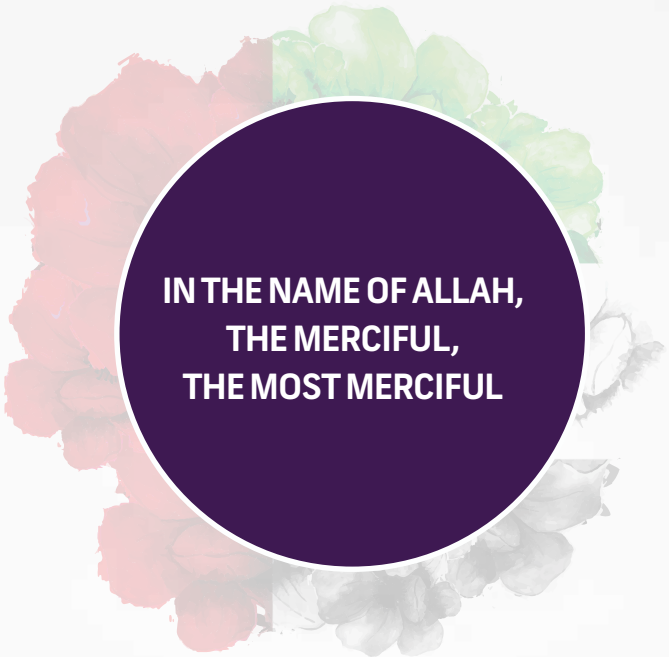


ANNUAL REPORT 2021





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





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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





Mr. Hesham Abdulla Al Qassim
Chairman



Mr. Buti Obaid Buti Al Mulla
Vice Chairman



Mr. Shoaib Mir Hashem Khoory
Director



**H.E. Mohamed Hadi Ahmed
Abdulla Al Hussaini**
Director



Mr. Mohamed Hamad Obaid Al Shehi
Director



Mr. Ali Humaid Ali Al Owais
Director



Mr. Shayne Nelson
Director





Salah Amin
Chief Executive Officer



Wasim Saifi
Deputy CEO - Consumer Banking
& Wealth Management



Huda Sabil
Chief Financial Officer



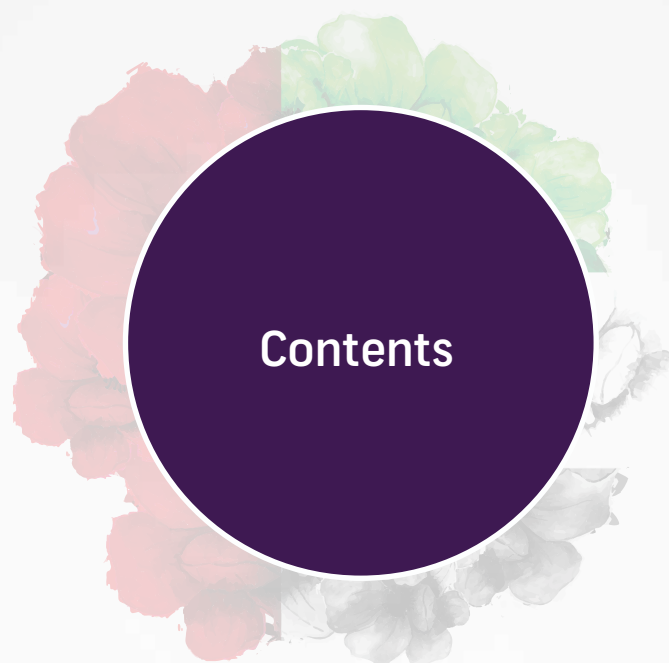
Marwan Al Mheiri
Chief Human Resources Officer



Mohamad Kamran
Head of Wholesale Banking



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Head of Treasury & Markets



Chairman's Message	17
CEO's Message	21
Corporate Social Responsibility	24
Economic Overview	26
Strategy 2022	27
Review of Performance	30
Board Committees	38
Financial Highlights	39
List of Branches and Pay Office	42
List of Offsite ATMs	44



**Chairman's
Message**



Hesham Abdulla Al Qassim
Chairman, Emirates Islamic

We are delighted to announce a strong set of financial results with Emirates Islamic delivering a net profit of AED 823 million for 2021. The solid performance was based on higher income and a significant reduction in the cost of risk, reflecting an improved business sentiment. The bank maintained healthy liquidity and strong capital ratios, enabling the bank to grow customer financing by 4% in line with improved economic activity.

We remain grateful to the leadership of our great nation for their exemplary response to the global pandemic that has kept the economy strong and resilient. 2021 was a milestone year for the UAE as the nation proudly celebrated its golden jubilee and successfully, safely and responsibly welcomed the world to Expo 2020 Dubai. Emirates Islamic is proud to be the Official Islamic Banking Partner of Expo 2020 Dubai and showcase the ethical values of Islamic Banking, the world's oldest and most relevant banking system.

As the Islamic bank of choice in the UAE, we continue to play a pivotal role in the advancement of the Islamic banking sector and remain deeply committed to supporting 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.

The results of our 2021 edition of the ISLAMIC BANKING INDEX by EMIRATES ISLAMIC™ are testament to the growing relevance of Islamic banking. For the first time since the launch of the Index, the gap between the penetration of conventional and Islamic banking products in the UAE has narrowed to just 1 percentage point. We are pleased to see that Islamic banking continues to be perceived as more financially sound, and supportive of the community, and as a trustworthy banking option with added value compared to conventional banking due to the nature of its offerings and instruments.

During 2021, one of Emirates Islamic's major achievements was the successful issuance of a US\$500 million 5-year Sukuk, achieving the lowest spread ever paid by a UAE bank since 2008 for a US\$ benchmark public debt issuance. This issue was well received by the global investment community, demonstrating strong investor confidence in our financials and growth outlook, as well as the favourable outlook for the UAE economy.

As a responsible Islamic financial institution, ensuring the wellbeing and greater good of the individual and community has always been our key priority. Emirates Islamic consistently stepped up to support the financial wellbeing of all our customers whose lives have been impacted by COVID-19. We extended payment deferrals to more than 40,000 customers utilizing the Central Bank of the UAE's TESS funding as well as from our own funds totaling AED 2.5 billion, of which AED 1.2 billion remained outstanding as at December 2021.

Our people are our greatest asset and we continued to support the Central Bank of the UAE's Emiratisation policy with various initiatives to develop our local Emirati talent, empowering them to play a leading role in shaping the industry's future. Emirates Islamic currently has one of the highest Emiratisation levels in the UAE banking sector, at 36% of total employees and with 35% of critical positions, including 50% in the bank's senior management, being held by UAE Nationals.

Emirates Islamic continued to earn accolades during the year both in digital innovation and customer experience, winning the Best Digital Innovation in Islamic Banking award from MEA Finance as well as the Best Islamic Bank in Customer Experience UAE, by the World Finance Islamic Finance Awards.

Looking ahead to 2022, we maintain a positive outlook for growth with the Expo 2020 Dubai delivering a significant boost in economic activity, along with forward-thinking structural reforms implemented by the UAE government such as the expansion of longer-term residency visas, allowing 100% foreign ownership of onshore companies and the recent decision to align our working week with that of larger developed economies.

In closing, I would like to extend my gratitude to our Board of Directors, our management team and all Emirates Islamic employees for their incredible dedication to our performance. I would also like to thank our loyal and valued customers and shareholders for their continued support and trust.



Together we
create the future

Official Islamic Banking Partner for Expo 2020 Dubai





**CEO's
Message**



Salah Amin
CEO, Emirates Islamic

Emirates Islamic has again reaffirmed its position as a leading financial institution in the UAE as evidenced by our strong financial performance. With an increase in business activity in 2021, we accelerated our sales momentum across our Retail, Business and Wholesale segments. The bank's customer deposits grew 1% during 2021 to AED 473 billion, with current and saving account balances up by 9.4% improving the efficiency of the diversified funding base.

A superior customer experience is at the heart of everything we do. As the Official Islamic Banking Partner of Expo 2020 Dubai, Emirates Islamic was proud to launch our limited-edition, free-for-life co-branded Mastercard World Credit Card offering UAE residents unique benefits during the iconic event.

As COVID-19 continued to influence the way we live, work and bank, we further enhanced our value proposition through best-in-class innovative digital-led offerings. The bank registered a 21% increase in the number of online/mobile banking transactions in 2021 over the previous year, and an 11% increase in the number of logins during the same period. Additionally, we launched our WeConnect Community comprising of select Emirates Islamic customers to deepen engagement and test new banking solutions before public roll out.

Emirates Islamic remained firmly committed to its strategic agenda of becoming a key banking partner for UAE Nationals. During the year, we continued to invest in a range of initiatives to deliver a differentiated value proposition for our Emirati clientele including prioritised treatment at the bank's Call Centre for Emirati callers, as well as launching products including Instant Account Opening through tablets in branches and sales teams, and a new Emirati Family Proposition.

Our well-designed products continued to earn industry-wide recognition in 2021. The bank's innovative range of credit cards bagged two prestigious awards in 2021, namely Best Credit Card award for the Emirates Islamic Emirati Visa Signature Credit Card at the International Finance Awards and Best Credit Card in the UAE for Emirates Islamic Skywards Black Credit Card from the World Finance Islamic Finance Awards.

We are proud of our Islamic heritage, and as part of our commitment to society, we contributed over AED 51 million in 2021 through the Emirates Islamic Charity Fund for a range of humanitarian causes with a focus on food, shelter, health, education and social welfare. In order to support the UAE's mission to ensure a respectable life for all Emiratis and the highest possible standard of social stability, Emirates Islamic co-operated with UAE's Non-performing Debt Relief Fund to waive debts of over AED 4 million for 84 disadvantaged UAE National customers.

Emirates Islamic remains committed to leading the way for the Islamic banking sector in developing innovative Shariah-compliant products and services to cater to the increasing demand for convenient, accessible solutions based on the highest standards of ethical banking. As the preference for digital banking grows at a rapid pace, we can confidently say that the shift to online and mobile banking is indeed permanent. We continue to make investments in new technologies and strengthen our offerings with an aim to outpace conventional banking's growth and expand beyond borders.

As the UAE's preferred Islamic bank, we remain optimistic about the growth driven by Expo 2020 Dubai and the nation's strong resilience and ability to advance amid challenges. We see this as an opportune moment to harness the momentum currently being experienced by Islamic banking to boost interest and loyalty in our sector. We are grateful to our country's wise leaders for their ongoing actions to accelerate economic recovery while always prioritising the health and safety of the community.

In conclusion, I extend my appreciation to our Board of Directors for their constant support especially during this unprecedented time. I would also like to thank our valued employees for their dedication to our continued progress and development.



Together
we create
opportunities
for the future

From supporting those in need to fulfilling dreams of homeowners; from helping businesses prosper to creating child education plans, opportunity means a lot to us. Let's come together and help create opportunities for the future.



CORPORATE **SOCIAL** RESPONSIBILITY

As a leading Islamic bank in the UAE, Emirates Islamic strives relentlessly to serve and empower the communities we operate in through various humanitarian initiatives aimed at contributing to the wellbeing of our society. We are proud of our Islamic heritage, and as part of our commitment to the society, we contributed over AED 51 million in 2021 through the Emirates Islamic Charity Fund for a range of humanitarian causes across the UAE.



Our unwavering commitment towards Corporate Social Responsibility is demonstrated by creating an ecosystem that empowers our staff, while serving our valued customers via tailored products and services as we continue to support the local economy amid global economic challenges. In line with UAE government's strategy and initiatives related to COVID-19, Emirates Islamic continued to play a meaningful role in addressing and mitigating the short and long term impact poised by pandemic on economy and society.

Aligned with our mission, and as an active player in contributing towards health and education challenges in the region, we contributed AED 5 million to Al Jalila Foundation to support the Children's Specialty Hospital and the health and wellbeing of children in UAE. We also contributed AED 5 million to the Dubai Autism Centre.

Additionally, Emirates Islamic contributed AED 1 million to Erada Center for Treatment and Rehab, an organisation tasked with treating substance abuse and addiction. The contribution was used to support the Center which provides rehabilitation programmes to UAE Nationals, helping patients combat the negative psychological, economic, social and physical impacts of substance abuse.

We contributed AED 9 million to the Tarahum Charity Foundation. Additionally, we contributed AED 2 million to the Dubai Community Development Authority (CDA) to support low-income Emarati families through CDA's Social Solidarity Fund.

Emirates Islamic contributed AED 5 million to the 100 Million Meals Campaign, the global humanitarian drive announced by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai that provided 100 million meals to disadvantaged individuals and families in 20 countries during the holy month of Ramadan.



ECONOMIC OVERVIEW

The global economy has on some measures recovered from 2020's pandemic-related recession. The International Monetary Fund (IMF) estimates world GDP growth at 5.9% in 2021, up from a contraction of 3.1% in 2020. However, the recovery has been uneven, with advanced economies and those with greater coronavirus vaccine coverage proving more resilient than low-income developing countries. The headline global growth figure also masks the impact of several waves of coronavirus which have buffeted the world and contributed to an increased level of uncertainty for policymakers, businesses and consumers. This remains the case as we look ahead to 2022, with the Omicron variant expected to weigh on economic growth in the first quarter.

The speed and efficiency with which the UAE rolled out coronavirus vaccines in 2021 enabled the country to avoid further lockdowns and put the economy in a strong position to benefit from the global rebound in activity in 2021. Emirates NBD Research estimates the UAE's non-oil sector grew 3.5% in 2021, underpinned by recovering domestic demand, along with a surge in global trade volumes and a modest rebound in international tourism.

Oil prices recovered sharply in 2021, rising more than 60% on average compared with 2020, boosting sentiment and allowing GCC governments to narrow their 2020 budget deficits significantly. Emirates NBD Research expects the UAE to record a budget surplus for 2021, and with oil prices likely to remain elevated in 2022, there is fiscal space for increased public sector investment in strategic growth sectors. With OPEC+ expected to continue to increase oil production in the coming months, the hydrocarbon sector is expected to contribute positively to UAE GDP growth in 2022 for the first time in three years.

For the rest of the world however, higher oil prices have been a key driver of inflation, along with supply chain disruptions as a result of the pandemic. Consumer inflation in the United States and Europe has accelerated by more than policy makers had expected and is likely to remain higher for longer than previously envisaged. As a result, the Federal Reserve is expected to cease its asset purchases by the end of February and start raising interest rates in March. Other major central banks are also expected to tighten monetary policy this year, but at a slower pace, which is likely to be reflected in a stronger US dollar.

Inflation has also been a key theme in Turkey, where easing monetary policy, a depreciation in the exchange rate and strong domestic demand all combining to push inflation higher. GDP Growth has rebounded strongly from the pandemic and is estimated to have exceeded 10% in 2021.

Emirates NBD Research expects non-oil sector growth in the UAE to accelerate to 4% in 2022, even as global growth slows somewhat. Higher interest rates and a stronger dollar could prove headwinds to growth in the UAE in 2022, but the structural reforms implemented over the last couple of years will help boost investment and drive growth over the medium term. These reforms include the expansion of longer-term residency visas to broader categories of residents and new pathways to citizenship, wide-ranging changes to personal and labour laws, allowing 100% foreign ownership of onshore companies and most recently, the decision to align the UAE's working week with that of larger developed economies. These measures will serve to reduce barriers to investment and attract both human and financial capital to the UAE over the coming years.



STRATEGY 2022

In line with its vision to be the most innovative Shariah-compliant bank for its customers, people, and communities, Emirates Islamic is at the forefront of Islamic Banking development. The Bank is proud to be the Official Islamic Banking Partner of Expo 2020 Dubai and is strategically placed to provide banking solutions to residents and visitors alike at the mega world event.

Amidst the challenging economic landscape, the Bank is poised for growth with a strong balance sheet, healthy liquidity and robust liability franchise. Emirates Islamic's strategy is to focus on driving sustainable growth, digital and analytics advancement and augmenting risk and returns. Adopting a "customer first" mindset and a human capital strategy to strengthen its organization culture by investing in its employees' health, safety, and financial wellbeing are integral elements in achieving this strategy.

In delivering its strategic vision, Emirates Islamic will be focusing on the following key strategic pillars in 2022:

Drive Sustainable Growth

Emirates Islamic seeks to deliver its financial growth aspirations through diversification of its revenue streams by enhancing its products and services propositions, strengthening its origination and distribution capabilities in existing segments and tapping into new and diversified target markets.

The Consumer and Wealth Management division will continue its business growth trajectory with focus on delivering superior customer experience. Emirates Islamic will be expanding its Private Banking proposition and strive to cater to high-net-worth clientele, offering bespoke banking services as well as asset and wealth management solutions. The Bank remains committed to its strategic agenda of becoming a key banking partner for UAE Nationals as it continues to invest in initiatives to deliver a differentiated value proposition and priority client relationship management for its Emirati clientele.

The Wholesale Banking division will continue to enhance its transaction banking, financial institution, and investment banking propositions, as well as develop new treasury and markets products and services while growing its Sukuk book. The Bank will focus on commercialising its newly launched foreign exchange dealing platform called Electronic Trade (ET), with the aim to increase the client adoption rate of this digital platform.

Digital and Analytics Advancement

Emirates Islamic continues its journey of customer-centric digitalisation, technological advancement and innovation of unique digital banking propositions to strengthen its position in the Islamic Banking digital space. Armed with its state-of-the-art digital offerings such as Digital Account opening in branches, enhanced Online, Mobile and Tablet Banking as well as SmartBUSINESS and businessONLINE, the Bank will increasingly offer straight-through processing, customer-centric, innovative and tailored made experiences to its customers.

Customer Centricity

Customer Centricity is at the core of Emirates Islamic's strategy. The Bank constantly strives to improve critical customer journeys and instilling a "customer first" mindset across the organisation to deliver the best-in-class customer journey for its customers.

As part of its Customer Experience strategy, Emirates Islamic aims to ensure that its products, services and propositions meet the needs and expectations of its customers. In order to do so, the Bank has established a

We Connect Community consisting of select customers who will be actively engaged during the development of new banking solutions and ongoing improvement initiatives. Emirates Islamic equips its employees with the right tools in providing above par customer service to its clientele and help define service standards across all touchpoint via utilizing its Customer Happiness Score (CHS) framework and newly launched CX Academy, an internal learning platform for its staff.

Smart Risk Management

EI continues to adopt an agile approach in evaluating and responding to the market risks that arise from the uncertainty and volatility of the operating environment. EI practices smart risk management through proactive risk policy management, setting up market-leading risk and control infrastructure and implementation of a risk-aware culture across the organisation.

In its endeavor to develop advanced digital and analytical capabilities to ensure effective risk management, the Bank is currently on its journey of implementation of data driven decision making where risk quantification parameters across business and risk lines will eventually be unified.

Enhance Human Capital Strength

The Bank has taken significant steps towards strengthening its organisational culture and promoting agility and empowerment as well as diversity and inclusion. Emirates Islamic has proven its agility in introducing initiatives that promote physical, mental, social well-being of its employees, for example, work from home policy as well as virtual training programs and competitions as a timely response in the wake of global pandemic. To further develop and upskill its human capital, the Bank has also launched executive coaching & technical mentorship programs, as well as a unique and extensive trainee program for Emirati Nationals, called UAEN Integrated Learning Journey. Emirates Islamic remains committed in supporting the UAE Government's 'Emiratization' agenda through various initiatives to increase Emirati participation in critical roles within the organisation.

In addition to the Bank's focus on its strategic agendas and true to its core Shariah principles, Emirates Islamic has always endeavored to support the community and those in need. The Bank will continue to support charitable initiatives in areas such as health, food, education and shelter through the Emirates Islamic Charity Fund as well as support the community.



Together we
create the future
of mobility

From encouraging public transportation through the use of the Emirates Islamic RTA Credit Card to our auto finance solutions and our partnerships with flagship airlines, mobility means a lot to us. Let's come together and help create the future of mobility.



REVIEW OF PERFORMANCE

CONSUMER BANKING & WEALTH MANAGEMENT

The Bank's Consumer Banking & Wealth Management Division (CWM) contributed 78% to Emirates Islamic's total income in 2021. CWM continued to strengthen its value proposition with a strong focus on Customer Experience and Digitization. The Division launched a number of key initiatives in 2021, including the launch of digital account opening through tablets in branches and sales teams, launch of Emirates Islamic branch at Expo 2020 Dubai which also showcased the Future of Banking, and the launch of the co-branded Expo 2020 Dubai Credit Card. CWM will continue to develop its value proposition across segments and its Customer First capabilities that are core to CWM growth and strategy.

Distribution

Emirates Islamic's extensive branch network includes 42 branches across strategic locations in the UAE. The Bank's branch network continues to be a strong customer acquisition channel for account, card and finance products.

The Bank has strengthened its presence in the UAE by adding a new branch in Al Rahmaniya which is considered an area highly populated by UAE Nationals.

As part of Emirates Islamic's partnership with Expo 2020 Dubai, the Bank opened a branch at Expo to service customers and showcase the Future of Banking.

As part of the Bank's strategic focus to provide the best in banking services and innovations, and be easily accessible to customers, a few branches were relocated and underwent refurbishment. The Bank expanded its ATM network to provide more convenience for its customers, having added 17 new ATMs across the UAE, taking the total ATMs/CDMs network to 194.

Business Banking

The Emirates Islamic Business Banking Division (BBD) has continued to display robust growth through its resilient approach, prudent strategy, customer focus and digital engagement.

- Liquidity has continued to remain strong as overall deposits grew by 9.4% with an advances-to-deposits ratio of 12.8%.
- Trade Finance and Commission Income has grown by 19.5% year on year.
- Foreign Exchange, Commission & Fee Income constituted 54% of the total revenue of BBD.
- Tighter controls and monitoring of the financing portfolio resulted in a stable performance.

2021 was an important year that marked the UAE's Golden Jubilee. In keeping with that spirit, BBD continued its efforts in encouraging Emirati Entrepreneurship by launching the 'Instant Account Opening' service for entities with UAE National active ownership. Efforts were made to ease the stress on SMEs through various initiatives such as:

- Preferential pricing on trade guarantees
- Promotional schemes launched for trade customers where government entities are the beneficiaries
- Discounted pricing on handling fee for potential trade customers with increased trade transactions

Digital Channel Adoption has remained the core focus giving customers flexibility so that they perform transactions at their own convenience from office, home or wherever their business takes them.

Some of the highlights include:

- smartTRADE, a Shariah Compliant trade platform designed to facilitate fast and efficient Trade Finance transactions that reduce turnaround time, save operating costs and make international trade financing easy, efficient and secure.
- 53% of the Business Banking active customer base have been on-boarded on "businessONLINE" - the all-new and state-of-the-art comprehensive online banking platform and mobile app, designed for SMEs & Corporate Clients.
- 34% of the active customer base have a Debit Card, which has brought customers more convenience by using their Card instead of visiting branches.

In recognition for its efforts in 2021, BBD won the award of "Best Islamic Bank for SME's" from MEA Finance.

The Emirates Islamic Business Banking Division looks forward to an exciting 2022 in which it continues to play an important role in providing holistic financial support to businesses and helping the Bank grow its presence and market share.

Digital Banking

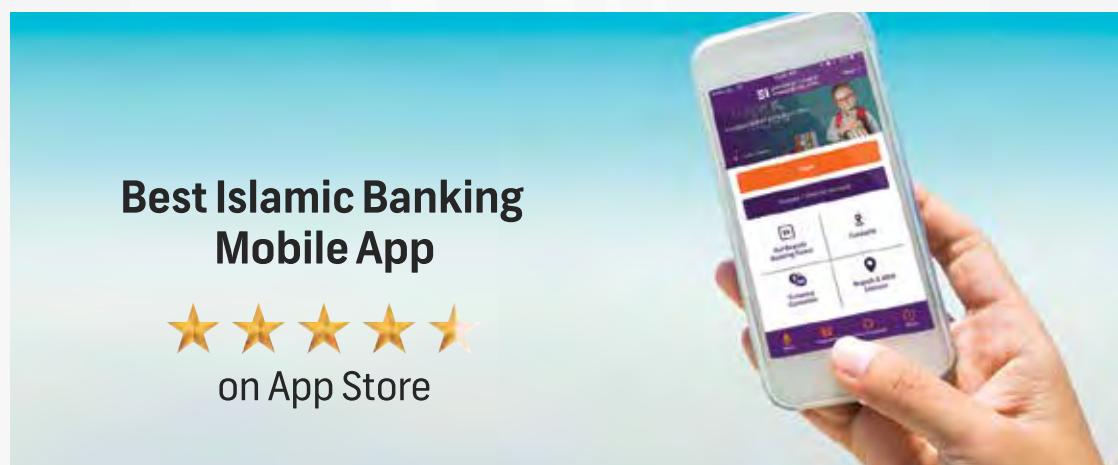
Emirates Islamic continued its digital transformation journey during 2021 with the launch of numerous initiatives as it remains dedicated to providing its customers with the latest digital banking solutions and an enhanced digital banking experience.

The Bank's digital-first approach has been steadily gaining traction, with over 65% of customers now banking through Online and Mobile banking channels. Emirates Islamic recorded its highest ever Online and Mobile Banking usage, with total logins up 11% and digital banking transactions up 21%, when compared to the previous year.

Emirates Islamic launched WeConnect Community in 2021 enabling select customers to participate in testing the beta version of the new Mobile App which will be released to all customers towards the end of 2022. The Bank's Mobile App continues to be among the highest rated Apps in the financial industry, with an outstanding rating of 4.5/5 from more than 45,000 users on the Apple App Store. The App is also available on Google Play as well as the Huawei AppGallery.

The Bank's Chat Banking service via WhatsApp continued to attract new registrations thanks to adding additional services such as credit limit increase request, service request & complaints enquiry, cash on call facility and more.

As part of its strategy of being the bank of choice for UAE Nationals, Emirates Islamic launched a fully straight-through processing (STP) solution to source Current and Saving Accounts for UAE Nationals via tablet banking at Emirates Islamic branches, – reducing the turn-around times from two days to 15 minutes. A few more STP related enhancements were also delivered as part of the initiatives in 2021 and more are planned for 2022.



Customer Experience

Providing a superior customer experience is a strategic core pillar of Emirates Islamic's value proposition. The Bank is constantly innovating to enhance customer experience and the service culture across the organisation, helping create memorable service experiences.

Emirates Islamic launched the Customer Happiness Score (CHS) in 2019 and since then it has been consistently expanding across the Bank's functions. The CHS is a score-based key performance indicator which is incorporated into Emirates Islamic's front-end and support functions. In order to fully equip its people with the right tools in providing excellent customer service, the Bank launched CX Academy, a learning platform to help define service standards across all touchpoints. In 2021, the Bank also launched WeConnect, its first customer community, with the aim to further strengthen engagement and test new banking solutions before rolling out to the public.

In addition, Emirates Islamic has been implementing its Consumer Protection Regulatory Plan following the issuance of the Consumer Protection Regulation and Standards by The Central Bank of the UAE in early 2021. The Bank has been implementing a significant number of initiatives across all units to make the necessary adjustments to its operations, practices and business conduct in accordance with this Regulation and to further strengthen the protection of Consumers in their relationship with the Bank.

Emirates Islamic engages with leading global organisations to conduct research and capture customer feedback relating to process and products, as well as gauging the overall net promoter scores (NPS) and customer satisfaction (C-sat). The Bank also regularly conducts mystery-shopping surveys to ensure customers receive the best-in-class services across all touchpoints.

In 2022, the Bank will continue its focus on enhancing customer journeys and delivering easier and more convenient digital solutions to ensure a seamless and superior banking experience to all our customers.

WHOLESALE BANKING DIVISION

The **Wholesale Banking Division (WBD)** comprises of Corporate Banking, Financial Institutions, Structured Finance & Syndication, Transaction Banking Services & Treasury Services.

During 2021, the WBD witnessed a much faster recovery with increased revenue generation across different verticals. The division also continued to consolidate its leadership position in technology and product offerings.

The WBD reaped benefits from the partnership with large and mid-size corporates, financial institutions, sovereigns and government-related entities with total income growing by over 9%.

Corporate Banking

The Corporate Banking Division considers that it is strategically important to strengthen its multi-faceted relationships with its corporate banking customers. As always, it continued to provide uninterrupted support to its Corporate Banking customers by actively allowing utilization of the UAECB TESS program. While the Corporate Banking book decreased by 5% in 2021, it improved upon the funded income margins by 2%.

The division continued with its focus of increasing its presence in the under-penetrated target segments and increasing the overall wallet size from its corporate customers through cross-sell opportunities.

Corporate Banking also delivered a superior customer service and improved its customer satisfaction score in 2021.



Financial Institution

Financial Institutions again registered a strong 62% growth in the core income and the asset book also grew by 30% in 2021. The division continued with its focus to support a wide array of clients ranging from banks, non-banking financial Institutions, sovereigns and multilateral counterparties by leveraging the team's expertise in providing Shari'ah-compliant financing and transactional solutions.

Financial Institutions continued to witness strong results on the back of its existing as well as new relationships in its core markets (the Middle East, North Africa and Indian-subcontinents) and certain non-core markets (West Africa and certain Far-East Asian markets).

Syndication & Structured Finance

The Syndication and Structured Finance Division also delivered strong results in 2021. It registered a growth of 11% in the syndication and structured finance portfolio.

The growth was registered across different segments including corporate, banks, non-bank financial institutions and sovereign relationships. Overall the team capitalized on its strong origination and distribution capabilities and completed a sizeable number of transactions for Corporates, Sovereign and Financial Institutions.

Transaction Banking

Transaction Banking is of strategic focus and Emirates Islamic continues to invest significantly in building its Transaction Banking proposition to offer market leading capabilities in Trade Finance & Cash Management to clients.

Trade Products

In 2021, Transaction Banking launched several new products and capabilities on smartTRADE.

- SmartCollections
- SmartLQM

In the coming year, Transaction Banking would work towards Islamic Supply Chain Financing solutions.

Cash Products

In 2021, Transaction Banking launched several new products and capabilities on businessONLINE.

- Host To Host
- Remote Cheque Printing
- GPI tracker
- Authorizer Dashboard

In 2022, many new features are expected to be released on businessONLINE such as Cardless Cash Withdrawal, UAEPGS and more.

Treasury & Markets

Treasury & Markets delivered strong performance in the Treasury sales business. The Asset Liability Management business managed to right-size the balance sheet in order to minimize the impact of low profit rates and disruptions arising from the Covid-19 aftermath.

Treasury sales witnessed higher volumes in derivatives due to enhanced product capability and a good traction from wealth management and corporate clients taking advantage of the low profit rate regime. The division also successfully raised USD 500 million through public issuance of Sukuk with maturity of 5 years at very competitive pricing, which at the time was the lowest rate achieved by a UAE bank in the past ten years.

AWARDS

Emirates Islamic received several international and local accolades for its continuous digitization efforts and innovative solutions. The Bank secured 'Best Islamic Bank for SMEs' and 'Best Islamic Digital Banking Service' at the MEA Finance Awards 2021 as well as 'Best Digital Innovation in Islamic Banking' at the MEA Finance Banking Technology Summit & Awards.

The wins are testament to Emirates Islamic 's commitment to delivering innovative and business-friendly propositions to small and medium-sized enterprises (SMEs) in the UAE, as well as simplified digital-driven banking solutions to individuals.

Additionally, Emirates Islamic was named the 'Best Islamic Bank in Customer Experience, UAE' by World Finance Islamic Finance Awards for its stellar customer service and optimal banking solutions. World Finance also recognized Emirates Islamic for its innovative banking products with the award of 'Best Credit Card in the UAE,' for its Skywards Black Credit Card — a unique, co-branded credit card with Emirates Skywards that enables customers to earn additional Miles on every purchase. Furthermore, Emirates Islamic won the 'Best Credit Card' award for its Emarati Visa Signature Credit Card at the 2021 International Finance Awards.



HUMAN RESOURCES



Emirates Islamic views its people as its strongest asset. The Bank strengthens organisational culture through different approaches such as providing career development for its employees, redesigning organisation structure, defining roles and responsibilities, introducing new performance management systems and introducing new HR policies to support the performance of its employees.

As part of Emirates Islamic's strategy, Emiratisation remains a key commitment and agenda, with the Bank consistently exceeding its Emiratisation targets. This includes increasing female representation at leadership levels as well as increasing the percentage of Emiratis in defined critical roles.

The Bank continues to invest heavily in the development of Emirati employees by creating a holistic learning environment in which every employee has year-round access to the tools and resources required to acquire core technical and managerial skills.

The Bank demonstrated its commitment to improving organisational culture in 2021. This included the introduction of new core organisational values, which were incorporated into its workforce and policies. Furthermore, the Bank developed various training and communication strategies centered on the new culture and values to ensure that all employees were aligned with the changes.

The Bank continued to navigate the COVID-19 crisis from a people-first perspective, ensuring that all interventions were designed to ensure employee and customer safety and wellbeing. A strong emphasis was placed on areas of mental and emotional wellbeing, as well as creating access to work from home to ensure that employees have complete flexibility to access their work from any location.

Emirates Islamic Human Resources Department is committed to providing incredible experiences with measurable impact in 2022. This will be accomplished by acting as a strategic partner and adding value across four strategic priorities: Governance, Performance, Development and Talent Life Cycle. The department will continue to advance the UAE National Value Proposition while also emphasizing Diversity and Inclusion in order to attract, retain and develop the best talent in the market, thereby making Emirates Islamic a great place to work and grow.

RISK MANAGEMENT



The Risk Management Division (RMD) at Emirates Islamic operates within the overall ambit of regulations governed by the Central Bank of UAE, in compliance with Shariah Authority issued risk management standards and guidelines, in alignment with group risk governance and risk management framework, the Bank's strategy and the Board approved risk appetite statement. In 2021, RMD harnessed its various achievements and learnings to ensure that it focusses on enhanced optimal governance. In 2022 and beyond, in line with the evolving nature of various risks faced by the Bank, RMD will look to evolve its outlook and change the thinking of not just how it views the risk division as a control and mitigation team, but also to use risk as a tool to create value and achieve higher levels of performance.

Risk Governance

Emirates Islamic 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 2022, Emirates Islamic will look to enhance its governance framework to withstand changing regulatory expectations. Additionally, risk governance is also being enhanced to factor in the constant change in the business landscape, as a result of which new risks emerge, giving relatively less time for an organisation to respond.

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 Shariah guidelines and requirements. The function has established a robust credit risk environment wherein the Bank's credit risk strategy is aligned to the Board approved risk appetite statement, and it continues dynamic monitoring which resulted in significant

rationalization of exceptions. The function has built a comprehensive mechanism with an effective credit administration, collateral management, early alert process and suitable information systems to efficiently monitor and mitigate various credit risks at counterparty level and at an overall portfolio level as well. The Bank also ensures that the best global 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 & reserves and the transparent and clear disclosure of credit risk. In 2022, the function will continue to enhance its risk infrastructure to support Emirates Islamic in its growth objective.

Operational Risk

The Operational Risk team works closely with the business lines and subsidiaries to raise operational risk awareness. Key risks across business units are identified and discussed at the Operational Risk Committee (ORC). A process is in place for the collection and reporting of operational risk data. The practice of conducting a risk review, as part of the 'New Product and Process Approval' (NPPA), prior to the launch of any new or amended product/process and running the Operational Risk Assessment Workshops (ORCA), form a cornerstone of the operational risk management activity. This embeds a risk culture across the organisation. Key Risk Indicators (KRI) are used to monitor the level of operational risks across the Bank and subsidiaries.

The business continuity management framework is in place and allows quick reaction to any disruptive event to ensure continuity of operations. Business continuity plans are reviewed and tested at least annually across the Bank, ensuring seamless service to customers and partners during any potential operational disruptions.

Market Risk

Market Risk is the risk of loss of income or market value of assets due to fluctuations in factors such as profit rates, foreign exchange rates, equity, commodity prices, or changes in volatility or correlations of market risk factors. The Bank is exposed to market risk from its client servicing and balance sheet management activities. Market risk limits and framework are approved by Board Risk Committee and established within the Risk Appetite Statement (RAS) subject to regular review and consistent with the Bank's approach to strict compliance with Shariah rules and principles. The Bank's Asset Liability Committee (ALCO), Group Risk Committee (GRC) and Board Risk Committee (BRC) are the Senior Management committees that support Emirates Islamic in managing market risk.



**Together we create
a sustainable
future**

From creating an eco-friendly e-savings account to encouraging the purchase of electric cars and developing an award-winning mobile banking app, sustainability means a lot to us. Let's come together and help create a sustainable future.



BOARD COMMITTEES

Board Audit Committee	
Mr. Mohamed Hamad Obaid Al Shehi	Chairman
Mr. Shoaib Mir Hashem Khoory	Member
H.E. Mohamed Hadi Ahmed Abdulla Al Hussaini*	Member
Mr. Hesham Abdulla Al Qassim**	Member
Mr. Shayne Nelson	Member

*Resigned on 27 September 2021

**Appointed on 27 September 2021

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

Board Nomination and Remuneration Committee	
Mr. Buti Obaid Buti Al Mulla	Chairman
H.E. Mohamed Hadi Ahmed Abdulla Al Hussaini*	Member
Mr. Hesham Abdulla Al Qassim**	Member
Mr. Ali Humaid Ali Al Owais	Member
Mr. Shayne Nelson	Member

*Resigned on 27 September 2021

**Appointed on 27 September 2021

Board Credit and Investment Committee	
Mr. Shoaib Mir Hashem Khoory	Chairman
Mr. Hesham Abdulla Al Qassim	Member
Mr. Mohamed Hamad Obaid Al Shehi	Member
H.E. Mohamed Hadi Ahmed Abdulla Al Hussaini	Member
Mr. Ali Humaid Ali Al Owais	Member
Mr. Shayne Nelson	Member

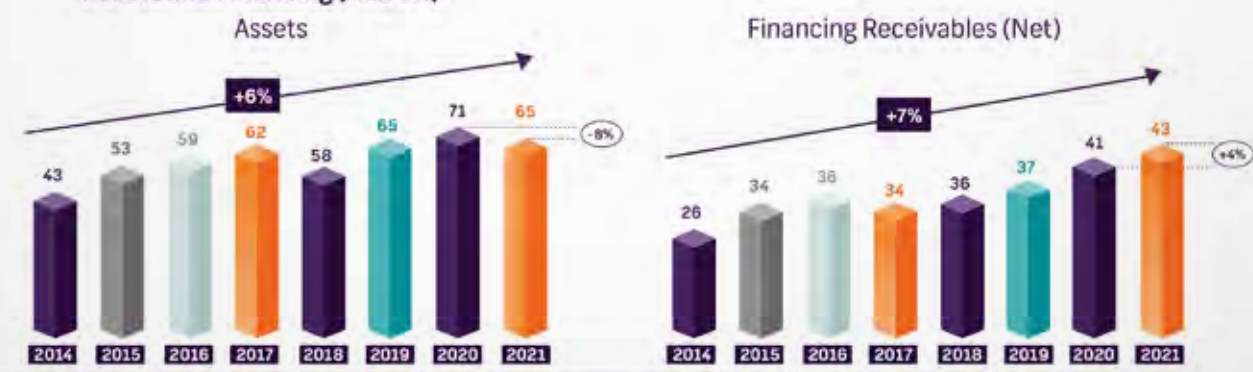
Revenues and Costs (AED Mn)



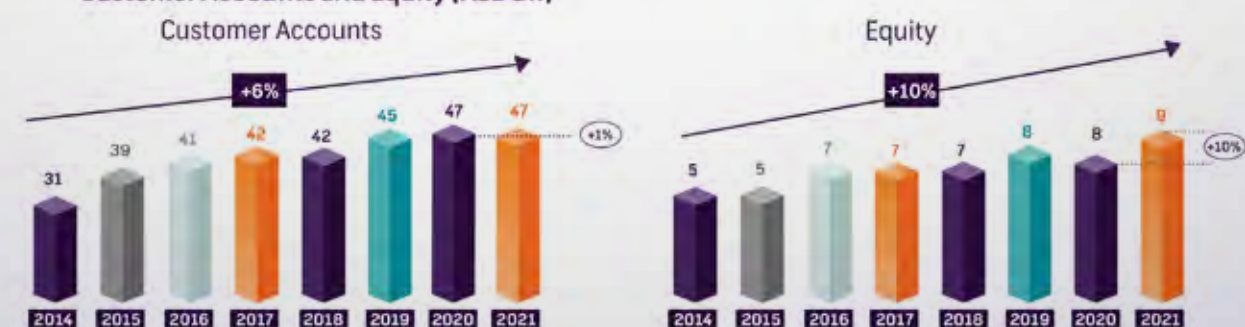
Profits (AED Mn)



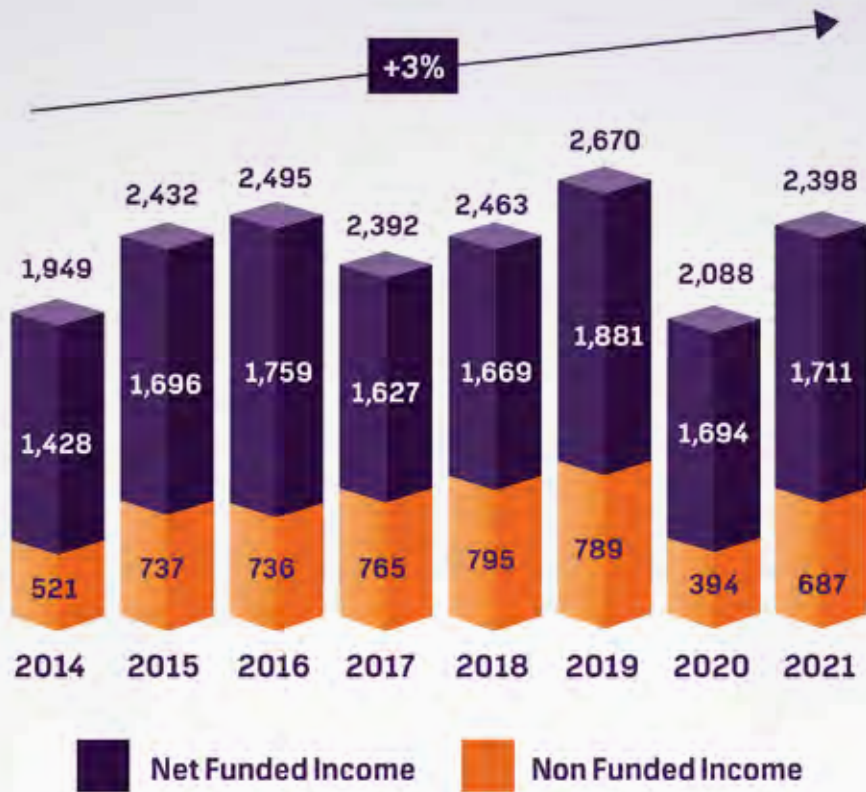
Assets and Financing (AED Bn)



Customer Accounts and Equity (AED Bn)



Sources of Operating Income (AED Mn)



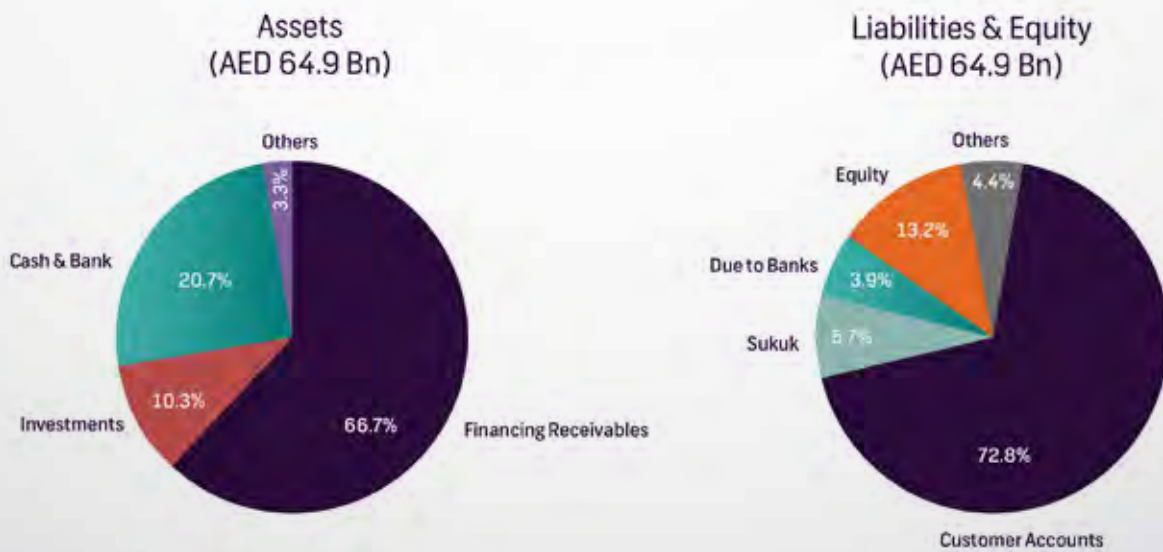
Return on Tangible Equity (%)



Capitalization (AED Bn)



Balance Sheet Analysis



LIST OF BRANCHES AND PAY OFFICE

Branch Name	Branch Location	P. O. Box	Branch Telephone Number
Abu Dhabi & Al Ain			
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
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
Jimi Mall	Jimi Mall, Al Jimi	15095 Al Ain	03-7034520
Khalifa City	Villa No. 104, Sector SE-02, Khalifa City 'A'	46077 Abu Dhabi	02-6134711
Dubai - Bur Dubai			
Al Barsha Mall	Al Barsha Mall, Barsha	6564 Dubai	04-3733211
Al Diyafah	Diyafa Street, opp. Dune Centre, Satwa	6564 Dubai	04-3733205
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
The Dubai Mall	The Dubai Mall, Ground Floor	6564 Dubai	04-3828010
Dubai Souq	Al Souq Al Kabeer Area, Al Falah Street. Toronto Building, Bur Dubai	6564 Dubai	04-3192200
Al Wasl Road	Ferdous Center , Near Union Cooperative society	6564 Dubai	04-3733209
EXPO 2020 Branch	Pavilion C342, Al Wasal Zone	6564 Dubai	04-5031111
Dubai - Deira			
Al Garhoud	Sunshine Building, Next to Al Tayer Showroom, Garhoud	6564 Dubai	04-2822454
Al Mizhar	Aswaq Centre, Near Al Mizhar Mall, Al Mizhar 1	6564 Dubai	04-2845799
Al Twar	Dubai Municipality Building, Ground Level, opp Al Twar Centre	6564 Dubai	04-7023880
Baniyas	Baniyas Road, Al Sabkha Area, Al Sabkha Building	6564 Dubai	04-2023900
Warqaa Mall	Al Warqaa city Mall, Al Warqaa 1	6564 Dubai	04-2367878
Dubai Festival City	Dubai Festival Centre, opp Ikea, 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
Mirdif City Centre	Level 1, Mirdif City Centre	6564 Dubai	04-3733055
Nad Al Hamar	Bel Rumaitha Club Building, Al Rebat Street	6564 Dubai	04-2845999

LIST OF BRANCHES AND PAY OFFICE

Dubai – New Dubai			
Convention Centre	World Trade Centre, Exhibition Hall 1	6564 Dubai	04-3830020
Ibn Batutta Mall	China Court	6564 Dubai	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
Mall of the Emirates	Mall of the Emirates – First Level – Entrance 4	6564 Dubai	
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
Palm Jumeirah	Palm Jumeirah – Nakheel Mall	6564 Dubai	04-3733275
Sharjah & Northern Emirates			
Ajman	Al Jurf 2, close to City Centre Ajman	6688 Ajman	06-5064012
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
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
Al Rahmaniya Mall	Rahmaniya Mall, Ground floor, Emirates Road	5169 Sharjah	06-5064015
Sharjah Court Pay Office	Al Meena Street	5169 Sharjah	06-5282248

LIST OF OFFSITE ATMS

Abu Dhabi
Awqaf Abu Dhabi
The Galleria Mall
Capital Mall
Yas Mall
HH Mohammed bin Zayed Pvt. Office
Ajman
Union Co-operative-Ajman
Ajman Police
Ajman City Center
FEWA Ajman
Last Chance Wholesale Market
Al Ain
Bawadi Mall ATM 1 – Near Carrefour
Bawadi Mall ATM 2 – Near Style Studio
Dubai
Union Co-operative - Jumeirah
Union Co-operative - Al Twar
Union Co-operative- Al Aweer
Souk Al Wasl
Sheikh Ahmed Mosque
Al Bustan Center
Union Co-operative Hamriya
Dubai Immigration
Lulu Hypermarket Al Qusais
Bin Sougat Center, Airport Road
Union Co-operative Al Wasl, Satwa
Dubai Taxi
Saudi German Hospital
Mirdiff City Centre near Etisalat
Etihad Mall
Mall of Emirates
Marina Mall
Deira City Center - Etisalat
Shindga Carrefour
Karama Centre
Emirates Lakes
Dubai Mall Near Costa Coffee GF
Dubai Mall Kidzania SF
Dubai Mall Ice Rink GF
Mega Mart Al Qusais
Aswaaq Super Market Umm Sequim
Dubai Mall – Food court SF
EI Head Office, Bldg 16
Al Ghurair Centre
Al Mulla Plaza
Union Coop, Umm Suqueim
Hyatt Creek Heights
Nawaes madina Al Nahda
Mei'aisem City Centre
Dubai Taxi, Jebel Ali
RITAJ-DIRC

Dubai (Continues)
Mall of Emirates ,near metro link
My City Center Barsha
DLD rental area
Dubai World Central
Hatta hospital
Dewa head office
Dewa Al Quoz
Villaggio Al Nahda
Meydan-P bldg
Belhoul Speciality Hospital
Union Co-operative - Abu Hail
Al Barsha Mall ATM 3
Falcon City Of Wonders
Emirates Auction
Dar Al Wasl
SIRA
Union Co-operative – Nad Al Sheba
Al Nasr Sports Club
Dubai Police Qusais ATM
Business Village DED Bldg
Al Hudaiba Awards Bldg
Blu Tower
Duja Tower SZD
Union Co-operative – Hessa St
EI - VC2 – C105 - Visitor Center 2
EIB - Sustainability Souvenir Area
EIB - Sustainability Souvenir Area
EIB - Mobility Arrival Plaza
EIB - Mobility Arrival Plaza
EIB - VC7 – C128 - Visitor Center 7
Union Co-operative - Al Bada Jumeirah
Fujairah
FEWA Fujairah
Ras Al Khaima
Al Murjan Resort Ras Al Khaimah
FEWA RAK
Al Naeem Mall – RAK
Sharjah
Sharjah Pay Office
Ansar Mall
Rolla Mall
Sharjah International Airport
Mega Mart Sharjah
Sahara Center
FEWA-Dhaid
Pullman Hotel Sharjah
Umm Al Quawain
FEWA UAQ
Senan Hyper Market