

Press Release

Emirates Islamic announces Q3 2020 Financial Results

Dubai, 20 October, 2020: Emirates Islamic, one of the leading Islamic financial institutions in the UAE, announced its financial results for the period ending 30 September, 2020. Emirates Islamic continued to increase impairment allowances in light of the challenging economic climate that resulted in the Bank reporting a net loss of AED 311 million for the first nine months of 2020. Emirates Islamic's balance sheet remains healthy with strong coverage, liquidity and capital ratios. Emirates Islamic received strong demand for its benchmark Sukuk issue in September.

Financial Highlights:

- Total assets at AED 70.1 billion, increased by 8% from end 2019.
- Financing and Investing Receivables at AED 41 billion, increased by 9% from end 2019.
- Customer accounts at AED 45.9 billion, increased by 1% from end 2019.
- Current and Savings accounts balances up 11% from end 2019.
- Total Income of AED 1.6 billion, lower by 23% year-on-year.
- Funded Income margins lower by 39 bps year-over-year due to lower profit rate environment.
- Impaired Financing Ratio is at 8.3% with strong coverage ratio of 109.1%.
- Headline financing to deposit ratio at 89% demonstrates healthy liquidity position.
- Solid Tier 1 capital ratio of 18.0% and Capital adequacy ratio at 19.2%.

Salah Mohammed Amin, Chief Executive Officer of Emirates Islamic said, "Our results for the first nine months of 2020 are a result of the challenges faced due to the pandemic and reflect our prudent and cautious approach in the current situation. As the economy reopens following the acute disruption in the second quarter, we are witnessing a significant increase in business activity. We are grateful to the UAE's wise leadership

during these challenging times with the UAE Government having issued clear, prescriptive and measured guidelines to reopen the economy with safety continuing to be the top priority.”

“We have stayed true to our core Shari’a principles, offering relief measures to our retail, business and corporate banking customers facing difficulties as a result of the pandemic. We have assisted over 39,600 customers with instalment deferments to the value of AED 2.2 billion.”

“During this period, we have seen a marked increase in the usage of our digital banking channels, and we will continue to invest in technology to enhance the digital services we provide our customers. The favourable reception to our recent USD 500 million Sukuk also reflects strong investor confidence in Emirates Islamic’s credit strength, business fundamentals and growth strategy”, added Salah Mohammed Amin.

In September this year, the Bank successfully issued a USD 500 million 5-year Sukuk from its USD 2.5 billion Certificate Issuance Programme. The landmark issuance rated A+ by Fitch is listed on NASDAQ Dubai and Euronext Dublin. Investors showed strong appetite that resulted in an order book of USD 1.2 billion which was 2.4 times oversubscribed with a profit rate of 1.827%, the lowest achieved by a UAE bank in the past ten years.

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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 38 branches and 179 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 Financial Institution in UAE’

2020 in New York-based Global Finance magazine's list of the 'World's Best Islamic Financial Institutions.' Emirates Islamic was also recognized as 2019's 'Best Islamic Bank' and the 'Most Innovative Islamic Bank' by the World Finance Magazine's global Islamic Finance Awards. The Bank was also awarded the 'Most Innovative Islamic Bank' by Islamic Finance News, a leading global Islamic finance news provider.

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

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