



A n n u a l R e p o r t 2 0 1 8





**IN THE NAME OF ALLAH,  
THE MERCIFUL,  
THE MOST MERCIFUL**



Head Office



Emirates Islamic Bank  
(Public Joint Stock Company)

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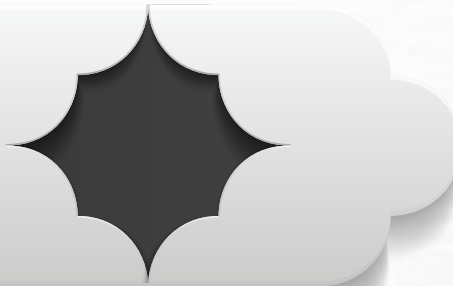
## **Our Vision**

To be the leading provider of high standard Shari'a-compliant innovative financial products, quality service and superior value for our customers, shareholders, employees and the community.



## **Our Mission**

Providing innovative and high standard financial products and services governed by Islamic Shari'a provision to enrich the society.





**His Highness Sheikh Khalifa Bin Zayed Al Nahyan**  
President of the United Arab Emirates





**His Highness Sheikh Mohammed Bin Rashid Al Maktoum**  
Vice President and Prime Minister  
of the United Arab Emirates and Ruler of Dubai

**Board of  
Directors**





**Mr. Hesham Abdulla Al Qassim**  
Chairman



**Mr. Buti Obaid Buti Al Mulla**  
Vice Chairman



**Mr. Shoaib Mir Hashem Khoory**  
Director



**Mr. Mohamed Hadi Ahmad  
Abdulla Al Hussaini**  
Director



**Mr. Mohamed Hamad Obaid  
Khamis Al Shehi**  
Director

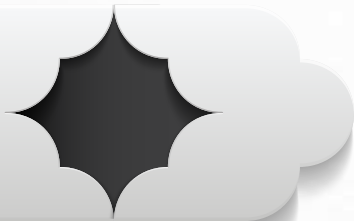


**Mr. Ali Humaid Ali Al Owais**  
Director



**Mr. Shayne Nelson**  
Director

**Management  
Team**





**Salah Amin**  
Chief Executive Officer



**Wasim Saifi**  
Deputy CEO - Consumer Banking  
& Wealth Management



**Suhail Bin Tarraf**  
Chief Operating Officer



**Hitesh Thakkar**  
Chief Financial Officer



**Meitha Al Hashemi**  
Chief Risk Officer



**Marwan Al Mheiri**  
Head of Human Resources



**Ammar Al Haj**  
Head of Treasury



**Yakub Bobat**  
Head of Wholesale Banking



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## Chairman's Message







**Hesham Abdulla Al Qassim**  
Chairman, Emirates Islamic

With less than two years to go until the much-awaited Expo 2020 Dubai, the United Arab Emirates maintains its impressive pace of growth by excelling in every sector of public development, from economic policy to technological infrastructure, serving as a model of progress throughout the region. The UAE government's diversification policy has been instrumental in solidifying the country's position as a regional financial centre and international trading hub. As the UAE's preferred Islamic bank and the official Islamic Banking Partner of Expo 2020 Dubai, Emirates Islamic is proud to be a contributor to this success story.

Emirates Islamic further cemented its position as a leading financial institution in the UAE in 2018 by playing an instrumental role in the development of the overall Islamic finance sector. We delivered strong results for the year, demonstrated with a 32% increase in net profit to AED 924 million.

In 2018, the Year of Zayed, we strengthened our commitment to the humanitarian legacy of the UAE's founding father with various charitable contributions to support the less fortunate, particularly in the areas of food, shelter, health, education, rehabilitation and social welfare through the 'Emirates Islamic Charity Fund'. The fund distributed a total of AED 69 million to charitable institutions and deserving causes, both locally and internationally. Going forward, as we celebrate the Year of Tolerance in 2019, the Bank reaffirms its commitment to the UAE's vision of building a peaceful and harmonious society that prides itself as a centre of diversity, tolerance and coexistence.

Overall, our outlook remains optimistic for growth prospects in the year ahead. Islamic banking continues to gain traction regionally and globally, driving wider adoption of Shari'a-compliant products and services. This is an encouraging trend that bodes well for the future of the Islamic banking sector and supports the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai to make Dubai the global capital of Islamic economy.

Looking ahead, Emirates Islamic will continue to play an instrumental role in the Islamic banking sector, helping further increase the uptake of Islamic banking solutions among individuals and institutions in the UAE. In closing, I would like to thank our Board of Directors, the Bank's management team and all Emirates Islamic employees for their continued contribution to our solid performance. I would also like to extend appreciation to our loyal and valued customers and shareholders for their support as we look forward to another successful year ahead.

CEO's Message





**Salah Amin**  
CEO, Emirates Islamic

2018 was an extremely successful year for Emirates Islamic, as we announced a record net profit of AED 924 million and total assets of AED 58.4 billion. Our success in 2018 was the result of our dedicated efforts towards innovation and service excellence, and comes on the back of growth in the Bank's financing receivables, coupled with higher core fee income and an improved cost of risk.

The Consumer Banking & Wealth Management Division (CWMD) continued to show strong growth with Islamic financing and customer deposits up by 7.8% and 6.0% respectively, whereas investment and Wakala accounts combined increased by 22.7% and current & savings accounts balances remained flat. Building on our reputation as the preferred financial institution for UAE nationals, we launched a personalised banking experience for Emarati customers this year across our product portfolio, encompassing lifestyle privileges, fast service, and pricing benefits.

Our success goes beyond the figures. Digital development and innovation are key ingredients to our success. Today, Emirates Islamic is the only Islamic bank in the UAE to have launched all 3 digital mobile wallets, namely Apple Pay, Google Pay and Samsung Pay, providing convenient payment solutions to our customers. We introduced new services on our award-winning Mobile Banking App, including a Demo Version, Cardless Cash Withdrawal, and SmartPass, among many other enhancements. Our customers have appreciated the world-class features of the Mobile App, which has received over 16,800 reviews on Apple store, with an excellent rating of 4.5 stars. 2018 saw customers increasingly choosing to bank online, as digital adoption rates increased to 58% and digital banking transactions grew by 35% year-on-year.

Going forward, we will continue to innovate and invest in digital technology to create pioneering solutions and differentiated customer experiences, while enhancing our efforts to continue educating the population on the core values and benefits of Islamic banking. We aim to continue using cutting-edge technology that creates value for our customers by improving their experience. We also want to harness digital for growth and efficiency across the Bank, enhancing our systems and making greater use of data analytics to improve our services.

The Wholesale Banking Division (WBD) continued to play a pivotal role in supporting the country's corporate & institutional sectors, as well as select domestic and overseas clients to support their activities and businesses internationally. Amid challenging market conditions, WBD saw growth in total income and strongly contributed to the Bank's net profit, with particularly stellar contributions from treasury product lines and financial institutions. WBD is investing in building internal infrastructure and capabilities to better support clients and generate more profit & fee-based income, in the areas of Transaction Banking, Investment Banking, Treasury as well as the Bank's technology infrastructure & delivery channels. Elsewhere, Corporate Banking saw growth in 2018 through continued focus on building relationships with Corporate clients in the UAE while also expanding business to support regional clients. The Financial Institutions department has been successful in strongly growing its overall business by over 60%, through deepening existing relationships as well as establishing new relationships in the GCC and beyond. Syndication & Structured Finance continues with its strong growth trajectory ever since its recent revival, with over 65% growth of new mandates.

Our efforts were recognised across the industry and continued to win accolades, including 'Best Islamic Banking Brand' by Global Brands Magazine and 'Best Islamic Bank' in the UAE by Global Finance, a leading financial publication. In addition, Emirates Islamic was lauded for its range of innovative products at the Banker Middle East Product Awards 2018, winning 'Best Islamic Card' and 'Best Mobile Banking App'. The Bank also won the YallaCompare 'Islamic Personal Finance Provider of the Year' for a second consecutive year. In recognition of the enhancements in customer experience made to its branch network, the Bank won 'Most Improved Branches' in the Banks Benchmarking Index by Ethos Integrated Solutions.

Looking ahead, we will continue to invest in innovative solutions to cater to the growing demand for convenient, accessible banking. 2019 will see us make further strides towards our goal of crafting a rewarding banking experience for all our customers and maintaining our position as the nation's preferred Islamic Bank. We will continue to play a leading role in the development of Islamic banking in the UAE through our focus on banking and technological innovation.

I would like to thank our Board of Directors for their encouragement and contribution to the Bank's success over the years. I would also like to thank our valued employees for their role in our continued progress.

Times change.  
Values remain.



We believe that it's shared values like **ambition** that bind us to one another and take us forward. It's because we are guided by our Islamic values in whatever we do that has made us the **preferred Islamic bank in the UAE.**





## CORPORATE SOCIAL RESPONSIBILITY



As one of the country's largest Islamic Banks, Emirates Islamic plays a major role in supporting the communities it serves to help them grow stronger.

This is reflected in the Bank's Corporate Social Responsibility (CSR) strategy and can be seen in the way it runs its business, the inclusive and supportive workplace it creates for its employees, the products and services it offers its customers and the impact this makes in helping the local economy thrive.

In line with these commitments, Emirates Islamic launched the 'Emirates Islamic Charity Fund' in 2016 to govern and manage its strategy for charitable donations and giving, one of the key pillars of the Bank's overall CSR framework. The fund provides financial aid across several areas including food, shelter, health, education and social welfare.

This year, Emirates Islamic was a proud supporter of the Year of Zayed initiative announced by HH Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE. The Year of Zayed is a celebration of the values and legacy of Sheikh Zayed Bin Sultan Al Nahyan, our nation's founder. Throughout his life, he always encouraged help and support to those in need anywhere in the world. Through the Emirates Islamic Charity Fund, we aim to honour Sheikh Zayed's vision and continue working to celebrate this great leader's humanitarian legacy.

To mark the Year of Zayed, Emirates Islamic expanded its charitable efforts in 2018, distributing AED 68,996,801 to assist and support the less fortunate in our community and beyond. The bank donated AED 500,000 to the Khalifa Bin Zayed Al Nahyan Foundation, in support of its development and relief programs. Moreover, Emirates Islamic continued to support the Zayed Housing Program this year to extend a supporting hand to the disadvantaged and underprivileged UAE Nationals who need crucial financial support to build their homes or repay housing loans. As a homegrown bank, Emirates Islamic is a firm believer in supporting projects that will raise the regional and global profile of the country's medical institutions and position the UAE as the healthcare hub of the wider Middle East region. In the healthcare sector, Emirates Islamic has supported various government and privately-run institutions, including a contribution of AED 34 million to support the Dubai Health Authority's (DHA) vision to establish a new gynaecology and fertility centre. The centre, which will be located within the premises of Latifa Hospital for Women and Children, will provide treatment to couples seeking to experience the joy of starting a family.

In addition, Emirates Islamic contributed AED 7 million to Dubai Autism Centre, the largest, most innovative and comprehensive non-profit organization in the UAE serving children with Autism Spectrum Disorders. The contribution, provided through the Emirates Islamic Charity Fund, will be used to fund the development of the Centre's new facilities that are built on an area of 91,000 square feet.



To exemplify Islam's true spirit of giving and contributing to the community in Ramadan, the Emirates Islamic Charity Fund partnered with several charitable and humanitarian organisations including Khalifa Bin Zayed Al Nahyan Foundation, Beit Al Khair Society, Sharjah Charity International and Dar Al Ber Society, distribute Meer Ramadan (essential foodstuff and commodities regularly needed during the holy month of Ramadan) to more than 600 families in need across the UAE.

The Charity Fund also organized several initiatives, in co-operation with Dar Al Ber Society, to provide essential needs to the underprivileged families in Umm Al Quwain. Furthermore, in cooperation with Sharjah Police General Directorate, the Emirates Islamic Charity Fund aided in the release of inmates of various nationalities from jail by settling their debts to allow them to spend the rest of Ramadan and Eid Al Fitr with their families.



## ECONOMIC REVIEW



2018 was a volatile year for the global markets. Higher interest rates in the US, trade wars, Brexit, and increased geopolitical uncertainty took their toll on equity and bond markets; contributing to slower growth in key markets, including China, in the fourth quarter. Against this background, the GCC economies likely saw faster GDP growth and much improved fiscal balances in 2018, as oil prices rebounded to average over USD 70 per barrel (Brent oil). Oil production was once again the main engine for growth in the UAE in 2018, with output rising to a record high of more than 3.3 million barrels per day by the end of last year. For the year as a whole, the UAE's crude oil production was nearly 3% higher than in 2017, and this helped offset a modest slowdown in the non-oil sectors of the economy. Overall, we estimate that the UAE economy expanded 2.4% in 2018, significantly better than the 0.8% GDP growth recorded in 2017.

However, the rebound in headline GDP growth masks underlying challenges faced by the services sectors in particular. Faced with softer private sector demand and a strengthening dollar for most of 2018, firms continued to discount selling prices, even as input costs continued to rise. This squeeze on margins boosted cost-cutting efforts, leading to stagnant employment and very little wage growth in the private sector.

This was especially evident in the wholesale and retail sector, although travel and tourism was affected as well. The number of international visitors to Dubai was flat in the year to November, compared with the same period in 2017, even as the average daily rate for hotels in Dubai declined by nearly 6.5%. The increased supply of hotel rooms – planned in preparation for Expo 2020 – also contributed to pricing pressure in the hospitality sector. Increased supply, rising interest rates and little evidence of household income growth, also contributed to a further decline in residential real estate prices in both Abu Dhabi and Dubai. Even though new project launches have slowed in recent months, there is still significant new supply due to come onto the market in 2019 from projects already underway. As a result, further softness in real estate prices is expected in 2019, although analysts expect the rate of price decline to be slower this year.

Our outlook for 2019 is cautiously optimistic. The rebound in oil prices in 2018 has provided room for the government to increase spending this year. Even with a slightly lower oil price forecast in 2019, the federal government budget has been increased by more than 17% and the government of Abu Dhabi has announced additional stimulus as well. This, together with the final leg of Expo 2020 preparations, should underpin non-oil sector growth. We also expect the oil sector to contribute positively to GDP growth this year, even after the recently announced OPEC production cuts come into effect. As a result, we expect headline GDP growth in the UAE to reach 3.1% in 2019.





## STRATEGY 2019

Emirates Islamic remains committed to achieving its mission to provide innovative and high standard financial products and services governed by Islamic Shari'a provision to enrich the society. In line with the Bank's vision to be a leading retail banking and wholesale banking franchise, Emirates Islamic will focus on sustaining its profitability growth momentum amid competitive market landscape through improvements in products and services, enhanced distribution coverage, income diversification through deeper clients' wallet penetration and continuous focus on non-funded income growth.

The Bank will continue to play a pivotal role in Islamic banking development in the UAE by leveraging state-of-the-art technology, developing innovative products and services and implementing best practices. As part of its digitization agenda, Emirates Islamic will continue to innovate solutions such as video banking, teller-less branches, end-to-end digital sales and services infrastructure, optimize key processes and enhance customer intelligence. The initiatives will be the key enablers to deliver lean and effective distribution, increase agility and improve time-to-market in aspiration to deliver the best-in-class customer journey for the Bank's customers.

Emirates Islamic aims to scale up its treasury, markets and hedging capabilities to manage its liquidity and balance sheet more efficiently. Additionally, the development of treasury and new market products will be a critical lever to diversify its source of income from non-funded sources through FX, wealth management and hedging solutions.

To support the growing payments, liquidity management and trade finance needs of the Bank's corporate and commercial banking customers, Emirates Islamic will enhance its transaction banking capabilities by enhancing its transaction-banking proposition, revamping its digital channels, enhancing its services and key processes and upskilling and investing in the quality of the Bank's relationship management and advisory team.

Further, the Bank will constantly look to strengthen its control framework and reinforce strong standards of governance by proactive risk policy management,

setting up market-leading risk and control infrastructure and practices and implementation of risk-aware culture across the Bank and not just limited to product design and sales management.

Emirates Islamic values and considers its people as its strongest asset. The Bank will continue to invest in upskilling of its staff and making improvements in organization structure and job design, realigning KPIs, and investing in performance management infrastructure to drive a high level of employee engagement to support its strategic aspirations. Emirates Islamic remains committed to supporting the UAE Government's Emiratization agenda through various initiatives identified to increase Emiratization penetration in critical roles within the organization and award-winning training and development programmes.

As an Islamic bank, Emirates Islamic has always endeavored to support the community and those in need. The Bank will continue its commitment towards community support through a range of charitable initiatives, aimed at supporting the less fortunate in necessities like health, food, education and shelter.



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Values remain.**



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## REVIEW OF PERFORMANCE

Today, Emirates Islamic is seen as a leader in providing Shari'a-compliant products and services with a strong focus on innovation and customer experience. Despite challenging market conditions and a highly competitive banking industry, 2018 was a landmark year for the Bank. Emirates Islamic recorded the highest ever net profit since inception, introduced a wide range of exciting new products and services and invested further in the customer experience of the future.



## CONSUMER BANKING & WEALTH MANAGEMENT

Emirates Islamic's Consumer Banking & Wealth Management Division (CWMD) grew 39% over 2017 contributing 57% to the Bank's 2018 net profit. CWMD continued to bring to its customers an enhanced banking experience with numerous digital initiatives, strong value propositions and superior levels of customer experience. With the growing penetration of customers taking Islamic products and enhanced knowledge of consumers on Islamic products year on year, our focus on growth of consumer banking in Emirates Islamic is vital.

### Business Banking

Emirates Islamic's Business Banking Division (BBD) grew its revenues by 12% in 2018, contributing 25% of the Bank's Total Operating Income. The key drivers behind this growth was the increasingly stable and diverse mix of customers, consistent business momentum and increasing fee revenue. Net fee income was up 48% driven mainly by the increase in Foreign Exchange and Trade Finance activity, contributing in incremental fee income and diversification of the revenue stream. With an objective of providing superior customer experience, BBD worked diligently to fulfill the specific banking needs of businesses across the UAE.

### Digital

As part of Emirates Islamic's efforts to provide the latest digital banking solutions and an enhanced banking experience for its customers, the Bank revamped its Mobile Banking App in 2018. The App now offers users over 25 additional services and over 150 features – aligned with its Mobile First Strategy.

Key features launched in 2018 include:

- Demo Feature, making Emirates Islamic the only financial institution within the region to have a full working Demo Feature within the App
- Cardless Cash Withdrawal
- Cash-on-Call facility
- Card Management, allowing customers to activate, block, unblock and change PIN instantly
- QuickRemit which allows customers to transfer funds to partner banks in India & Pakistan in less than 60 seconds
- Instant account opening



Emirates Islamic continues to pioneer innovations in the Islamic banking sector, becoming the first Islamic bank in the UAE to offer its cardholders all 3 digital wallets, namely Apple Pay, Samsung Pay, and Google Pay. The Bank's customers have appreciated the world-class features of the Mobile App, which has received over 16,800 reviews on Apple store, with an excellent rating of 4.5 stars.

The Bank's customers are increasingly choosing to bank online, as digital adoption rates increased to 58% and digital banking transactions grew by 35% year-on-year. Looking forward, Emirates Islamic will continue to lead the digital Islamic banking space with a specific focus on Digital Innovation and Customer Experience.

### Distribution

Emirates Islamic's extensive branch network includes 60 branches & 1 pay office, and spans strategic locations across all 7 emirates of the UAE. The Bank strengthened its presence in Abu Dhabi by adding 2 new branches in Baniyas and Corniche, expanding its network in the Abu Dhabi region to 13 branches, of which 4 are in Al Ain. Northern Emirates remains a key priority for Emirates Islamic and this was reflected in the opening of a new branch in Jurainah, Sharjah.

In Dubai, the Bank relocated its Jumeirah Lakes Towers Branch within the same tower to occupy larger premises, whilst commencing the refurbishment of some branches across the UAE. The network continued to be a strong customer acquisition channel for account, card and finance products as well as a key driver for cross-sell. Emirates Islamic expanded its ATM network to provide more convenience for its customers. The Bank added 19 new ATMs across the UAE of which 11 are in non-branch locations, taking the total ATMs/CDMs network to 207.



## WHOLESALE BANKING DIVISION

The Wholesale Banking Division (WBD) continues to play a pivotal role in supporting the UAE's Corporate & Institutional sectors, as well as select domestic and overseas clients to support their activities and businesses internationally.

Against the backdrop of continued challenging market conditions, WBD recorded total income of AED 396 million and net profit of AED 215 million, with particularly stellar contributions from treasury product lines and financial institutions.

WBD is investing in building internal infrastructure and capabilities to better support clients and generate more profit & fee-based income, in the areas of Transaction Banking, Investment Banking, Treasury as well as the Bank's technology infrastructure & delivery channels. WBD strives to be the premier banking partner to clients, providing world-class products and services with an underlying spirit of Shari'a-compliance which includes ethical, environmental, community empowerment and sustainability considerations.

### Corporate Banking

Emirates Islamic Corporate Banking provides a full suite of financing solutions from the day-to-day working capital support, including trade finance, to long-term capital expenditures. The business saw growth in 2018 through continued focus on building relationships with Corporate clients in the UAE while also expanding the business to support regional clients.



### Financial Institutions

The Financial Institutions department has been successful in growing the overall business by over 60%, by deepening existing relationships as well as establishing new relationships in the GCC and beyond.



Supporting a wide array of clients from Banks, Non-Bank Institutions, Sovereigns and Multilateral counterparts through leveraging the team's deep expertise in providing Shari'a-compliant financing and transactional solutions.

### Transaction Banking

The platform is key in supporting clients' working capital & liquidity management needs. WBD provides services ranging from import-financing to export-financing, from electronic banking to host-to-host connectivity and anything else in between. WBD will introduce new value-added services such as on-site bulk cash deposit machine and remote cheque-scanning capability during 2019.

### Syndication & Structured Finance

Syndication & Structured Finance continues with its strong growth trajectory ever since its recent revival, with over 65% growth of new mandates.

WBD supports both Corporate and Institutional clients with their major capital expenditures and large funding needs, working as a partner to deliver the most optimal and efficient structured fund-raising solutions.

Emirates Islamic Wholesale Banking is also able to complement the above-mentioned core propositions with additional services through leveraging the Bank's other capabilities such as Asset & Wealth Management, Brokerage or in providing tailor-made employee financing schemes for staff of corporate and institutional clients.



## TREASURY

The Treasury Division (TD) has posted strong results with Foreign Exchange income recording a growth of 50% over 2017. Further, TD recorded AED 19 million in revenue from Profit Rate Swaps which is a new offering launched in late 2017. The ALM desk continued to be active in optimizing the cost of borrowing and proactive management of the regulatory ratio. In addition, Investment securities grew by 39% year on year from AED 1.8 billion to AED 2.5 billion with commensurate increase in income. The division also added Shari'a Compliant Foreign Exchange options to the product suite during 2018.



## AWARDS



Emirates Islamic was named 'Best Islamic Banking Brand' by Global Brands Magazine and recognised as 'Best Islamic Bank' in the UAE by Global Finance, a leading financial publication. The Bank was recognized for its range of innovative products at the Banker Middle East Product Awards 2018, winning 'Best Islamic Card' and 'Best Mobile Banking App'.

The Bank also won the yallacompare 'Islamic Personal Finance Provider of the Year' for a second consecutive year. In recognition of the enhancements in customer experience made to its branch network, the Bank won 'Most Improved Branches' in the Banks Benchmarking Index by Ethos Integrated Solutions.



## HUMAN RESOURCES

Human Resources continues to play an active role within Emirates Islamic, engaging leaders and employees at every level. In its 3rd year, the Bi-annual Employee Engagement Survey of SOWTI showed a participation rate of 84% and a stable level employee engagement rate of 57%.

Investing in our people continues to be strong. Emirates Islamic's Human Resources Division (HRD) develop a comprehensive suite of e-learning modules to educate staff and strengthen their knowledge on best practices, policies and procedures.

Moreover, HRD invested heavily in world-class and highly accredited training programmes as part of its people leadership development strategy. The Bank's commitment to Emiratization remains a priority. The Bank continued to achieve its Nationalization targets and has invested heavily in developing UAE National Staff, with the launch of new programmes that are aimed to fast-track the career growth of UAE Nationals that hold critical positions in the organization. Today, Emirates Islamic's Senior Management has 8 UAE Nationals and this reflects the Bank's firm commitment to Emiratization across all levels in the Bank.





## RISK MANAGEMENT

The Risk Management Division (RMD) of the Bank operates within the overall ambit of regulations governed by the Central Bank of UAE, compliance to the Shari'a Authority issued risk management standards & guidelines, alignment with Group risk governance & risk management framework, the Bank's strategy and the Board approved risk appetite statement. In 2018, RMD ensured alignment with the changing regulatory landscape through implementation of IFRS-9 guidelines and optimization of impairments and expected credit losses. In 2019 and beyond, the division looks to further strengthen itself by aligning the policies, processes, controls and systems to remain competitive and further strengthen itself as an effective Islamic risk management unit.

### **Risk Governance**

The Bank has a well-established risk governance framework that can easily be applied based on nature, size and complexity of the Bank's business structure. In 2018, the governance framework was further enhanced to identify, assess, manage, monitor, mitigate and control current as well as future risks expected in 2019, with the objective to optimize returns while adhering to the risk appetite. The framework includes clear documentation of roles and responsibilities of different departments of the Bank involved in managing risk. In 2018, the Bank has put in place robust policies, processes, procedures, systems and controls for close monitoring and reporting risk to ensure that risk exposures are aligned with the Bank's strategy & business plan and is also consistent with the Board approved Risk Appetite Statement.

### **Credit Risk**

The Credit Risk function of the bank is commensurate with the scope and sophistication of the Bank's activities and also meeting all supervisory, regulatory and Shari'a guidelines and requirements. In 2018, the function has established a robust credit risk environment wherein the Bank's credit risk strategy was aligned to the revised board approved risk appetite statement, and it continued robust monitoring which resulted in significant rationalization of exceptions. The function also maintains an effective credit administration, early alert process and suitable information systems to efficiently monitor and mitigate various credit risks. The Bank also ensures that regional best practices and supervisory guidelines are adopted and followed with regards to the assessment of asset quality, testing of remedial measures such as the adequacy of provisions and reserves and the transparent and clear disclosure of credit risk. In 2019, the function is further looking to enhance its risk infrastructure to support the Bank in its growth objective.

### **Operational Risk**

The Operational Risk function has developed and implemented the methods for the identification, assessment and monitoring of operational risks throughout the Bank and provides regular and comprehensive reporting on operational risks to the Management. In 2018, the function implemented the Operational Risk & Control Assessments and Business Continuity Framework. The function also provides analysis and reports on operational risks to the Management and conducts independent oversight and monitoring of risks and mitigating measures. The governance structure of operational risk is regulated through the Bank Operational Risk and Compliance Committee ("ORCC").

### **Market Risk**

The Bank's market risk is managed through risk limits set by the Assets & Liability Committee (ALCO) and approved by the Bank's Board of Directors. Risk limits are reviewed by the ALCO on an annual basis and are monitored independently by the Market Risk function on a regular basis, and exceptions, if any, are reported to the Management. Consistent with the Bank's approach to strict compliance with Shari'a rules and principles, the Bank does not engage in speculative foreign exchange transactions.

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Values remain.



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## BOARD COMMITTEES

<b>BAC – Board Audit Committee</b>	
Mr. Mohamed Hamad Obaid Al Shehi	Chairman
Mr. Shoaib Mir Hashim Khoory	Member
Mr. Mohammad Hadi Ahmad Al Hussaini	Member
Mr. Shayne Nelson	Member

<b>Board Risk Committee</b>	
Mr. Ali Humaid Al Owais	Chairman
Mr. Hesham Abdulla Al Qassim	Member
Mr. Buti Obaid Buti Al Mulla	Member
Mr. Shayne Nelson	Member

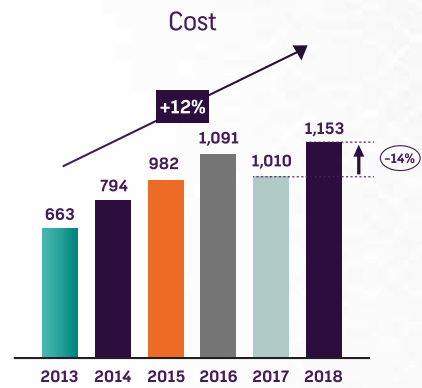
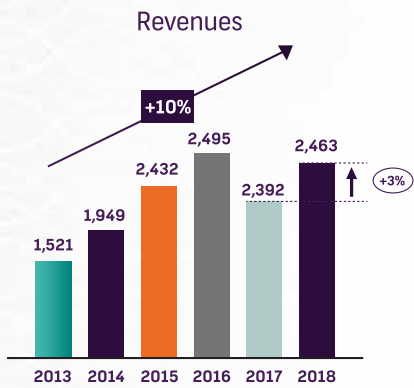
<b>Board Nomination and Remuneration Committee</b>	
Mr. Buti Obaid Buti Al Mulla	Chairman
Mr. Mohammad Hadi Ahmad Al Hussaini	Member
Mr. Ali Humaid Al Owais	Member
Mr. Shayne Nelson	Member

<b>Board Credit and Investment Committee</b>	
Mr. Shoaib Mir Hashem Khoory	Chairman
Mr. Hesham Abdulla Al Qassim	Member
Mr. Mohammad Hamad Obaid Al Shehi	Member
Mr. Mohamed Hadi Ahmad Al Hussaini	Member
Mr. Ali Humaid Al Owais	Member
Mr. Shayne Nelson	Member



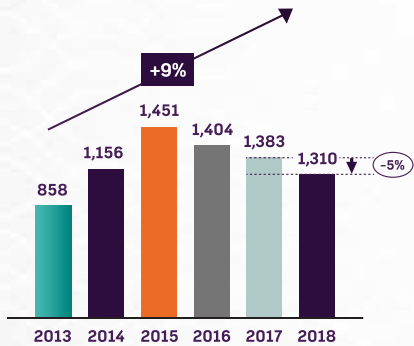
# PROFIT AND BALANCE SHEET GROWTH IN HISTORY

## Revenues and Costs (AED Mn)

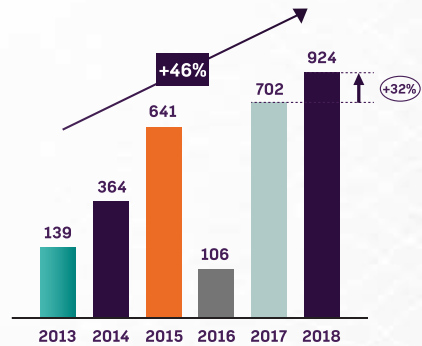


## Profits (AED Mn)

### Pre-Provision Operating Profits

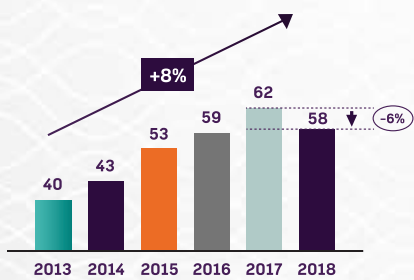


### Net Profits

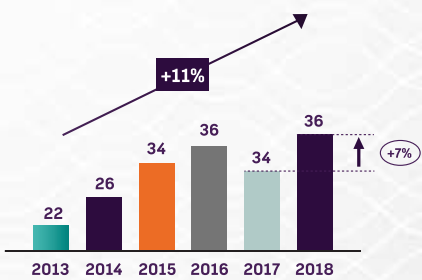


## Assets and Financing (AED Bn)

### Assets

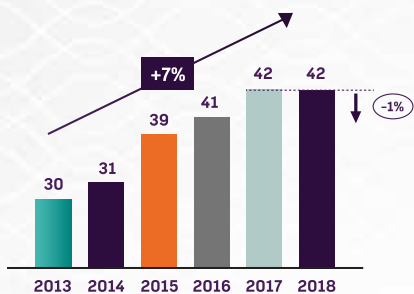


### Financing Receivables (Net)

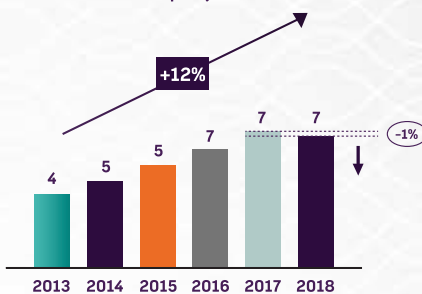


## Customer Accounts and Equity (AED Bn)

### Customer Accounts

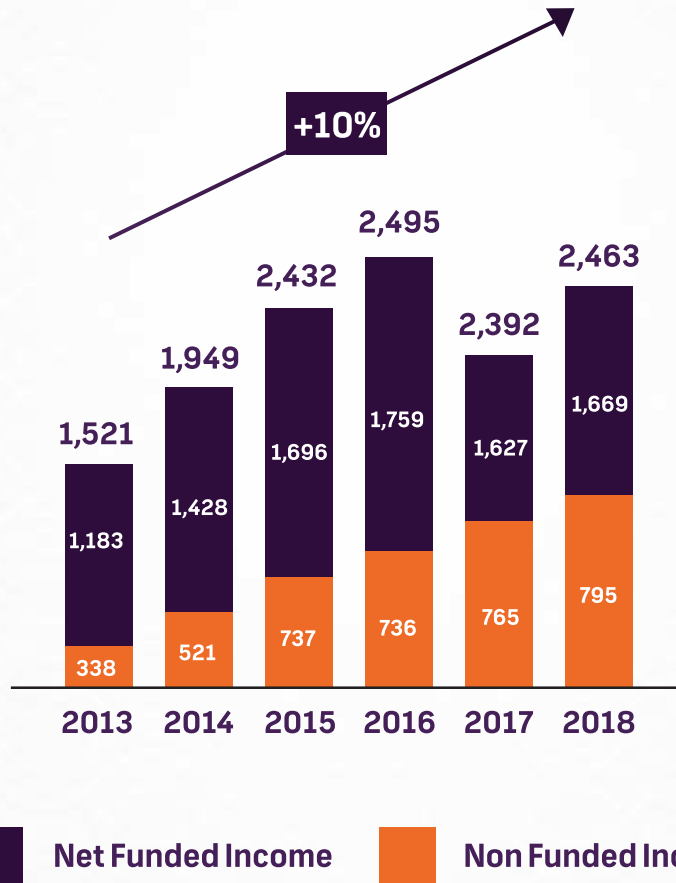


### Equity

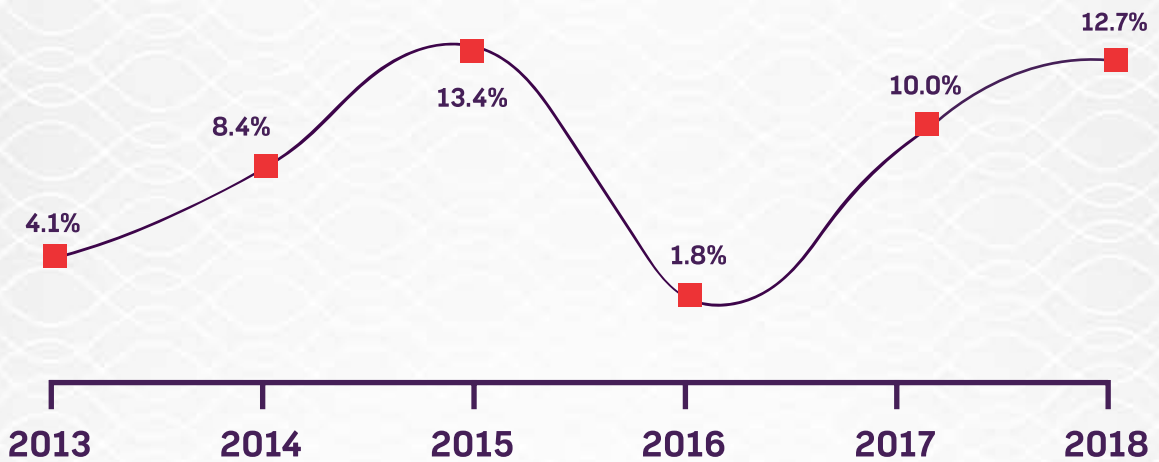


- Equity is Tangible Shareholder's Equity; All P&L numbers are YTD, all Balance Sheet numbers are at end of period
- Source: Financial Statements

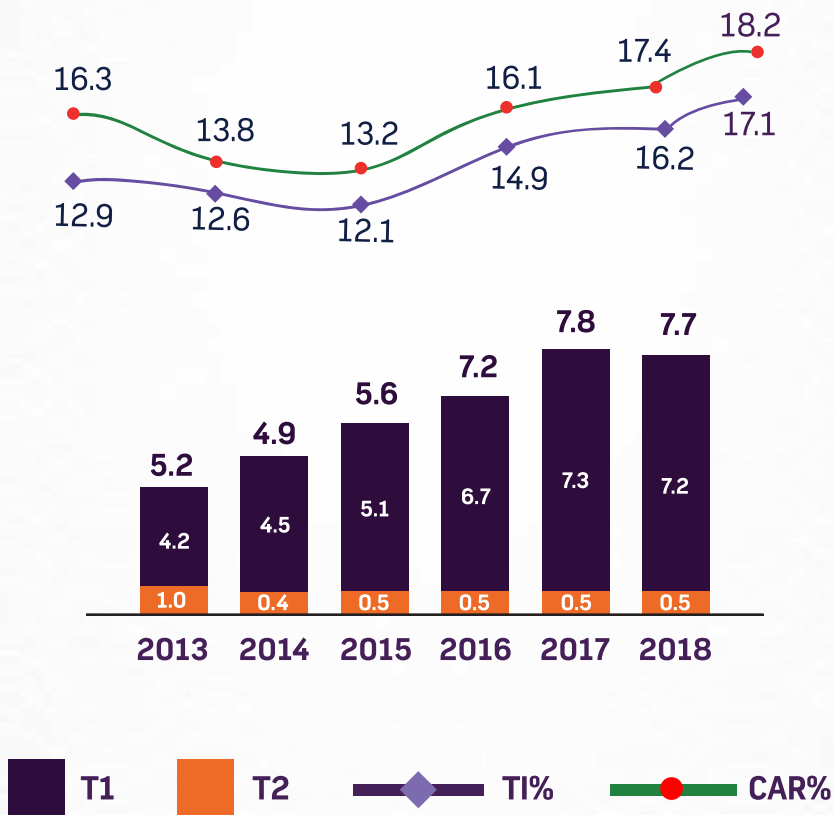
### Sources of Operating Income (AED Mn)



### Return on Tangible Equity (%)

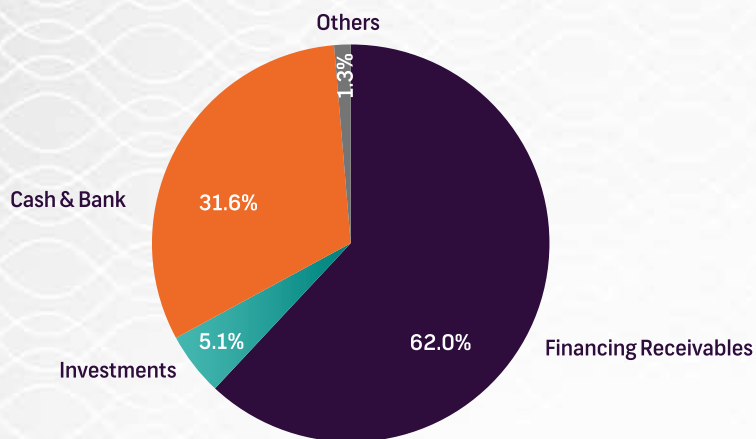


## Capitalisation (AED Bn)

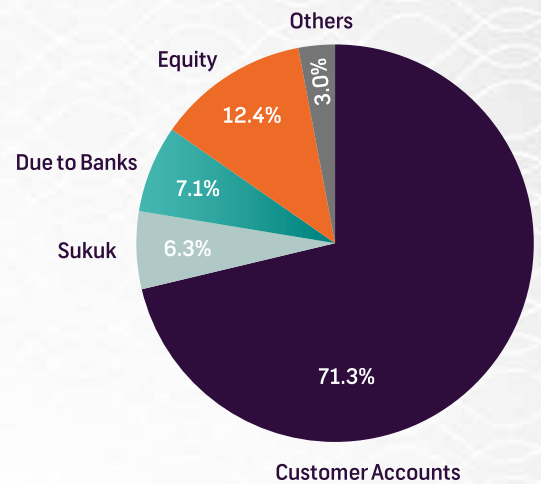


## Balance Sheet Analysis

### Assets (AED 58.4 Bn)



### Liabilities & Equity (AED 58.4 Bn)





## LIST OF BRANCHES

Branch Name	Branch Location	P. O. Box	Branch Telephone Number
<b>Abu Dhabi &amp; Al Ain</b>			
Abu Dhabi Main Branch	Khalidiyah Corniche area, Wave Tower	46077 Abu Dhabi	02-6160888
Abu Dhabi Airport Road	Sheikh Rashid Bin Saeed Al Maktoum Street	46077 Abu Dhabi	02-4464000
Abu Dhabi Mall	Abu Dhabi Mall, Ground Floor, next to Yateem Optician	46077 Abu Dhabi	02-6145194
Al Ain Main Branch	Jawazat Street, near Sheikha Salama Mosque	15095 Al Ain	03-7511159
Al Ain Souq	Oud Al Touba Street, nearest landmark - NBQ	15095 Al Ain	03-7511112
Al Khalidiya	Street No.26, intersecting with Zayed 1st Street	108330 Abu Dhabi	02-6134710
Al Muroor	Almaqtaa Tower, Sultan Bin Zayed 1st Street	46077 Abu Dhabi	02-6134727
Al Mutaradh	Arabian Centre, Al Mutaradh Area, Al Ain	15095 Al Ain	03-7559840
Al Wahda Tower	Ground Floor, Al Wahda City 1, Commercial Tower, Hazaa Bin Zayed Street	46077 Abu Dhabi	02-6134713
Bawabat Al Sharq Mall	Bawabat Al Sharq Mall, Ground Floor, Baniyas	46077 Abu Dhabi	02-6134734
Boutik Mall	Sanaiyya - Khalid Ibn Sultan Street. Next to Etisalat - Beside LuLu	15095 Al Ain	03-7034590
Khalifa City	Villa No. 104, Sector SE-02, Khalifa City 'A'	46077 Abu Dhabi	02-6134711
Mussafah	M6 - Musaffah	46077	02- 6134712
<b>Dubai - Bur Dubai</b>			
Al Barsha Mall	Al Barsha Mall, Barsha	6564 Dubai	04-3733211
Al Diyafah	Diyafa Street, opp. Dune Centre, Satwa	6564 Dubai	04-3733205
Al Mina Road	Al Mina Road, Bur Dubai, Al Hudaiba	6564 Dubai	04-6093802
Bur Dubai	Bank Street, next to Sun & Sand Sports Shop, Atrium Centre	6564 Dubai	04-3597888
Dubai Health Care City	Building No.16, Ground Floor, Dubai Health Care City	6564 Dubai	04-3834726
Dubai Mall	Dubai Mall, Ground Floor	6564 Dubai	04-3828010
Dubai Silicon Oasis	SIT Tower, Ground Floor, Dubai Silicon Oasis	6564 Dubai	04-3733054
Dubai Souq	Al Souq Al Kabeer Area, Al Falah Street. Toronto Building, Bur Dubai	6564 Dubai	04-3192200
Oud Metha	Eleganza Apartments	6564 Dubai	04-3733208
Umm Suqeim	Villa A, Jumeirah Beach Road, near Jumeirah Beach Park	6564 Dubai	04-3733209
<b>Dubai - Deira</b>			
Al Garhoud	Sunshine Building, next to Al Tayer Showroom, Garhoud	6564 Dubai	04-2822454
Al Mamzar	Arabila Building, Ground Level, next to Grand Service Station	6564 Dubai	04-2622444
Al Mizher	Aswaq Centre, near Al Mizhar Mall, Al Mizhar 1	6564 Dubai	04-2845799
Al Riqqa	Omar Bin Al Khattab Street, near Ibis Hotel, Riqqa, Deira	6564 Dubai	04-2248442
Al Twar	Dubai Municipality Building, Ground Level, opp Al Twar Centre	6564 Dubai	04-7023880
Al Twar Centre	Al Nahda Road, near Al Twar Centre	6564 Dubai	04-2575983
Baniyas	Baniyas Road, Al Sabkha Area, Al Sabkha Building	6564 Dubai	04-2023900



## LIST OF BRANCHES

<b>Dubai – Deira (continued)</b>			
Business Village	Business Village Building, Block A, Ground Level, next to Clock Tower, Deira	6564 Dubai	04-2367878
Dubai Festival City	Dubai Festival Centre, opp Ikea, next to Hyper Panda, Level 1	6564 Dubai	04-3733201
Land Department	Dubai Land Dept Building, Ground Level, Baniyas Street, opp Dubai Chamber of Commerce	6564 Dubai	04-2215301/ 04-2212321
Main Branch	Al Gurg Tower 2, Riggat Al Buteen, near Hilton Creeek Hotel	6564 Dubai	04-2131660
Mirdif City Centre	Level 1, Mirdif City Centre	6564 Dubai	04-3733055
Nad Al Hamar	Bel Rumaita Club Building, Al Rebat Street	6564 Dubai	04-2845999
Nakheel Road	Ahmed Abdul Rahim Hafez Building, Naif Street	6564 Dubai	04-3733278
<b>Dubai – New Dubai</b>			
Al Quoz	Khalifa Bin Dismal Building, Al Quoz 3 Area	6564 Dubai	04-3809952
Convention Centre	World Trade Centre, Exhibition Hall 1	6564 Dubai	04-3830020
Ibn Batutta Mall	China Court		04-3733080
Jebel Ali	Banking Complex, Jafza Main Gate, Jebel Ali	6564 Dubai	04-8811133
Jumeirah Lakes Towers	Almas Tower, First Floor	6564 Dubai	04-3733225
Media City	Business Central Towers, Dubai Media City, Sheikh Zayed Road	6564 Dubai	04-4380200
Sheikh Zayed Road	Al Wasl Tower	6564 Dubai	04-3312020
Sheikh Zayed Road 2	Al Kharbash Building	6564 Dubai	04-3438882/ 04-3439192
<b>Sharjah &amp; Northern Emirates</b>			
Ajman	Sheikh Khalifa Bin Zayed Road	6688 Ajman	06-5064012
Al Nadiyah	Ali Abdulla Al Nuaimi Building, Al Nadiyah	5198 Ras Al Khaimah	07-2359482
Fujairah	Near Choithram Supermarket, Sheikh Hamad Bin Abdulla Street	1472 Fujairah	09-2235553
Halawan	Wasit Street, Sheikh Ismail Building	67621 Sharjah	06-5064009
Juriena Zero 6 Mall	Zero 6 Al Juraina Community Centre Mall, University City Road	5169 Sharjah	06-5064038
Khorfakkan	Corniche Street	18969 Khorfakkan	09-2371122
Mega Mall	Mega Mall, Ground Floor	5169 Sharjah	06-5064022
Muwaileh	Dr. Faisal Al Qasimi Building, Maleeha Street, Near National Paints Industrial Area no. 15	5169 Sharjah	06-5358855
Nasseriya	My City Center, Nasseriya	67622 Sharjah	06-5064018
Qasimiyah	Al Otaiba Building, King Abdul Aziz Road, Sharjah	67622 Sharjah	06-5720002
Ras Al Khaimah	Emirates Islamic Bank Tower, Ground Floor, Al Muntaser Street, Al Nakheel Area	5198 Ras Al Khaimah	07-2260044
Sahara Centre	Al Nahda Street, Sahara Centre, Basement	5169 Sharjah	06-5255532
Sharjah	Al Bourj Avenue, Al Arooba Bank Street, Near Rolla Square	5169 Sharjah	06-5064015
Sharjah Court Pay Office	Al Meena Street	5169 Sharjah	06-5282248
Sharjah Crystal Plaza	Crystal Plaza Tower, Sharjah Buhairah Corniche Road	60666 Sharjah	06-5064001
Umm Al Quwain	Near Umm Al Quwain Broadcasting Station, King Faisal Road	315 Umm Al Quwain	06-5064020



## LIST OF OFFSITE ATMS

<b>Abu Dhabi</b>
Awqaf Abu Dhabi
Carrefour, Abu Dhabi
The Galleria Mall
Makani Al Shamkha
Al Raha Mall
Capital Mall
Yas Mall
Al Bateen Airport
HH Mohammed bin Zayed Pvt. Office
AUH Airport T3, Departures
<b>Ajman</b>
Union Co-operative
Ajman Police
Ajman City Center
FEWA Ajman
Last Chance Wholesale Market
<b>Al Ain</b>
Al Ain Mall
Jimmi Mall
Bawadi Mall ATM 1 – Near Carrefour
Bawadi Mall ATM 2 – Near Style Studio
Al Ain Coop, Aliah Mall
<b>Dubai</b>
Union Co-operative - Jumeirah
Union Co-operative - Al Twar
Union Co-operative- Al Aweer
Dubai Airport Terminal 1
Souk Al Wasl
Sheikh Ahmed Mosque
Al Bustan Center
Union Co-operative Hamriya
Dubai Wholesale Plaza
Dubai Immigration
Union Co-operative Karama
Lulu Hypermarket, Al Qusais
Bin Sougat Center, Airport Road
Union Co-operative, Al Wasl, Satwa
Al Ahli Driving School
Dubai Taxi
Saudi German Hospital
Mirdiff City Centre near Etisalat
Etihad Mall
Dubai Municipality – Al Manara Centre
Dubai Airport, Terminal 2
Dubai Airport, Terminal 3
Mall of Emirates - Home Centre
Marina Mall
Deira City Center – Etisalat
Shindga Carrefour
Karama Centre
Emirates Lakes

<b>Dubai</b> <i>(Continues)</i>
Dubai Mall Near Costa Coffee GF
Dubai Mall Kidzania SF
Dubai Mall Ice Rink GF
Mega Mart Al Qusais
Dubai Police – Head Quarters
Deira City Centre near New Look
Aswaaq Super Market Umm Sequim
Dubai Mall – Food Court SF
El Head Office, Building 16
Sky Gardens DIFC
Al Ghurair Centre
Al Mulla Plaza
Dubai Port and Custom
Union Coop, Umm Suqueim
Hyatt Creek Heights
Nawaes Madina Al Nahda
Emaar BOULEVARD
Dubai Driving Center, Al Quoz
Mei'aisem City Centre
Dubai Taxi, Jebel Ali
RITAJ-DIRC
Mall of Emirates, Near Metro Link
My City Center Barsha
DLD Rental Area
Dubai World Central
Dubai Gold & Diamond park
Dubai Police HQ – Medical Centre
JAFZA- Building 15
Hatta Hospital
Dubai Police Smart Station
Dewa Head Office
Dewa Al Quoz
Dubai Mall Fashion Avenue
Villagio Al Nahda
Dubai Municipality-Kifaf
Meydan-M Building
Belhoul Speciality Hospital
Union Co-operative - Abu Hail
<b>Fujairah</b>
Khalifa Khamis Building
Emirates Exchange
<b>Ras Al Khaima</b>
Al Murjan Resort
<b>Sharjah</b>
Sharjah Pay Office
Ansar Mall
Rolla Mall
Al Saqr Business Center
Sharjah International Airport
Mega Mart
Sahara Center
FEWA-Dhaid