

Press Release

Emirates Islamic Announces Q1 2018 Results

Dubai, 18 April, 2018: Emirates Islamic, one of the leading Islamic financial institutions in the UAE, announced its financial results for the quarter ending 31 March, 2018. The Bank reported a net profit of AED 209 million for the first quarter of 2018 supported by growth in core income, efficient cost management and an improved cost of risk. The Bank's balance sheet remains strong with improvements in credit quality and liquidity.

Results Highlights:

- Net profit of AED 209 million, up 2% q-o-q and declined by 6% y-o-y.
- Total Income of AED 590 million, declined by 1% q-o-q and 2% y-o-y due to lower gains from the sale of investments.
- Total assets at AED 57.8 billion, declined by 7% from end 2017 as the Bank reduced the amount of cash placed with other banks.
- Financing and Investing Receivables at AED 33.7 billion, remains flat from end of 2017.
- Customer accounts at AED 43.4 billion, is up 4% from end 2017. Current and Saving accounts balances also up 3% from end 2017.
- Impairment charge of AED 102 million improved 14% q-o-q- and 24% y-o-y.
- Impaired Financing ratio improved to 8.4% from 10.3% as at end of 2017. Impaired Financing Coverage ratio strengthened to 123.6% from 92.2% as at end of 2017.
- Headline financing to deposit ratio at 77.6% demonstrates a healthy liquidity position.
- Tier 1 capital ratio at 15.2% and Capital adequacy ratio at 16.3%.

Jamal Bin Ghalaita, Chief Executive Officer of Emirates Islamic stated: “Emirates Islamic has reported another strong set of results in the first quarter of 2018, following our record performance in 2017. The results reflect our continued focus in providing our customers with the best in Islamic banking products and services, growth in core income combined with prudent provisioning. An enhanced collection drive and reduced cost of risk resulted in 24% lower impairments as compared to the same period last year.”

“We have focused on improving our liabilities mix, leading to a 3% increase in current and savings accounts balances which represent 67% of total customer accounts. The Islamic banking sector continues to grow steadily in the UAE and we are well positioned to take advantage of this growth to increase our market share. Additionally, our ongoing investments in the latest technology and digital banking solutions have helped us provide our customers with a superior service experience.”

Bin Ghalaita added, “As one of the nation’s leading Islamic banks, we have played an active role in giving back to the community and in 2017, we contributed funds to a number of charitable institutions and deserving causes. 2018 is the Year of Zayed and we will aim to uphold the values of the late Sheikh Zayed Bin Sultan Al Nahyan, our nation’s founding father, by continuing to support those in need through the Emirates Islamic Charity Fund.”

Emirates Islamic has been at the forefront in developing unique Islamic banking solutions for its customers. Aligned to this, the Bank recently announced a tie up with Union Coop, the UAE’s largest consumer cooperative to convert its physical share certificates to electronic form through an innovative solution provided by Emirates Islamic Financial Brokerage, the brokerage arm of Emirates Islamic.

The Bank was also recognised for the enhancements in customer experience made to its branch network as it won the “Most Improved Branches” award at the Customer Experience Benchmarking Index Awards, an annual survey conducted by Ethos Integrated Solutions.

About Emirates Islamic:

Established in 2004, as Emirates Islamic Bank, Emirates Islamic is one of the fastest growing banks in the UAE. Combining the best in Shari'a compliant services with the strongest levels of customer care and efficiency, the bank has established itself as a major player in the highly competitive financial services sector in the UAE. Offering products and services developed in line with the highest ethical standards, Emirates Islamic gives customers the transparency they seek in a strong, honest financial partner.

Emirates Islamic offers a comprehensive range of products and services across the Personal, Business and Corporate banking spectrum with a network of 62 branches and 208 ATMs/CDMs across the UAE. In the fast growing area of online and mobile banking, the bank has the reputation as an innovator, and was the first Islamic bank to launch a mobile banking app and the first bank in the Middle East to launch an App on the Windows 8 mobile platform.

Emirates Islamic has consistently received local and international awards, an acknowledgement of the bank's strong record of performance, growth and market leading banking practices. The bank was named 'Best Islamic Bank in the UAE' at the 2015 World Finance Awards and also won the prestigious Euromoney Award for Innovation in Islamic Finance 2015. In the Islamic Business & Finance Awards 2015, the bank was named 'Best Retail Bank, UAE'; 'Best Commercial Bank, UAE'; and 'Best Wealth Management, ME'. The bank won several industry accolades in 2016, including Innovator in Islamic Finance by Global Finance magazine for EI trade, the world's first of its kind Shari'a-compliant online Trade Finance and Supply Chain platform and Fastest Growing Bank – UAE at the Banker Middle East Industry Awards 2016.

For further information please visit www.emiratesislamic.ae

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