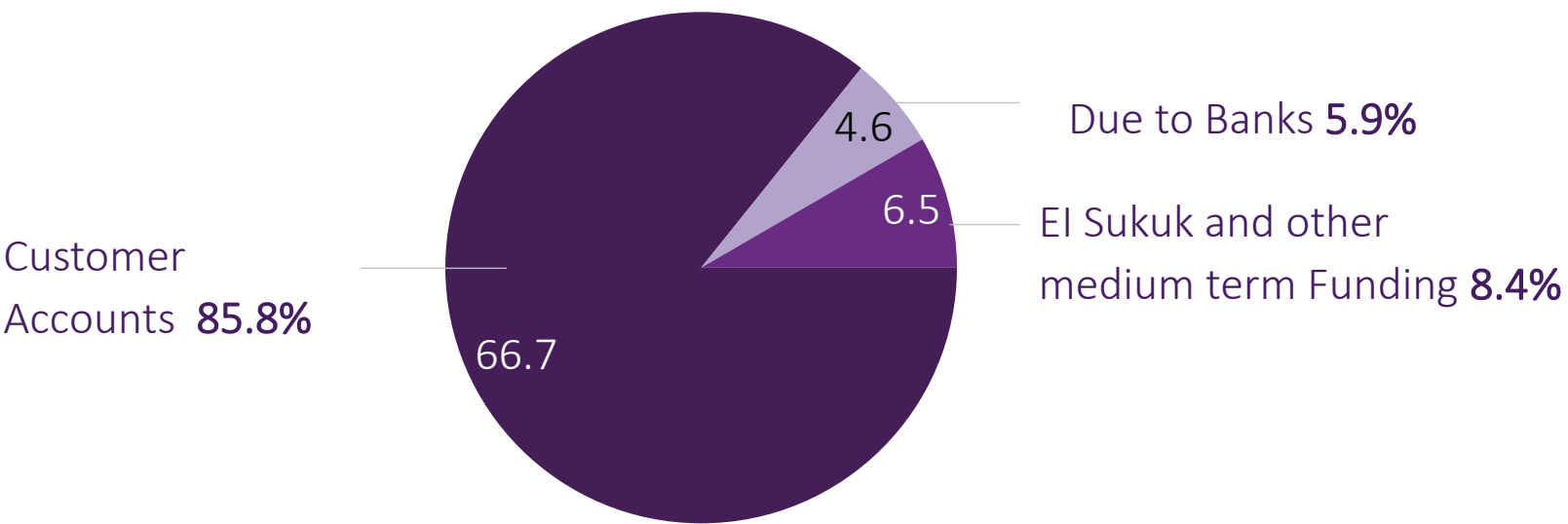
Headline Ratio (%)



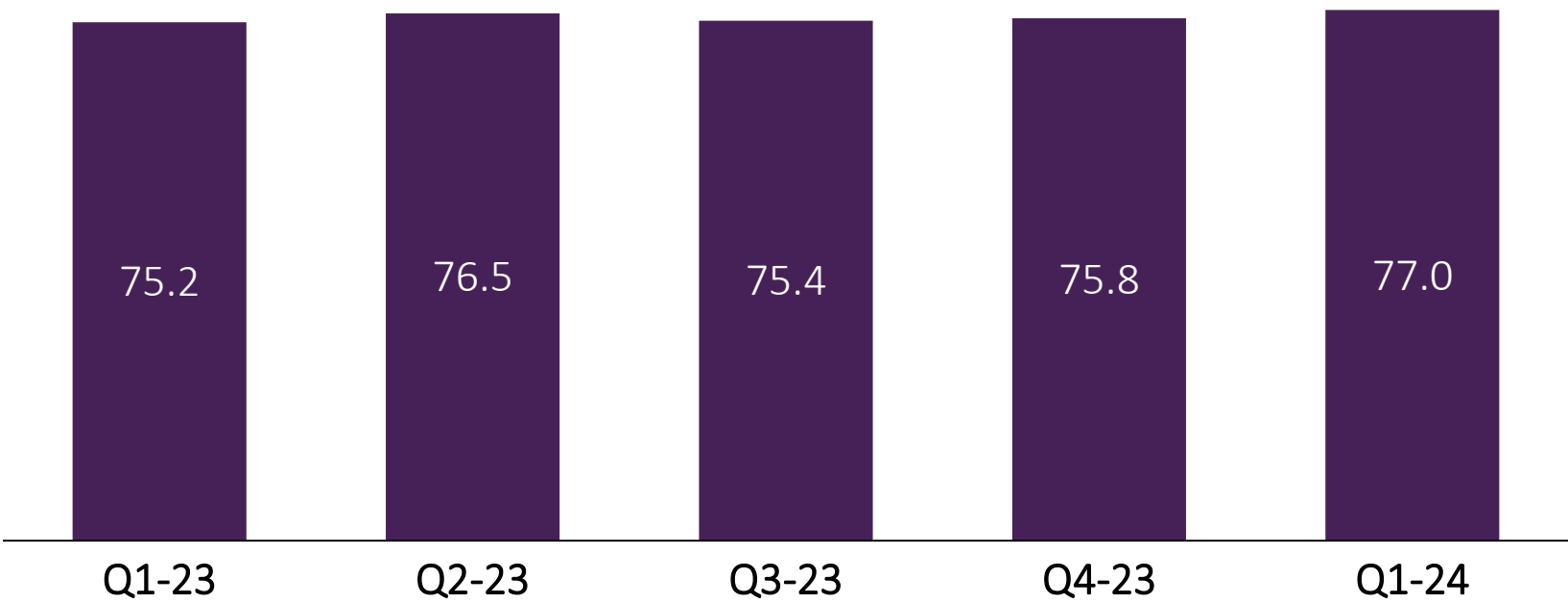
Key Highlights

- Financing to Deposits ratio remains healthy at 85.5%
- Long term funding (Sukuk) represent 6.5% of total borrowings
- CASA to Total Customer Deposits ratio at end of Q1'24 is 77.0% (Dec'23 – 75.8%)

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



CASA to Deposit Ratio (%)

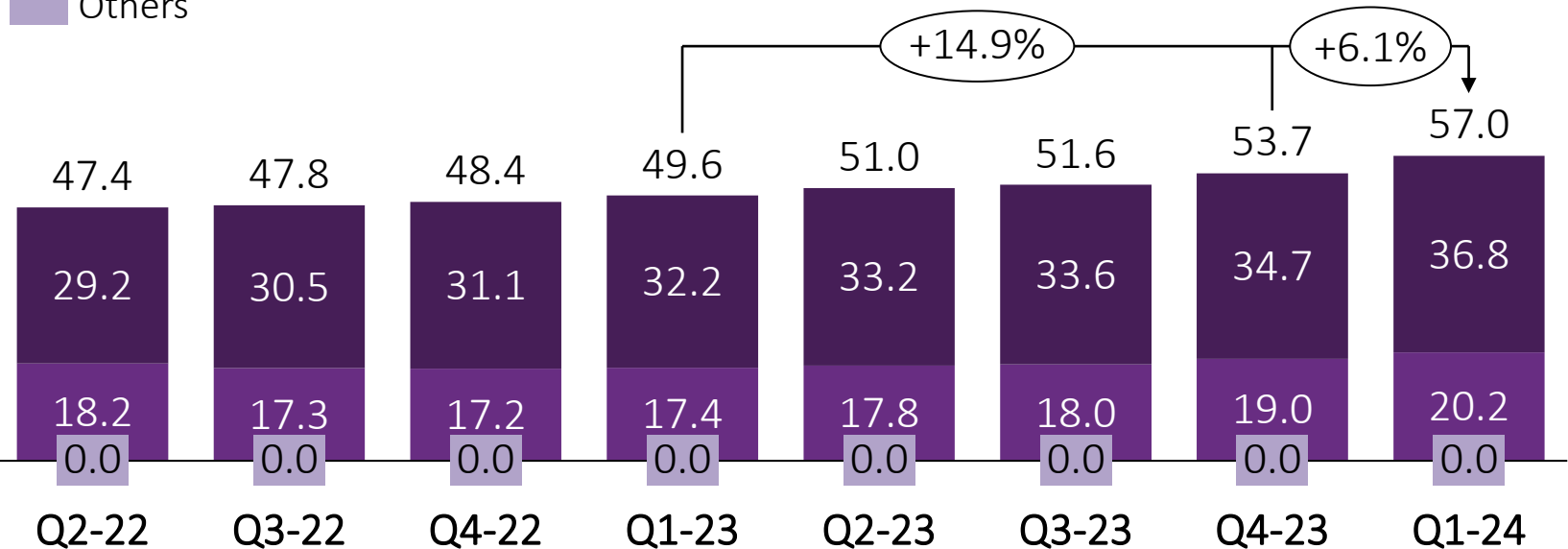


Financing and Customer Deposits Trend

Net Financing by Type

(All figures are in AED bn)

- Retail Banking and Wealth Management (RBWM)
- Corporate and Institutional Banking (C&IB)
- Others

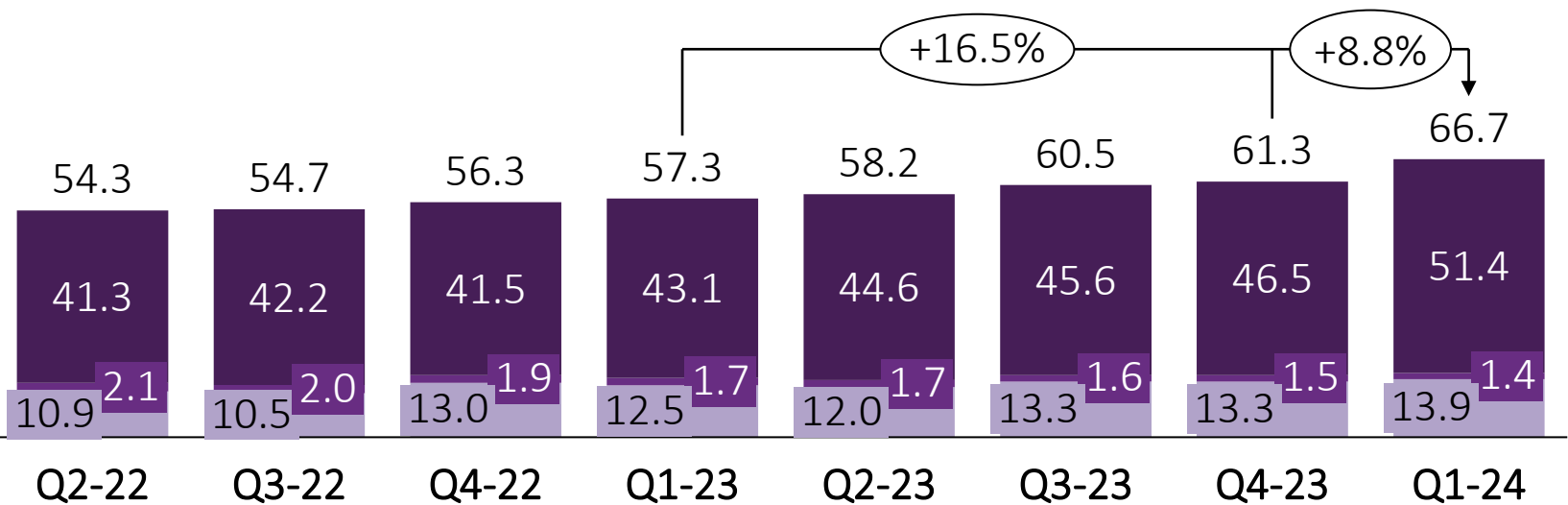


* Financing is Net off Deferred Income and impairment provisions

Customer Deposits by Type

(All figures are in AED bn)

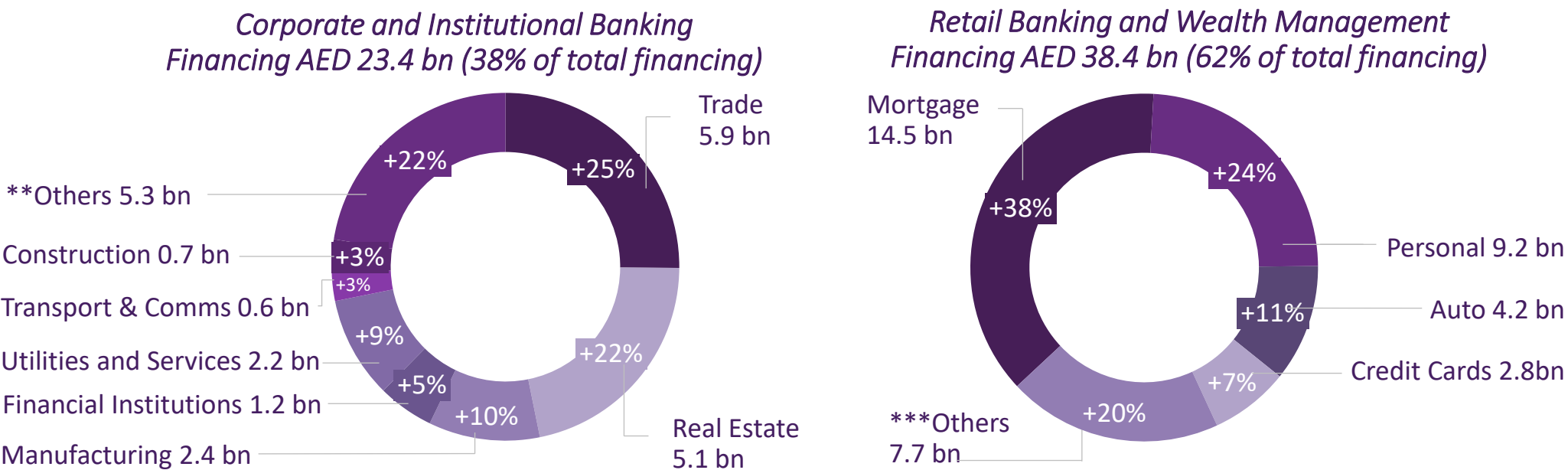
- CASA
- ITD
- Wakala



Key Highlights

- Financing receivables increased 15% y-o-y and 6% q-o-q
 - Retail Banking and Wealth Management' financing receivable increased 14% y-o-y and 6% q-o-q
 - Corporate and Institutional Banking' financing receivables increased 16% y-o-y and 6% q-o-q
- Customer deposits increased 16% y-o-y and 9% q-o-q
 - CASA increased 19% y-o-y and 11% q-o-q
 - ITD decreased 18% y-o-y and 5% q-o-q
 - Wakala increased 12% y-o-y and 4% 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	Q1-24	%Δ YoY	%Δ QoQ
Retail Banking and Wealth Management	Income (mn)	846	23%	9%
	Expense (mn)*	337	-15%	-4%
	Profit (mn)	422	78%	134%
	Financing Receivable (bn)	37	14%	6%
	Deposits (bn)	54	19%	8%
Corporate and Institutional Banking	Income (mn)	266	29%	17%
	Expense (mn)*	36	-9%	1%
	Profit (mn)	252	38%	145%
	Financing Receivable (bn)	20	16%	6%
			7%	12%
	Deposits (bn)	13		

* ‘- %’ reflects increase in expenses

Key Highlights

Retail Banking and Wealth Management

- Total Revenue increased 23% y-o-y driven by improved economic activity leading to book growth and supported by increase in Non funded income
 - Funded Income increased mainly on account of improvement in customer deposits and financing book growth
 - Non Funded Income increased mainly due to FX, commission and fee income
- Net Financing receivable increased 6% from end of 2023 mainly from personal, vehicle and home financing
- Customer deposits increased 8% from end of 2023 mainly driven by growth in CASA

Corporate and Institutional Banking

- Total Revenue increased by 29% y-o-y driven by improved economic activity and higher profit margin
 - Funded Income increased primarily on account of portfolio growth and increased margins
 - Non Funded Income increased mainly due to higher Derivative and Fee income
- Net Financing receivable increased 6% from end of 2023
- Customer deposits increased 12% from end of 2023

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